[redacted]

(30,230)

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1923

No. 920

MAPLE FLOORING MANUFACTURERS ASSOCIATION, W. D. YOUNG & COMPANY, MITCHELL BROTHERS COMPANY, ET AL., APPELLANTS,

vs.

THE UNITED STATES OF AMERICA

APPEAL FROM THE DISTRICT COURT OF THE UNITED STATES FOR THE WESTERN DISTRICT OF MICHIGAN

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[fol. 1] IN THE

DISTRICT COURT OF THE UNITED STATES, WESTERN DISTRICT OF MICHIGAN

Equity. No. —.

UNITED STATES OF AMERICA, Plaintiff,

v.

MAPLE FLOORING MANUFACTURERS ASSOCIATION et al., Defendants

PETITION—Filed March 5, 1923

I

The Parties

The United States of America, by its Attorney for the Western District of Michigan, acting under the direction of the Attorney General, brings this petition in equity against the Maple Flooring Manufacturers Association, an unincorporated organization, having its office at Room 1038, Stock Exchange Building, Chicago, Illinois, and against the following members, representatives of members, and employees thereof.

[fol. 2] Defendants Members of Defendant Associations

Name	State of incorporation or other description	Location of factory and principal office
W. D. Young & Company	Estate of W. D. Young	Bay City, Mich.
Mitchell Brothers Company	Michigan	Cadillac, Mich.
Wisconsin Land & Lumber Co.	Wisconsin	Hermansville, Mich.
Cobbs & Mitchell, Inc.	Michigan	Cadillac, Mich.
I. Stephenson Co., Trustees	Trusteeship	Wells, Mich.
Cummer-Diggins Co.	Michigan	Cadillac, Mich.
Osgood & Blodgett Mfg. Co.	Minnesota	St. Paul, Minn.
Holt Hardwood Company	Wisconsin	Oconto, Wis.
Kerry & Hanson Flooring Company.	Michigan	Grayling, Mich.
East Jordan Lumber Co.	Michigan	East Jordan, Mich.
Nichols & Cox Lumber Co.	Michigan	Grand Rapids, Mich.
Strable Lumber & Salt Co.	Michigan	Saginaw, Mich.
Foster-Latimer Lumber Co.	Wisconsin	Mellen, Wis.
West Michigan Flooring Co.	Copartnership	Manistee, Mich.
J. W. Wells Lumber Co.	Michigan	Menominee, Mich.
Northwestern Cooperage & Lumber Co.	Michigan	Gladstone, Mich.
Flanner-Steger Land & Lumber Co.	Wisconsin	Blackwell, Forest Co., Wis.
Grand Rapids Trust Company, as Receiver for William Horner.	Michigan	Newberry & Reed City, Mich.
North Branch Flooring Company.	Illinois	Chicago, Ill.
The Bigelow Copper Co.	Michigan	Bay City, Mich.
Kneeland-McLurg Lumber Co.	Wisconsin	Phillips, Wis.
Oval Wood Dish Corporation.	Delaware	Tupper Lake, N. Y.

Individual Defendants

Name	Affiliation	Address
George R. Keehn.....	Maple Flooring Manufacturers Association.	Stock Exchange Bld., Chicago, Ill.
B. P. Whedon.....	W. D. Young & Company....	Bay City, Mich.
M. E. Thomas.....	Mitchell Bros. Co.....	Cadillac, Mich.
G. W. Earle.....	Wisconsin Land & Lumber Co.	Hermansville, Mich.
H. H. Shepeck.....	I. Stephenson Co., Trustees..	Wells, Mich.
J. L. Colby.....	Cummer-Diggins Co.....	Cadillac, Mich.
F. S. Blodgett.....	Osgood & Blodgett Mfg. Co..	St. Paul, Minn.
W. L. De Wit.....	Holt Hardwood Company....	Oconto, Wis.
F. R. Walsh.....	Kerry & Hanson Flooring Company.	Grayling, Mich.
J. A. Porter.....	East Jordan Lumber Comber Company.	East Jordan, Mich.
F. E. Holland.....	Nichols & Cox Lumber Co...	Grand Rapids, Mich.
George Strable.....	Strable Lumber & Salt Co..	Saginaw, Mich.
H. I. Latimer.....	Foster-Latimer Lumber Co..	Mellen, Wis.
[fol. 3] Edwin Bolmer, W. H. Green, Mary Bolmer.	West Michigan Flooring Company.	Manistee, Mich.
A. C. Wells, H. C. Law.	J. W. Wells Lumber Company.	Menominee, Mich.
J. D. Staple.....	Northwestern Cooperage & Lumber Co.	Gladstone, Mich.
P. D. Flanner.....	Flanner-Steger Land & Lumber Co.	Blackwell, Forest Co., Wis.
T. M. Ralston.....	Grand Rapids Trust Company, Receiver for William Horner.	Newberry & Reed City, Mich.
C. A. Brand.....	North Branch Flooring Company.	Chicago, Ill.
J. E. Dewey.....	The Bigelow-Cooper Co.....	Bay City, Mich.
P. S. McClurg.....	Kneeland-McClurg Lumber Company.	Phillips, Wis.
F. M. Hedges.....	Oval Wood Dish Corporation.	Tupper Lake, N. Y.

Defendants B. P. Whedon, George R. Keehn, M. E. Thomas, and A. C. Wells are respectively the President, Secretary, Vice President, and Treasurer of the defendant Maple Flooring Manufacturers Association. Said association will be hereinafter referred to as the defendant association, the members as the defendant corporations, the officers and representatives of the members and of the defendant association as the individual defendants, and all collectively as the defendants.

II

Jurisdiction and Object

Many of the defendant corporations maintain their principal offices and have their mills for the manufacturing of flooring within this district and they there manufacture large quantities of maple, beech, and birch flooring. The defendants make sales of the floor- [fol. 4] ing manufactured by them from their said offices in this district, and they thereupon ship said flooring in interstate trade

and commerce from this district into other States, to the wholesale and retail lumber dealers who have contracted for its purchase. Said sales and shipments are made pursuant to and in conformity with the restrictive practices and agreements which are hereinafter described, and said practices and agreements are enforced from the offices in this district of the individual defendants M. E. Thomas and A. C. Wells, as respectively the Vice President and the Treasurer of the defendant association.

This petition is brought under the privisions of section 4 of the Act of Congress of July 2, 1890, entitled "An Act to protect trade and commerce against unlawful restraints and monopolies" (26 Stat. 209), known as the Sherman Antitrust Act, to prevent and restrain the aforesaid defendants from further engaging, in this district and elsewhere in the United States, in violation of the said Act of Congress, in a combination and conspiracy to restrain the manufacture of maple, beech, and birch flooring, its transportation in interstate trade and commerce, and its sale in the course of said trade and commerce in all of the States of the United States and in the District of Columbia.

[fol. 5]

III

Description of the Industry

The defendant corporations are engaged in the business of manufacturing maple, beech, and birch flooring, which is extensively used throughout the country in the construction of residences and other buildings. Approximately half of the defendant corporations own timber lands and saw mills as well as flooring mills, and they conduct logging operations and saw the rough lumber which they use for the manufacture of flooring. The other defendant corporations purchase rough flooring lumber in the open market and manufacture the same into finished flooring. The membership of defendant association comprises practically all of the manufacturers of maple, beech, and birch flooring within the States of Michigan, Illinois, Wisconsin, and Minnesota and it represents approximately seventy per cent of the total manufacturing capacity of such flooring in the United States.

IV

The Combination and Conspiracy and Relation of Defendants Thereto

The defendant corporations, from the date each became a party to any or all of the hereinafter described contracts or Articles of Association or Minimum Price Plans of the defendant association, and during all of the time that each has been a party thereto, and the individual defendants, from the date each became a representa-
[fol. 6] tive to the defendant association of a member thereof, or became an officer or an employee thereof, and during all of the time

that each has been such representative, officer, or employe, have contracted, combined, and conspired with each other to eliminate all competition between the members of the defendant association in manufacturing, transporting, and selling in interstate trade and commerce the maple, beech, and birch flooring manufactured by them in the States of Minnesota, Wisconsin, Illinois, Michigan, and New York, transported therefrom, and sold in the course of interstate trade and commerce in all of the States of the United States and in the District of Columbia, in violation of Section 1 of the Act of Congress of July 2, 1890, entitled "An Act to protect trade and commerce against unlawful restraints and monopolies" (26 Stat. 209), known as the Sherman Antitrust Act.

V

The Means

Said combination and conspiracy was brought about and accomplished and is now being maintained in the manner and by the means now stated, viz:

(1) Association Organization and Early Activities

The defendant association has been in existence since 1895, and it was reorganized by a mutual agreement or Articles of Association entered into by the defendant corporations and by other manufacturers of flooring under date of January 1, 1913, and it has been continued in existence by other mutual agreements or Articles of [fol. 7] Association entered into by them at various dates thereafter. It is now being maintained under and in accordance with the provisions of Articles of Association dated January 1, 1922, which will be in effect until January 1, 1925. All of the defendant corporations are now parties to said Articles of Association, and through the individual defendants as their representatives they take an active part in all of the activities of the defendant association. All of the aforesaid Articles of Association have provided for the formal organization of the defendant association with headquarters at Chicago, Ilinois; for the usual officers and a board of trustees to supervise and manage its activities; for a special fund or membership fee fund as a guaranty for the fulfilment of the obligations assumed by its members, and for an expense fund created and maintained by assessments levied on its members. Said Articles of Association prior to those of January 1, 1922, also established a pooling arrangement between the members of the defendant association by allotting to each member a certain percentage of the total business, by creating a general fund through payments from all members on shipments over their prescribed allotted percentages, and by providing for payments from said general fund to members shipping less than their prescribed allotments. The defendant corporations operated under this arrangement for the pooling of their

businesses continuously from January 1, 1913, until on or about March 31, 1920.

[fol. 8] (2) Minimum Price Agreements

Under dates respectively of July 1, 1916, July 1, 1919, and January 6, 1921, the defendant corporations and the other manufacturers of flooring who were members of the defendant association on said dates, entered into mutual agreements termed "Minimum Price Bases" or "Minimum Price Plans," each of which constituted an amendment to the Articles of Association under which the defendant association was being maintained. By said minimum price plans the defendant corporations agreed to establish minimum prices for the sale of maple, beech, and birch flooring, and not to sell any such flooring below said minimum prices. Said plans specified certain elements which should be used as the basis for determining an average cost of manufacturing and selling flooring, and the average percentage of net profit which should be added to said average cost in order to establish said minimum prices. Said plans also provided that said minimum prices should be the delivered prices in the "Table of Values" in the "Association Rate Book and Index of Towns," which is hereinafter described, and specified the concessions and commissions which could be allowed and the terms of sale that should be enforced.

[fol. 9] (3) The Present Method of Establishing Minimum Prices

In and by the aforesaid Articles of Association of January 1, 1922, the defendants substituted for the aforesaid Minimum Price Plans a statement of policy to the effect that a careful consideration of the question of cost is recognized as the only scientific method of conducting the business of manufacturing and marketing maple, beech, and birch flooring, and provisions that the defendant association furnish to its members information regarding the average cost of such flooring when manufactured, sold, and delivered F. O. B. cars at the flooring plants, as determined from time to time by surveys of costs. Said agreement specifies that certain enumerated fundamental elements are to be considered as entering into and determining such average costs, and said elements are identical with those employed in accordance with the aforesaid minimum price plans for the determination of minimum prices. The elements specified as entering into costs, both by the aforesaid Minimum Price Plans and by said Articles of Association, themselves contain many items of profit. With the addition to said so-called "costs" of a percentage thereof to allow profit under said Minimum Price Plans, or to constitute "a reasonable allowance to provide for contingencies or unforeseen hazards incident to manufacturing operations," which was substituted for the item of profit by said Articles of Association, said so-called "average costs," as well as said minimum prices, in fact have [fol. 10] represented and now represent all possible elements of actual cost and also large profits to the defendant corporations.

In accordance with the aforesaid minimum price plans and with said 1922 Articles of Association, the defendants from time to time from 1913 until the present date have made surveys of costs, have determined therefrom minimum prices or so-called "average costs," and have recommended that the defendant corporations should not sell flooring at prices below said minimum prices or below said so-called "average costs." The defendant corporations have at all times during said period accepted and acted upon said recommendations, and have concertedly established and maintained as the basis of their individual selling prices, the minimum prices or so-called average costs determined as heretofore described, and by concertedly maintaining the same, and also the uniform terms of sale, the uniform rules with regard to allowing cash discounts, the uniform commissions, and the uniform rules regarding the allowance of commissions and concessions, which were established by and in accordance with said Minimum Price Plans, they have always maintained during said period, and they still maintain, a practical uniformity between themselves of net f. o. b. selling prices.

(4) Freight Rate Books

In connection with the aforesaid determinations of minimum prices or of so-called average costs, the defendant association has [fol. 11] from time to time prepared and distributed to the defendant corporations so-called freight rate books. Said books contain tables of the freight rates from Cadillac, Michigan, to many cities and towns in all of the States of the United States. They also contain an average cost chart showing the average costs f. o. b. cars of the principal items of maple flooring in the three established grades; tables of differentials for the determination of average costs of all other kinds of maple, beech, and birch flooring by additions to or subtractions from said average cost chart; statements of the extra charges for special grades, for special sizes, and for special lengths; statements of the terms of sale and of the rules for allowing cash discounts; and delivered cost charts showing the average so-called cost of any item of flooring, including the freight from Cadillac, Michigan, when delivered at any destination. By means of said freight rate books, the defendants from 1913 continuously until the present date have been enabled to determine the delivered "minimum price" for any item of maple, beech, or birch flooring at any destination in the United States, in accordance with the aforesaid Minimum Price Plans, or the so-called "average cost" thereof in accordance with the 1922 Articles of Association. The defendants agreed to adopt and have concertedly adopted Cadillac, Michigan, as an arbitrary freight basing point from which they compute and charge freight, regardless of the point from which each may actually ship flooring. They also agreed to adopt, and have concertedly [fol. 12] adopted and used, and they still continue to use, the minimum prices or so-called average costs stated in said Freight Rate Books, as the basis of their individual selling prices, and by concertedly maintaining the same and also the uniform charges and

practices heretofore described, they have always maintained, and they still maintain, a practical uniformity between themselves of net delivered prices.

(5) Open Price Reporting Plan

The defendants adopted and for many years have operated under a so-called open price reporting plan, or open competition plan, and said plan is included in the aforesaid Articles of Association of January 1, 1922. In accordance therewith the defendant corporations render the following reports to defendant George R. Keehn, as Secretary of the defendant association:

(a) Monthly report of stocks on hand of Maple, Beech, and Birch flooring at the end of the previous month.

(b) Monthly report of unfilled orders on hand for Maple, Beech, and Birch flooring at the end of the previous month.

(c) Monthly report of the amount in feet of shipments made during the previous month of all kinds of Maple, Beech, and Birch flooring for use within the United States, except Maple, Beech, and Birch flooring purchased from other members of the defendant association.

(d) Monthly report of production of Maple, Beech, and Birch flooring during the previous month.

[fol. 13] (e) Report of new orders booked for Maple, Beech, and Birch flooring during the previous month.

(f) Monthly report of average prices realized F. O. B. flooring plant, after deducting freight, for 13/16" x 3½" face clear No. 1 and factory Maple flooring, standard grades and lengths, sold during the previous month.

(g) Weekly report of all sales of flooring, stating for each individual sale the quantity and grade of flooring sold, the delivered price sold at, the average freight rate to destination of shipment, and the commissions paid, if any.

(h) Quarterly report of manufacturing and marketing costs per thousand feet of flooring.

Said defendant George R. Keehn, as secretary of the defendant association, receives and compiles the aforesaid reports and prepares therefrom and distributes to the defendant corporations the following statistical reports:

(a) Monthly stock conditions and barometer report, containing statistics and graphical representations comparing the combined figures of the same reporting members for the preceding month and for the same month of the preceding year as to: stocks on hand, unfilled orders, shipments, production, new business booked, and average values; and also as to each of these a statement of the per-

centage of increase or decrease for the preceding month in comparison with the comparable figures for the preceding year.

(b) Monthly report of Maple, Beech, and *and* Birch flooring sta- [fol. 14] tistics for the preceding month compared with the same month of the preceding year, showing for each member individually the stock on hand and unfilled orders as of the last of the preceding month and of the same month of the preceding year; the shipments, production, new orders, and stock changes of each member for the preceding month in comparison with the same month of the preceding year, and the total of these statistics for all of the members and the percentages of increase or decrease in comparison with similar statistics for the same month of the preceding year.

(c) Monthly report of average prices realized for the preceding month in comparison with the same month of the preceding year, showing the average prices after deducting freight and commissions on new orders booked for three representative items of maple flooring; the average prices realized being given for all of the members, for each member individualy, and for seven geographical groups of members.

(d) Monthly report showing for each kind, grade, and size of flooring the amount on hand the first of the preceding month, the unfilled orders on hand on the same day, and the surplus stocks.

(e) Weekly report of sales made during the preceding week, showing in consecutive columns from left to right: the date of the sale, the quantity of lumber sold, the description of the lumber sold (dimension and grade), the delivered price, the average freight rate, the commissions paid, if any, and the index number of the mill making the sale.

[fol. 15] (f) Quarterly "Survey of Costs," showing the average manufacturing and marketing cost per thousand feet of flooring.

(g) Quarterly report of average costs, showing the approximate relative average costs of flooring products of the standard sizes and grades F. O. B. cars at the flooring mills, based on the average cost of rough flooring lumber F. O. B. cars at flooring mills, the average manufacturing and marketing costs, and test runs indicating the proportions of the grades and faces of flooring produced from the lumber used.

(h) "Trend of Average Sales," recently inaugurated and not heretofore issued at regular intervals, showing for the weeks ending August 5, 1922, and thereafter until October 14, 1922, the averages of delivered prices, the averages of average freight rates, the average cost of freight, and the averages of prices realized F. O. B. Michigan and Wisconsin mills, of one item of Maple flooring in standard grades and lengths.

(i) Semiannual report containing statistics similar to those described heretofore in subparagraphs (a), (b), (c), and (d) of this

paragraph, but covering the preceding half of the calendar year and contrasted with comparable statistics for the same half of the preceding year.

(j) Annual report, containing statistics similar to those described heretofore in subparagraphs (a), (b), (c) and (d) of this para- [fol. 16] graph, but covering the preceding calendar year and contrasted with comparable statistics for the next preceding year.

Each defendant knows the index number of each of the defendant corporations, and is therefore fully advised as to every detail, excepting the name of the purchaser and the destination of the shipment, of every sale of flooring made by every member of the defendant association. The aforesaid monthly statistical reports are published in certain trade papers, but at such times that the defendants have the information contained therein considerably earlier than does the general public. The distribution of the weekly detailed information as to sales and prices is strictly confined to the defendant corporations.

(6) Association Meetings

Prior to 1922, defendant George R. Keehn, as secretary of the defendant association, generally transmitted the aforesaid statistical reports of the open competition plan to the defendant corporations accompanied with his comments interpreting the same, and with statements and comments regarding general conditions in the industry. Since 1921, the defendants have substituted for said written comments and statements the system of holding frequent meetings, and they now assemble monthly at association meetings and discuss the prices and the supplies of rough flooring lumber, the costs of manufacturing and selling flooring, the conditions of supply and [fol. 17] demand in the flooring industry, and trade conditions and the flooring situation in general, and especially as reflected by the statistical reports of the defendant association. In short, they exchange with each other at said meetings, all the information which they have, and all the experiences which they have had in their several businesses, which can be of general interest to them as manufacturers of maple, beech, or birch flooring.

For use at the aforesaid monthly meetings defendant George R. Keehn secures from the defendant corporations, on blank forms distributed by him, information as to orders, production, and shipments for the portion of each month preceding its monthly meeting. These data are compiled and are discussed at said meetings, and the defendants forecast therefrom the probable amounts of orders, of shipments, and of production for the entire month, and then compare the same with similar data for preceding months. The Committee on Coast Surveys of the defendant association also frequently reports at said meetings respecting the supplies of rough flooring lumber and gives its opinion as to the actual market value of such lumber and as to the average cost of manufacturing and marketing flooring.

(7) Uniform Trade-mark and Grading Rules

The defendant association has adopted a trade-mark, which is used by the defendant corporations under and in accordance with [fol. 18] the terms of uniform trade-mark license agreements which have been entered into between each of them and said association. Said agreements grant each of said defendant corporations the right to use the uniform association trade-mark, followed by the index number of the individual corporation, so long as each continues a member in good standing of the defendant association, and provide that each member so licensed shall maintain the standard grades of flooring established by the defendant association and shall be subject to inspection by the association inspectors for the purpose of seeing that said standard grades are properly maintained. Standard grades and also detailed grading rules have been adopted and copyrighted by the defendant association, and they are now being uniformly and concertedly maintained by the defendants.

(8) Association Advertising

The defendant association has for a number of years conducted, and is still conducting, an extensive advertising campaign for the purpose of promoting the use of maple, beech, and birch flooring and of emphasizing that purchasers should secure flooring bearing the aforesaid association trade-mark. Said advertisements carry the name of the defendant association alone, and not the names of its members, and they state that flooring bearing the association trade-mark is standardized and guaranteed by the defendant association. Many of said advertisements contain price propaganda urging [fol. 19] purchases of flooring at the time of the publication of said advertisements on the ground of the price being fully adjusted to then existing conditions. Inquiries received in answer to said advertisements are bulletined by the defendant association to the defendant corporations.

VI

The Results

The aforesaid surveys or reports of average costs and the tables of delivered values constitute a uniform basis on which the defendants establish their individual selling prices irrespective of their individual costs; and, together with the weekly report giving detailed information as to every sale made by every defendant, with the uniform use of the freight-basing point, and with the maintenance of the uniform trade practices, they have practically eliminated all *price* competition between the defendants. The use of the uniform trade-mark and the character of the advertising put out by the defendant association intensify the tendency to establish and maintain uniform prices and also practically eliminate all competition between the defendants based on the quality of their respective products.

The elaborate information furnished the defendants by the re-

porting system of the defendant association enables them to forecast the trend of conditions in the industry and the course of prices, [fol. 20] gives them an unfair advantage over the general public, and prevents the free operation of the economic law of supply and demand. The discussions at the meetings intensify this condition, and tend to cause, and do cause, the substitution on the part of the defendants of uniform and concerted action for individual action. The reporting plan and the discussions at the monthly meetings also tend to accelerate upward movements of prices, and to retard downward movements, whenever either may be naturally caused by economic conditions.

Summarily stated, the unlawful combination and conspiracy hereinbefore described has resulted in eliminating the competition to which the public is entitled, which the law contemplates, and which, but for said combination and conspiracy, would exist between defendant corporations in the manufacture and sale of maple, beech, and birch flooring, and constitutes an unreasonable and unlawful restraint of interstate trade and commerce within the meaning of the Sherman Antitrust Act.

VII

Prayer

Wherefore petitioner prays:

1. That writs of subpœna issue, directed to each and every of the defendants, commanding them to appear herein and answer, but not under oath (answer under oath being hereby expressly waived), [fol. 21] the allegations contained in this petition, and to abide by and perform such orders and decrees as the court may make in the premises.

2. That the court, upon final hearing of this cause, adjudge and decree the Maple Flooring Manufacturers Association in and of itself to be an unlawful instrumentality organized, operated, and maintained solely for the purpose of carrying into effect the unlawful combination and conspiracy in restraint of interstate trade and commerce in Maple, Beech, and Birch flooring, hereinbefore described, in violation of Section 1 of the Act of Congress of July 2, 1890, entitled "An Act to protect trade and commerce against unlawful restraints and monopolies" (26 Stat. 209).

3. That the court, upon final hearing of this cause, adjudge and decree that the defendants have engaged in a combination and conspiracy in restraint of interstate trade and commerce in Maple, Beech, and Birch flooring in the manner and by the means hereinbefore described, in violation of the act of Congress of July 2, 1890, entitled "An Act to protect trade and commerce against unlawful restraints and monopolies" (26 Stat. 209), and that they and their officers, directors, and agents be perpetually enjoined, individually and collectively, from further engaging in, carrying out, or maintaining the said combination and conspiracy, or any other of like

character and effect, and particularly from further employing any or all of the above-described means of carrying out said combination and conspiracy.

[fol. 22] 4. That plaintiff have such other, further, and general relief as the nature of the case may require and the court may deem proper.

United States of America, by Edward J. Bowman, United States Attorney for the Western District of Michigan. H. M. Daugherty, Attorney General. A. T. Seymour, Assistant to the Attorney General. C. Stanley Thompson, Special Assistant to the Attorney General.

March, 1923.

[fol. 23] DISTRICT COURT OF THE UNITED STATES

[Title omitted]

APPEARANCE—Filed March 26, 1923

We hereby enter the appearance of Maple Flooring Manufacturers Association, an unincorporated organization, W. D. Young & Company, a corporation, Mitchell Brothers Company, a corporation, Wisconsin Land & Lumber Co., a corporation, Cobbs & Mitchell, Inc., a corporation, I. Stephenson Co. a corporation, Cumner-Diggins Co., a corporation, Osgood & Blodgett Mfg. Co., a corporation, Holt Hardware Company, a corporation, Kerry & Hanson Flooring Company, a corporation, East Jordan Lumber Co., a corporation, Nichols & Cox Lumber Co., a corporation, Strable Lumber & Salt Co., a corporation, Foster-Latimer Lumber Co., a corporation, West Michigan Flooring Co., a corporation, J. W. Wells Lumber Co., a corporation, Northwestern Cooperage & Lumber Co., a corporation, Flanner-Steger Land & Lumber Co., a corporation, Grand Rapids Trust Company, as Receiver for William Horner, North Branch Flooring Company, a corporation, The Bigelow Copper Co., a corporation, Kneeland-McClurg Lumber Co., a corporation, Oval Wood Dish Corporation, George R. Keehn, B. P. Whedon, M. E. Thomas, G. W. Earle, H. H. Shepeck, J. L. Colby, F. S. Blodgett, W. L. De Wit, F. R. Walsh, J. A. Porter, F. E. Holland, George Strable, H. I. Latimer, [fol. 24] Edwin Bolmer, W. H. Green, Mary Bolmer, A. C. Wells, H. C. Law, J. D. Staple, P. D. Flanner, T. M. Ralston, C. A. Brand, J. E. Dewey, P. S. McClurg, and F. M. Hedges, defendants herein, and our own appearance as their solicitors.

Neuman, Poppenhusen, Stern & Johnston, 11 So. La Salle St., Chicago, Ill. Travis, Merrick, Warner & Johnson, Solicitors for said Defendants.

Dated Grand Rapids, Michigan, March 26th, 1923.

[fol. 25] IN UNITED STATES DISTRICT COURT

[Title omitted]

STIPULATION—Filed March 26, 1923

It is hereby stipulated by and between the plaintiff and the defendants, through and by their respective attorneys, that the time within which the defendants and each of them may plead by answer or motion, is hereby extended to and including May 1, 1923.

Dated March 26, 1923.

Edward J. Bowman, Attorney for Plaintiff. Travis, Merrick, Warner & Johnson, Attorneys for Defendants.

[fol. 26] IN UNITED STATES DISTRICT COURT

[Title omitted]

ORDER EXTENDING TIME—Filed March 26, 1923

On stipulation of the parties, and for good cause shown, it is now ordered that the defendants and each of them have and they are given to and including May 1, 1923, within which to plead by answer or motion.

Dated March 26, 1923.

C. W. Sessions, United States District Judge.

[fol. 27] IN UNITED STATES DISTRICT COURT

[Title omitted]

MOTION TO DISMISS—Filed May 26, 1923

I

And now come all the defendants in the above entitled cause and each of them and move the court to dismiss the petition filed in this cause because said petition does not state any matter of equity entitling plaintiff to the relief prayed for, nor are the facts as stated in said petition sufficient to constitute a valid cause of action in equity or to entitle plaintiff to any relief against these defendants or any of them.

II

Defendants and each of them move the court to dismiss Paragraph IV of said petition, which reads as follows:

"The defendant corporations, from the date each became a party to any or all of the hereinafter described contracts or Articles of Association or Minimum Price Plans of the defendant association, and during all of the time that each has been a party thereto, and the individual defendants, from the date each became a representative to the defendant association of a member thereof, or became an officer or an employee thereof, and during all of the time that each has been such representative, officer, or employee, have contracted, combined, and conspired with each other to eliminate all competition between the members of the defendant association in manufacturing, transporting, and selling in interstate trade and commerce the maple, beech, and birch flooring manufactured by them in the States of Minnesota, Wisconsin, Illinois, Michigan, and New York, [fol. 28] transported therefrom, and sold in the course of interstate trade and commerce in all of the States of the United States and in the District of Columbia, in violation of Section 1 of the Act of Congress of July 2, 1890, entitled 'An Act to protect trade and commerce against unlawful restraints and monopolies' (26 Stat. 209,) known as the Sherman Antitrust Act."

for the reason that it is indefinite and uncertain, in that the plaintiff does not aver when the defendants, or any of them, became parties to any of the contracts, articles of association, or minimum price plans therein mentioned, nor during what period of time the defendants, or any of them, were parties thereto, nor when the individual defendants became representatives to the defendant association of members thereof, nor when any of the individual defendants became officers or employes of the defendant association, nor when the defendants, or any of them contracted, combined or conspired to eliminate all competition between the members of the defendant association as alleged in said Paragraph IV.

III

Defendants and each of them move the court to dismiss that part of Section (1) of Paragraph V of said petition which reads as follows:

"The defendant association has been in existence since 1895, and it was reorganized by a mutual agreement or Articles of Association entered into by the defendant corporations and by other manufacturers of flooring under date of January 1, 1913, and it has been continued in existence by other mutual agreements or Articles of Association entered into by them at various dates thereafter. * * * Said Articles of Association prior to those of January 1, 1922, also established a pooling arrangement between the members

of the defendant association by allotting to each member a certain percentage of the total business, by creating a general fund through payments from all members on shipments over their prescribed allotted percentages and by providing for payments from said general fund to members shipping less than their prescribed allotments. The defendant corporations operated under this arrangement for the pooling of their businesses continuously from January 1, 1913, until on or about March 31, 1920."

[fol. 29] for the following reasons:

(1) That said portion of Section (1) of paragraph V above quoted wherein it is alleged that the defendant association has been in existence since 1895 is repugnant to the averment in Section (1) of Paragraph V of said petition that the defendant association is now being maintained under and in accordance with the provisions of Articles of Association dated January 1, 1922, which will be in effect until January 1, 1925.

(2) That it appears in and by said bill that the Maple Flooring Manufacturers' Association is an unincorporated organization and that as a matter of law came into existence on January 1, 1922, and that it is a separate and distinct organization and entirely different from any previous association having the same name.

(3) That what was done by members of any previous association or associations, or by the defendants, or any of them previous to January 1, 1922, is irrelevant and immaterial as a matter of law, in that said petition shows that on January 1, 1922, the Maple Flooring Manufacturers' Association came into existence for the first time and that the Articles of Association prior to January 1, 1922, had expired, and that the practices mentioned in that portion of Paragraph V above quoted ceased on or about March 31, 1920.

(4) That is it not charged in and by said petition that the matters and things done by the said defendants at any time were so done with an unlawful purpose or intent; that that portion of Section (1) of Paragraph V of the petition above set forth is a mere statement of evidence and contrary to Rule 25 of the Rules of Prac-[fol. 30] tice in Equity, and that upon a hearing of this cause such evidence would be irrelevant, incompetent and immaterial, for the reason that the plaintiff does not charge the defendants, or any of them, with an unlawful purpose or intent.

IV

Defendants and each of them move the court to dismiss Section (2) of Paragraph V of said petition, which reads as follows:

"Under dates respectively of July 1, 1916, July 1, 1919, and January 6, 1921, the defendant corporations and the other manufacturers of flooring who were members of the defendant association on

said dates, entered into mutual agreements termed 'Minimum Price Bases' or 'Minimum Price Plans,' each of which constituted an amendment to the Articles of Association under which the defendant association was being maintained. By said minimum price plans the defendant corporations agreed to establish minimum prices for the sale of maple, beech, and birch flooring, and not to sell any such flooring below said minimum prices. Said plans specified certain elements which should be used as the basis for determining an average cost of manufacturing and selling flooring, and the average percentage of net profit which should be added to said average cost in order to establish said minimum prices. Said plans also provided that said minimum prices should be the delivered prices in the 'Table of Values' in the 'Association Rate Book and Index of Towns,' which is hereinafter described, and specified the concessions and commissions which could be allowed and the terms of sale that should be enforced."

for the following reasons:

(1) That it appears in and by Section (3) of Paragraph V of said petition, that the minimum price agreements mentioned in said portion of Paragraph V above quoted, were discontinued on or about January 1st, 1922.

(2) That the said petition does not charge the defendants or any of them, with an unlawful intent or purpose either in their present or in their alleged past operations. Neither is it alleged in said petition that there is any likelihood or danger of the defendants' resuming the price agreements mentioned in Section (2) of Paragraph V above quoted.

[fol. 31] (3) That the present Maple Flooring Manufacturers' Association did not come into existence until January 1st, 1922, as shown in Sections (1) and (3) of Paragraph V of said petition.

(4) That said Section (2) of Paragraph V of said petition is indefinite and uncertain, in that it does not set forth any of the agreements therein mentioned, nor the elements which it is alleged were used as a basis for determining an average cost of flooring, nor the alleged percentage of profit, nor the concessions and commissions therein mentioned.

(5) That it is not alleged the flooring therein mentioned was maple, birch or beech flooring, nor that it was sold in interstate commerce by the defendants, or any of them, nor that the minimum prices therein mentioned were unreasonable or did not represent the fair market value of said flooring, or that any of said agreements were ever acted upon by the defendants or any of them.

V

The defendants and each of them, move the court to dismiss that portion of Section (3) of Paragraph V of said petition with reads as follows:

"In and by the aforesaid Articles of Association of January 1, 1923, the defendants substituted for the aforesaid Minimum Price Plans a statement of policy to the effect that a careful consideration of the question of cost is recognized as the only scientific method of conducting the business of manufacturing and marketing maple, beech, and birch flooring, and provisions that the defendant association furnish to its members information regarding the average cost of such flooring when manufactured, sold, and delivered F. O. B. cars at the flooring plants, as determined from time to time by surveys of costs."

for the following reasons:

[fol. 32] (1) That it is indefinite and uncertain, in that a copy of the Articles of Association is not set forth therein, neither is one attached to said petition, and the averment above mentioned is a conclusion.

VI

The defendants and each of them move the court to dismiss that portion of Section (3) of Paragraph V of said bill which reads as follows:

"Said agreement specifies that certain enumerated fundamental elements are to be considered as entering into and determining such average costs, and said elements are identical with those employed in accordance with the aforesaid minimum price plans for the determination of minimum prices."

for the reason that it is indefinite and uncertain in that the fundamental elements enumerated in said alleged agreement are not set forth.

VII

The defendants, and each of them, move the court to dismiss that portion of Section (3) of Paragraph V of said petition which reads as follows:

"The elements specified of entering into costs, both by the aforesaid Minimum Price Plans and by said Articles of Association, themselves contain many items of profit."

for the reasons:

(1) That it is a conclusion.

(2) That is is not alleged what the items of profit were.

VIII

The defendants, and each of them, move the court to dismiss that portion of Section (3) of Paragraph V of said petition which reads as follows:

"With the addition to said so-called 'costs' of a percentage thereof to allow profit under said Minimum Price Plans, or to constitute 'a reasonable allowance to provide for contingencies or unforeseen hazards incident to manufacturing operations,' which was substituted for the item of profit by said Articles of Association, said so-called 'average costs,' as well as said minimum prices, in fact have rep- [fol. 33] resented and now represent all possible elements of actual cost and also large profits to the defendant corporations."

for the reasons:

(1) That it is a conclusion.

(2) That it is not averred what percentage was added in order to provide for contingencies, etc.

(3) That it is not stated wherein the average costs and the alleged percentage represented 'large profits,' neither is it averred that the 'large profits' were unreasonable.

IX

The defendants, and each of them, move the court to dismiss that portion of Section (3) of Paragraph V of said petition which reads as follows:

"In accordance with the aforesaid minimum price plans and with said 1922 Articles of Association, the defendants from time to time from 1913 until the present date have made surveys of costs, have determined therefrom minimum prices or so-called 'average costs,' and have recommended that the defendant corporations should not sell flooring at prices below said minimum prices or below said so-called 'average costs.' The defendant corporations have at all times during said period accepted and acted upon said recommendations, and have concertedly established and maintained as the basis of their individual selling prices, the minimum prices or so-called average costs determined as heretofore described, and by concertedly maintaining the same, and also the uniform terms of sale, the uniform rules with regard to allowing cash discounts, the uniform commissions, and the uniform rules regarding the allowance of commissions and concessions, which were established by and in accordance with said Minimum Price Plans, they have always maintained during said period, and they still maintain, a practical uniformity between themselves of net f. o. b. selling prices."

for the reasons:

(1) That it is not alleged that the surveys of costs, or the minimum prices or average costs covered maple, beech or birch flooring, or any other flooring sold in interstate commerce.

[fol. 34] (2) That it is not alleged that the alleged recommendations related to maple, beech or birch flooring, or any other article of interstate commerce.

(3) That mere recommendations not to sell below average costs do not violate the law.

(4) That the averment that the "defendant corporations" accepted and acted upon said recommendation charges no violation of Section 1 of the Anti-Trust Act.

(5) That it appears in and by said portion of Section (3) of Paragraph V above quoted that the several defendants merely took the average costs into consideration in determining their individual selling prices, and that such prices were fixed by each defendant corporation separately.

(6) That it is not alleged that there ever was or now is "a practical uniformity" of "net f. o. b. selling prices" of maple, birch or beech flooring or any other article of interstate commerce.

(7) It is not alleged that the prices charged by the defendant corporations or any of them were or are extortionate or unreasonable, or that competitors, wholesale or retail dealers of the general public have been in any wise damaged by reason of the matters or things complained of.

(8) Said Section (3) of Paragraph V of said petition above quoted is indefinite and uncertain, in that neither the alleged "uniform terms of sale" nor the alleged uniform rules regarding cash discounts, nor the alleged uniform commissions, nor the alleged uniform rules regarding the allowance of commissions and concessions are specified or set forth.

[fol. 35] (9) Said Section (3) of Paragraph V above quoted is also repugnant to the first sentence of Section (3) of Paragraph V of said petition wherein it is alleged that in and by the Articles of Association of January 1, 1922, the defendants abandoned the Minimum Price Plans, of which the uniform rules mentioned in the preceding paragraph of this motion are alleged by plaintiff to have been a part.

(10) That portion of Section (3) of Paragraph V of said petition above quoted is also obnoxious to the rules of good pleading in that the plaintiff therein intermingles charges of past acts under previous articles which said petition shows have expired and charges of past practices which the petition shows have been abandoned, with charges of acts under present articles. In justice to the several defendants and to clearness the plaintiff should be required to separate the matters above mentioned.

(11) That the allegation that the defendant corporations "have concertedly established and maintained as the basis of their individual selling prices, the minimum prices or so-called average costs" is indefinite, uncertain, ambiguous, contradictory and meaningless. The plaintiff should be compelled to specify whether the defendants or any of them sold maple, beech or birch flooring at the prices specified in said recommendations, or above said prices,

or below said prices, and the method by which the defendants concertedly established and maintained said minimum price or so-called average costs, or otherwise used the same in fixing the individual selling prices.

X

The defendants, and each of them, move the court to dismiss Section (4) of Paragraph V of said petition, which reads as follows:

[fol. 36] "In connection with the aforesaid determinations of minimum prices or of so-called average costs, the defendant association has from time to time prepared and distributed to the defendant corporations so-called freight rate books. Said books contain tables of the freight rates from Cadillac, Michigan, to many cities and towns in all of the States of the United States. They also contain an average cost chart showing the average costs f. o. b. cars of the principal items of maple flooring in the three established grades; tables of differentials for the determination of average costs of all other kinds of maple, beech, and birch flooring by additions to or subtractions from said average cost chart; statements of the extra charges for special grades, for special sizes, and for special lengths; statements of the terms of sale and of the rules for allowing cash discounts; and delivered cost charts showing the average so-called cost of any item of flooring, including the freight from Cadillac, Michigan, when delivered at any destination. By means of said freight rate books, the defendants from 1913 continuously until the present date have been enabled to determine the delivered 'minimum price' for any item of maple, beech, or birch flooring at any destination in the United States, in accordance with the aforesaid Minimum Price Plans, or the so-called 'Average cost' thereof in acordance with the 1922 Articles of Association. The defendants agreed to adopt and have concertedly adopted Cadillac, Michigan, as an arbitrary freight basing point from which they compute and charge freight, regardless of the point from which each may actually ship flooring. They also agreed to adopt, and have concertedly adopted and used, and they still continue to use, the minimum prices or so-called average costs stated in said Freight Rate Books, as the basis of their individual selling prices, and by concertedly maintaining the same and also the uniform charges and practices heretofore described, they have always maintained, and they still maintain, a practical uniformity between themselves of net delivered prices."

for the reasons:

(1) That it is not alleged that the alleged "practical uniformity" of "net delivered prices" relates to maple, beech or birch flooring or to any other article of interstate commerce.

(2) That the allegation that the defendants "use the minimum prices or so-called average costs stated in said Freight Rate Books, as the basis of their individual selling prices" is indefinite, uncertain, contradictory and meaningless.

[fol. 37] XI

Defendants and each of them move the court to dismiss Section (5) of Paragraph V of said petition which reads as follows:

"The defendants adopted and for many years have operated under a so-called open price reporting plan, or open competition plan, and said plan is included in the aforesaid Articles of Association of January 1, 1922. In accordance therewith the defendant corporations render the following reports to defendant George R. Keehn, as Secretary of the defendant association:

(a) Monthly reports of stocks on hand of Maple, Beech, and Birch flooring at the end of the previous month.

(b) Monthly report of unfilled orders on hand for Maple, Beech and Birch flooring at the end of the previous month.

(c) Monthly report of the amount in feet of shipments made during the previous month of all kinds of Maple, Beech and Birch flooring for use within the United States, except Maple, Beech, and Birch flooring purchased from other members of the defendant association.

(d) Monthly report of production of Maple, Beech and Birch flooring during the previous month.

(e) Report of new orders booked for Maple, Beech and Birch flooring during the previous month.

(f) Monthly report of average prices realized F. O. B. flooring plant, after deducting freight, for 13/16" x 3½" face clear No. 1 and factory, Maple flooring, standard grades and lengths, sold during the previous month.

(g) Weekly report of all sales of flooring, stating for each individual sale the quantity and grade of flooring sold, the delivered price sold at, the average freight rate to destination of shipment, and the commissions paid, if any.

(h) Quarterly report of manufacturing and marketing costs per thousand feet of flooring.

Said defendant George R. Keehn, as Secretary of the defendant association, receives and compiles the aforesaid reports and prepares therefrom and distributes to the defendant corporations the following statistical reports:

[fol. 38] (a) Monthly stock conditions and barometer reports, containing statistics and graphical representations comparing the combined figures of the same reporting members for the preceding month and for the same month of the preceding year as to: stocks on hand, unfilled orders, shipments, production, new business booked, and average values; and also as to each of these a statement of the percentage of increase or decrease for the preceding month in comparison with the comparable figures for the preceding year.

(b) Monthly report of Maple, Beech and Birch flooring statistics for the preceding month compared with the same month of the preceding year, showing for each member individually the stock on hand and unfilled orders as of the last of the preceding month and of the same month of the preceding year; the shipments, production, new orders, and stock changes of each member for the preceding month in comparison with the same month of the preceding year, and the total of these statistics for all of the members and the percentages of increase or decrease in comparison with similar statistics for the same month of the preceding year.

(c) Monthly report of average prices realized for the preceding month in comparison with the same month of the preceding year, showing the average prices after deducting freight and commissions on new orders booked for three representative items of maple flooring; the average prices realized being given for all of the members, for each member individually, and for seven geographical groups of members.

(d) Monthly report showing for each kind, grade, and size of flooring the amount on hand the first of the preceding month, the unfilled orders on hand on the same day, and the surplus stocks.

(e) Weekly report of sales made during the preceding week, showing in consecutive columns from left to right; the date of the sale, the quantity of lumber sold, the description of the lumber sold (dimensions and grade), the delivered price, the average freight rate, the commissions paid, if any, and the index number of the mill making the sale.

(f) Quarterly 'Survey of Costs,' showing the average manufacturing and marketing cost per thousand feet of flooring.

(g) Quarterly report of average costs, showing the approximate relative average costs of floor-products of the standard sizes and grades F. O. B. cars at the flooring mills, based on the average cost of rough flooring lumber F. O. B. cars at flooring mills, the average manufacturing and marketing costs, the test runs indicating the proportions of the grades and faces of flooring produced from the lumber used.

[fol. 39] (h) 'Trend of Average Sales,' recently inaugurated and not heretofore issued at regular intervals, showing for the weeks ending August 5, 1922, and thereafter until October 14, 1922, the averages of delivered prices, the averages of average freight rates, the average cost of freight, and the averages of prices realized F. O. B. Michigan and Wisconsin mills, of one item of Maple Flooring in standard grades and lengths.

(i) Semiannual report containing statistics similar to those described heretofore in subparagraphs (a), (b), (c) and (d) of this paragraph, but covering the preceding half of the calender year and contrasted with comparable statistics for the same half of the preceding year.

(j) Annual report, containing statistics similar to those described heretofore in subparagraphs (a), (b), (c) and (d) of this paragraph, but covering the preceding calendar year and contrasted with comparable statistics for the next preceding year.

Each defendant knows the index number of each of the defendant corporations, and is therefore fully advised as to every detail, excepting the name of the purchaser and the destination of the shipment, of every sale of flooring made by every member of the defendant association. The aforesaid monthly statistical reports are published in certain trade papers, but at such times that the defendants have the information contained therein considerably earlier than does the general public. The distribution of the weekly detailed information as to sales and prices is strictly confined to the defendant corporation."

for the following reasons:

(1) That it appears in and by said Section (5) above quoted that the trade statistics therein mentioned relate wholly to past transactions; that the collection and distribution of the statistics mentioned in Section (5) Paragraph V above quoted are not unlawful per se and that it is not alleged in and by said petition that such statistics were either collected or distributed as a part of a scheme or with the intent to limit production, increase or maintain prices or to restrain interstate trade or commerce.

(2) That said Section (5) of Paragraph V of the petition above quoted is indefinite and uncertain in that it is not stated at what times or in what papers the monthly reports are published by the defendants.

[fol. 39½] (3) That Section (5) of Paragraph V above quoted is also indefinite and uncertain in that the averments that "the aforesaid monthly statistical reports are published in certain trade papers, but at such times that the defendants have the information contained therein considerably earlier than does the general public" is a conclusion.

XII

Defendants and each of them move the court to dismiss Section (6) of Paragraph V of said petition, which reads as follows:

"Prior to 1922, defendant George B. Keehn, as Secretary of the defendant association, generally transmitted the aforesaid statistical reports of the open competition plan to the defendant corporations accompanied with his comments interpreting the same, and with statements and comments regarding general conditions in the industry. Since 1921, the defendants have substituted for said written comments and statements the system of holding frequent meetings, and they now assemble monthly at association meetings and discuss the prices and the supplies of rough flooring lumber, the costs of manufacturing and selling flooring, the conditions of supply and de-

mand in the flooring industry, and trade conditions and the flooring situation in general, and especially as reflected by the statistical reports of the defendant association. In short, they exchange with each other at said meetings, all the information which they have, and all the experiences which they have had in their several businesses, which can be of general interest to them as manufacturers of maple, beech, or birch flooring.

"For use at the aforesaid monthly meetings defendant George R. Keehn secures from the defendant corporations, on blank forms distributed by him, information as to orders, production, and shipments for the portion of each month preceding its monthly meeting. These data are compiled and are discussed at said meetings, and the defendants forecast therefrom the probable amounts of orders, of shipments, and of production for the entire month, and then compare the same with similar data for preceding months. The Committee on Coast Surveys of the defendant association also frequently reports at said meetings respecting the supplies of rough flooring lumber and gives its opinion as to the actual market value of such lumber and as to the average cost of manufacturing and marketing flooring."

for the reason that it is not alleged therein that the meetings therein [fol. 40] mentioned were held for an unlawful purpose, or as a part of a scheme to limit production, to fix or enhance prices or to restrain interstate commerce, or that at any of such meetings there was any agreement, express or implied, made or entered into by defendants to do any of the things above mentioned.

Wherefore the defendants and each of them pray the judgment of this Court whether they or any of them shall further answer and that they and each of them be dismissed with their and each of their costs.

Neuman, Popenhusen, Stern & Johnston, Travis, Merrick, Warner & Johnson, Solicitors for Defendants.

[fol. 41] IN UNITED STATES DISTRICT COURT

[Title omitted]

ORDER DENYING MOTION TO DISMISS—June 25, 1923

The motion of said defendants to dismiss the plaintiff's petition in this cause came duly on to be heard this day and was argued by counsel; and thereupon, the premises being seen and fully understood, it is ordered that said motion be and it hereby is denied. And it is further ordered that said defendants file their answer in this cause on or before the first day of August next, and that this cause be and hereby is set for final hearing on the 12th day of November, A. D. 1923, at the opening of Court on that day.

[fol. 42] IN UNITED STATES DISTRICT COURT

[Title omitted]

STIPULATION—Filed July 26, 1923

It is stipulated by and between counsel for plaintiff and for jdefendants that the time within which the defendants may answer may be extended to and including August 8, 1923.

Eward J. Bowman, Attorneys for Plaintiff. Travis, Merrick, Warner and Johnson, Attorneys for Defendant-.

[fol. 43] IN UNITED STATES DISTRICT COURT

[Title omitted]

ORDER EXTENDING TIME

Pursuant to the stipulation by and between counsel for plaintiff and for defendants, it is ordered that the time within which the defendants may answer is hereby extended to and including August 8, 1923.

[fol. 44] IN UNITED STATES DISTRICT COURT

[Title omitted]

ANSWER—Filed August 6, 1923

The joint and several answers of W. D. Young & Company, Mitchell Brothers Company, Wisconsin Land & Lumber Co., Cobbs & Mitchell, Inc., I. Stephenson Co., Trustees, Cummer-Diggins Co., Osgood & Blodgett Mfg. Co., Holt Hardwood Company, Kerry & Hanson Flooring Company, East Jordan Lumber Co., Nichols & Cox Lumber Co., Strable Lumber & Salt Co., Foster-Latimer Lumber Co., West Michigan Flooring Co., J. W. Wells Lumber Co., Northwestern Cooperage & Lumber Co., Flanner-Steger Land & Lumber Co., Grand Rapids Trust Company, as Receiver for William Horner, North Branch Flooring Company, The Bigelow Cooper Co. (impleaded herein as The Bigelow Copper Co), Kneeland-McLurg Lumber Co. (impleaded herein as Kneeland-McClurg Lumber Co.), and Oval Wood Dish Corporation (hereinafter called the "Defendant Corporations"), Maple Flooring Manufacturers Association (hereinafter called the "Defendant Associa-[fol. 45] tion"), George W. Keehn (impleaded herein as George R. Keehn), B. P. Whedon, M. E. Thomas, G. W. Earle, H. H. Shepeck, J. L. Colby, F. S. Blodgett, W. L. De Witt (impleaded herein as W. L. De Wit), F. R. Welsh (impleaded herein as F. R.

Walsh), J. J. Porter (impleaded herein as J. A. Porter), F. E. Holland, George Strable, H. I. Latimer, Edwin Vollmer (impleaded herein as Edwin Bolmer), W. H. Greene (impleaded herein as W. H. Green), Mary Vollmer (impleaded herein as Mary Bolmer), A. C. Wells, C. H. Law (impleaded herein as H. C. Law), J. D. Staple, P. D. Flanner, T. M. Ralston, C. A. Brand, J. E. Dewey, P. S. McLurg (impleaded herein as P. S. McClurg) and F. M. Hodges (impleaded herein as F. M. Hedges) (hereinafter called the "Individual Defendants") to the Petition of the Plaintiff in the above-entitled cause. Said Defendant Corporations, Defendant Association and Individual Defendants will, together, be hereinafter called the "Defendants."

Now come the Defendants, and each of them, and for answer to the Petition of the Plaintiff in the above entitled cause, say:

I

That with the corrections in the names of the Defendants hereinbefore set forth, the Defendants, and each of them, admit the allegations of fact contained in Paragraph I of the Petition, except that the Defendants, and each of them, deny that Mary Vollmer, impleaded herein as Mary Bolmer, is now or ever has been a representative of the Defendant, West Michigan Flooring Company, to the Defendant Association, as alleged in the Petition.

[fol. 46] II

That the Defendants admit that some, but deny that many of the Defendant Corporations maintain their principal offices and have their mills for the manufacturing of flooring within this District or that they there manufacture large quantities of Maple, Beech or Birch flooring, and deny that the Defendants or any or either of them make sales of flooring manufactured by them from their offices in said District, or that they thereupon ship said flooring in interstate trade and commerce from said District into other States to the wholesale and retail lumber dealers who have contracted for its purchase, as alleged in paragraph II of said Petition.

That the Defendants, and each of them, deny that the alleged sales and shipments, or any or either of them, or any sales or shipments whatsoever, are or ever were made pursuant to or in conformity with the restrictive practices or agreements described in the Petition, or any other restrictive practices or agreements whatsoever, or that said alleged practices and agreements, or any or either of them, are or ever were enforced from the offices in this District of the Individual Defendants, M. E. Thomas and A. C. Wells, or either of them, as respectively the Vice President and the Treasurer of the Defendant Association, or in any other capacity, as alleged in the Petition, or otherwise, or that the alleged practices and agreements, or any or either of them, are or ever were enforced from any other offices either within or without said District, or by any other persons whomsoever, or otherwise.

[fol. 47] III

That the Defendants and each of them admit that the Defendant Corporations are engaged in the business of manufacturing Maple, Beech and Birch flooring which is extensively used throughout the country in the construction of residences and other buildings; but deny that approximately half of the Defendant Corporations, or any or either of them, own timber land and sawmills, as well as flooring mills, or that they or any or either of them conduct logging operations and saw the rough lumber which they use for the manufacture of flooring, as alleged in the Petition.

That none of the Defendants have sufficient knowledge or information upon which to form an opinion or belief as to whether the membership of the Defendant Association comprises practically all the manufacturers of Maple, Beech and Birch flooring within the States of Michigan, Illinois, Wisconsin and Minnesota, as alleged in the Petition, and, therefore, deny that such is the fact and call upon Plaintiff to make strict proof of the allegation contained in paragraph III of the Petition with respect to such matters.

That none of the Defendants have any knowledge or information upon which to form an opinion or belief as to whether the membership of the Defendant Association represents approximately Seventy per cent or any other percentage, of the total manufacturing capacity of Maple, Beech and Birch flooring in the United States, as alleged in the Petition, and, therefore, deny such allegation and call upon the Plaintiff to make strict proof of the allegation contained in paragraph III of the Petition with respect to such matters.

[fol. 48] IV

That the Defendants, and each of them, deny that the Defendant Corporations, or any or either of them, from the date each became a party to any or all of the alleged contracts, or Articles of Association, or alleged Minimum Price Plans of the Defendant Association, as alleged in the Petition, or that during all or any of the time that each has been a party thereto, as alleged in the Petition, or at any other time or times, or that the individual defendants, or any or either of them, from the date that each became a representative to the Defendant Association of a member thereof, or became an officer, or an employee thereof, or that during all or any part of the time that each has been such representative, officer or employee, or at any other time or times, have contracted, combined or conspired with each other, or with one another, or with any other persons, firms, associations or corporations whomsoever, to eliminate all competition or any competition between the members of the Defendant Association, or anyone else, in manufacturing, transporting or selling, in interstate trade and commerce, the Maple, Beech and Birch flooring, or any or either of them, manufactured by them, or any or either of them, or anyone else, in the States of Minnesota, Wisconsin, Illinois, Michigan and New York, or any or either of them, or elsewhere, transported therefrom or elsewhere and sold in the course of interstate

trade and commerce in all of the States of the United States, or any or either of them, or in the District of Columbia, in violation of Section 1 of the Act of Congress of July 2, 1890, entitled, "An Act to protect trade and commerce against unlawful restraints and monopolies," known as the Sherman Anti-Trust Act, as alleged in the Petition, or otherwise.

[fol. 49] V

That the Defendants, and each of them, deny that the alleged combination or conspiracy mentioned in the Petition was brought about or accomplished, or that it is now being maintained in the manner or by the means stated in the Petition, or otherwise.

That they, and each of them, deny that the Defendant Association has been in existence since 1895, or that it was reorganized by a mutual agreement or Articles of Association entered into by the Defendant Corporations, or any or either of them, and by other manufacturers of flooring, or by anyone else, under date of January 1, 1913, or any other date, or that it has been continued in existence by other mutual agreements, or Articles of Association entered into by the Defendants, or any or either of them, at various dates thereafter, or any other dates, or by any other means, as alleged in paragraph V of the Petition. That they and each of them deny that the Defendant Association is now being maintained under or in accordance with the provisions of the Articles of Association dated January 1, 1922, or that said Articles of Association will be in effect until January 1, 1925, as alleged in the Petition. That they, and each of them, deny that all the Defendant Corporations or any or either of them are now parties to said Articles of Association or that through the individual defendants as their representatives they take an active part in all the activities of the alleged Defendant Association or any part thereof, as alleged in the Petition. That they, and each of them, deny that all the alleged Articles of Association mentioned in the Petition, or any or either of them, have provided for the formal organization of the Defendant Association with head-[fol. 50] quarters at Chicago, Illinois, or for the usual officers and a Board of Trustees to supervise and manage its activities, or for a special fund or membership fee fund as a guaranty for the fulfillment of the obligations assumed by its members, or for an expense fund created or maintained by assessments levied on its members, as alleged in paragraph V of the Petition. That they, and each of them, deny that the alleged Articles of Association, prior to those of January 1, 1922, or any or either of them, established a pooling arrangement between the members of the Defendant Association, or any or either of them, by allotting to each or any member a certain percentage of the total business, by creating a general fund through or by payments from all or any members on shipments over their prescribed allotted percentages and by providing for payments from said general fund to members shipping less than their prescribed allotments, as alleged in the Petition, or by any other means. That they, and each of them, deny that the Defendant Corporations or

any or either of them operated under the arrangement described in the Petition for the pooling of their businesses continuously from January 1, 1913, until on or about March 31, 1920, or at any other time or times.

That the Defendants, and each of them, deny that under dates, respectively, of July 1, 1916, July 1, 1919, and January 6, 1921, or at any other time or times, the Defendant Corporations, or any or either of them, alone or in conjunction with any other persons, firms or corporations, entered into any mutual agreement or agreements termed "Minimum Price Bases" or "Minimum Price Plans," or that any of said alleged agreements constituted an amendment to the Articles of Association under which the Defendant Association was being maintained, as alleged in the Petition, or otherwise, and deny that the Defendant Association was, at any of said times, in [fol. 51] existence. That the defendants, and each of them, deny that by the alleged Minimum Price Plans, or any other means, the Defendant Corporations, or any or either of them, agreed to establish minimum prices for the sale of Maple, Beech and Birch flooring, or any or either of them, or agreed not to sell any such flooring below said minimum prices, as alleged in the Petition, or below, above or at any other prices whatsoever. That they, and each of them, deny that the said alleged plans specified certain elements, or any other elements, which should be used as the basis for determining an average cost of manufacturing and selling flooring, or the average percentage of net profit which should be added to said alleged average cost, in order to establish said alleged minimum prices, or any other price or prices. They, and each of them, deny that said alleged plans also provided that said minimum prices, or any other prices, should be the delivered prices in the alleged "Table of Values" or in the alleged "Association Rate Book and Index of Towns" described in the Petition, or that the alleged plans specified the concessions and commissions, or any or either of them, or any other concessions or commissions which could be allowed, or the terms of sale that should be enforced, as alleged in the Petition, or otherwise.

The Defendants, and each of them, deny that in or by said alleged Articles of Association of January 1, 1922, the defendants, or any or either of them, substituted for the alleged minimum prices plans a statement of policy, to the effect that a careful consideration of the question of cost is recognized as the only scientific method of conducting the business of manufacturing and marketing Maple, Beech and Birch flooring, or any statement whatsoever, or provisions that the Defendant Association furnish to its members information re- [fol. 52] garding the average cost of such flooring when manufactured, sold and delivered F. O. B. cars at the flooring plants, as determined from time to time by surveys of costs, as alleged in the Petition, or otherwise. That they, and each of them, deny that the alleged agreement specifies that certain enumerated fundamental elements are to be considered as entering into and determining the alleged average costs, and deny that the alleged elements are identical

with those alleged to have been employed in accordance with the alleged Minimum Price Plans for the determination of minimum prices, as alleged in the Petition, or otherwise. That they, and each of them, deny that the alleged elements specified as entering into costs, both by the alleged Minimum Price Plans and by the alleged Articles of Association, or any or either of them, contain many or any items of profit, as alleged in the Petition, or otherwise. They and each of them, deny that there was substituted in the alleged Articles of Association "a reasonable allowance to provide for contingencies or unforeseen hazards incident to manufacturing operations," for the alleged item of profit under the alleged Minimum Price Plans, or that the alleged average costs, with the addition of a percentage to constitute "a reasonable allowance to provide for contingencies or unforeseen hazards incident to manufacturing operations" have represented, or now represent, all possible elements of actual costs and also large or any profits to the Defendant Corporations, or any or either of them, as alleged in the Petition or otherwise. That they, and each of them, deny that with the addition to the alleged costs of a percentage thereof to allow profit under the alleged Minimum Price Plans, the alleged minimum prices have represented, or now represent, all possible elements of actual cost and also large or any profits to the Defendant Corporations, or any or either of them, as alleged in the Petition, or otherwise.

[fol. 53] That the defendants, and each of them, deny that in accordance with the alleged Minimum Price Plans, or any other plan or plans, or in accordance with the alleged 1922 Articles of Association, or any other articles, the defendants, or any or either of them, from time to time from 1913 until the present date, or at any other time or times, have made surveys of cost and have determined therefrom minimum prices, or any other prices, or so-called "average costs," as alleged in the Petition, or otherwise, or that they, or any or either of them, have recommended that the Defendant Corporations should not sell flooring at prices below the alleged minimum prices, or below the alleged average costs, or made any other recommendations, whatsoever, with respect to prices, or with respect to alleged average costs. That they, and each of them, deny that the Defendant Corporations, or any or either of them, have at all times during said period, or at any time or times during said period, or at any other time or times, accepted or acted upon the alleged recommendations, or have concertedly, or otherwise, established or maintained, as the basis of the individual selling prices, the alleged minimum prices, or alleged average costs, determined as described in the Petition, or otherwise, and deny that the Defendant Corporations, or any or either of them, concertedly or otherwise maintained, or now maintain, the alleged minimum prices, or the alleged average costs, or any other prices or costs, or that the Defendant Corporations, or any or either of them, concertedly, or otherwise, maintained or now maintain the alleged uniform terms of sale, or the alleged uniform rules with regard to allowing cash discounts, or the alleged uniform commissions, or the alleged uniform rules regarding the

allowance of commissions and concessions, or that any such uniform [fol. 54] terms of sale, or uniform rules, or uniform commissions were established by, or in accordance with the alleged Minimum Price Plans, or any other plans, and deny that by said means, or by any other means, the Defendant Corporations, or any or either of them, have always, or at any time during said period, maintained or that they, or any or either of them, now maintain a practical uniformity between themselves of net F. O. B. selling prices, as alleged in the Petition, or otherwise, or that any prices of the Defendant Corporations for flooring have ever even approached uniformity, but allege that, on the contrary, all the prices of the respective Defendant Corporations for their flooring have always varied and do now vary widely.

That the Defendants, and each of them, deny that with the alleged determinations of the alleged minimum prices, or the alleged so-called average costs, the Defendant Association has, from time to time, or at any time, prepared or distributed to the Defendant Corporations so-called Freight Rate Books, and deny that said books contain tables of the freight rates from Cadillac, Michigan, to many cities and towns in all the States of the United States, or any or either of them, or otherwise as alleged in the Petition, and deny that the alleged Freight Rate Books or any or either of them contain an average cost chart showing the average cost F. O. B. cars of the principal or any items of Maple flooring in the three established grades, or any grades, or table or tables of differentials for the determination of average costs of all or any kinds of Maple, Beech or Birch Flooring, either by additions to or subtractions from said alleged average cost charts, and deny that said alleged Freight Rate Books or any or either of them, contain statements of the alleged extra charges for special grades, for special sizes, or for special lengths, or any other charges, whatsoever, or statements of the terms [fol. 55] of sale, or of the rules for allowing cash discounts, and deny that the alleged Freight Rate Books or any or either of them contain delivered costs charts showing the average so-called cost of any item of flooring, including the freight from Cadillac, Michigan, when delivered at any destination, as alleged in the Petition, or otherwise. They and each of them deny that by means of the alleged Freight Rate Books, or any or either of them, or by any other means, the Defendants, or any or either of them, from 1913 continuously until the present date, or at any other time or times, have been enabled to determine the alleged delivered minimum price, or any other price for any item of Maple, Beech or Birch flooring at any destination in the United States, either in accordance with the alleged Minimum Price Plans, or have been enabled to determined the average cost thereof, in accordance with the alleged 1922 Articles of Association, or otherwise. That they and each of them, deny that they, or any or either of them, agreed to adopt, or that they, or any or either of them, have concertedly adopted Cadillac, Michigan, as an arbitrary freight basing point from which they, or any or either of them, compute or charge freight regardless of the point from which they, or any or either of them, may actually ship flooring, and further deny that

they, or any or either of them, agreed to adopt, or have concertedly, or otherwise, adopted or used, or that they, or any or either of them, still continued to use the alleged minimum prices, or the alleged so-called average costs stated in the alleged Freight Rate Book as the basis of their, or any or either of their individual selling prices, or that by concertedly maintaining the same, and the alleged uniform charges and practices described in the Petition, or any or either of them, or by any other means, they, or any or either of them, have [fol. 56] always or ever maintained, or that they, or any or either of them, still maintain a practical or other uniformity between themselves of net delivered prices, as in the Petition alleged, or otherwise.

That the Defendants, and each of them, deny that they, or any or either of them, adopted, or that for many years, or any other period of time, have operated under the alleged so-called open price reporting plan, or open competition plan, and further deny that said alleged plan is included in the alleged Articles of Association of January 1, 1922, and that in accordance therewith, or otherwise, the Defendant Corporations, or any or either of them, render to George W. Keehn (impleaded herein as George R. Keehn), as Secretary of the Defendant Association, or in any other capacity, or individually, or to anyone else, any of the reports mentioned in subparagraphs (a) to (h), both inclusive, of Section 5 of paragraph V, on page 11 of the Petition, or that said George W. Keehn, as Secretary of the Defendant Association, or otherwise, receives or compiles the alleged reports, or prepares therefrom or distributes to the Defendant Corporations, or any or either of them, any of the statistical reports set forth in subparagraphs (a) to (j), both inclusive, of Section 5 of Paragraph V, on pages 11, 12 and 13, both inclusive, of the Petition. That they, and each of them, deny that they, or any or either of them, know the index numbers of any of the Defendant Corporations, or that the Defendants, or any or either of them, are fully or otherwise advised as to every detail, or any detail whatsoever, except the name of the purchaser and the destination of the shipment of every or any sale of flooring made by every or any member of the Defendant Association, as alleged in the Petition, or otherwise. That they and each of them, deny that the alleged monthly statis- [fol. 57] tical reports, or any or either of them, are published in trade papers at such times that the defendants, or any or either of them, have the alleged information earlier than the general public, and deny that the alleged distribution of the alleged weekly detailed information as to sales and prices, or any or either of them, is confined to the Defendant Corporations, or any or either of them.

That the Defendants, and each of them, deny that prior to 1922, or at any other time or times, the defendant George W. Keehn (impleaded herein as George R. Keehn), as Secretary of the Defendant Association, or otherwise, generally, or at all, transmitted the alleged statistical reports, or any or either of them, to the Defendant Corporations, or any or either of them, of the alleged open competition plan, or that said alleged reports, or any or either of them, were accompanied by the comments of George W. Keehn, as Secretary, or otherwise, interpreting the same, or any comments whatsoever, or

with statements and comments, or any or either of them, regarding general conditions in the industry, as alleged in the Petition, or otherwise. That they, and each of them, deny that since 1921, they have substituted for the alleged written comments and statements, or any or either of them, the system of holding frequent meetings, or any other system, or that they now assemble monthly at association meetings and discuss the prices or supplies of rough flooring lumber, or the costs of manufacturing or selling flooring, or the conditions of supply and demand in the flooring industry, or trade conditions, or the flooring situation in general, either as reflected by the alleged statistical reports of the Defendant Association, or otherwise. They, and each of them, deny that at said alleged meetings, they, or any or either of them, exchange with each other or with one [fol. 58] another, all or any information which they, or any or either of them, have, or all or any of the experiences which they, or any or either of them, have had in their, or any or either of their, several businesses, which can be of general interest to them as manufacturers of Maple, Beech or Birch flooring, as in the Petition alleged, or otherwise.

That the Defendants, and each of them, deny that George W. Keehn (impleaded herein as George R. Keehn) secures from the Defendant Corporations on blank forms distributed by him, or otherwise, any information as to orders, production or shipments for the portion of each month preceding such monthly meetings, and that the alleged data are compiled or discussed at the alleged meetings, as in the Petition alleged, or otherwise, and deny that the defendants, or any or either of them, forecast therefrom or otherwise the probable amounts of orders, of shipments or production for the entire month, or any other period, or that they, or any or either of them, compare the same with similar data for the preceding months, as in the Petition alleged, or otherwise.

That the Defendants, and each of them, deny that the alleged Committee on Cost Surveys of the Defendant Association frequently, or otherwise, reports at said alleged meetings respecting the supplies of rough flooring lumber, or that the alleged Committee gives its opinion as to the actual market value of such lumber or as to the average cost of manufacturing and marketing flooring, as in the Petition alleged, or otherwise.

That the Defendants, and each of them, admit the allegations of fact contained in Section 7 of paragraph V of the Petition, and aver that said trade-mark was adopted and is now being maintained [fol. 59] and that the several grades of flooring were standardized and are now being maintained at great cost and expense to the Defendant Association, for the purpose of protecting the public from inferior material and so as to enable the public to freely purchase flooring from any member of the Association, with the assurance that said flooring would be of the highest quality and could be used with the flooring procured from any other member of the Defendant Association. That the establishment and maintenance of standard

grades and the use of said trade-mark has been of great and lasting benefit to the public and of no injury whatsoever.

That the Defendants, and each of them, deny that the Defendant Association has for a number of years conducted an extensive advertising campaign, as alleged in the Petition, but admit that the Defendant Association has, since the first day of January, 1922, conducted and is still conducting an advertising campaign for the purpose of promoting the use of Maple, Beech and Birch flooring and of emphasing that purchasers should secure flooring bearing the Defendant Association's trade-mark, but deny that said advertisements carry the name of the Defendant Association alone, and not the names of its members, and aver that some of said advertisements carry the names of the members of the Defendant Association, and admit that some of said advertisements do not carry the names of the members of the Defendant Association, and admit that all the advertisements state that flooring bearing the Defendant Association's trade-mark is standardized and guaranteed by the Defendant Association. That the Defendants, and each of them, deny that any of said advertisements contain price propaganda, urging purchases of flooring at the time of the publication of said advertisements, or [fol. 60] any price propaganda whatsoever, on the ground that the price is fully adjusted to existing conditions, or any other grounds, but admit that inquiries received by the Defendant Association in answer to advertisements published by it are bulletined by the Defendant Association to the Defendant Corporations.

VI

That the Defendants, and each of them, deny that the alleged surveys, or reports of average cost, and the alleged tables of delivered values, or any or either of them, constitute a uniform or other basis on which the Defendants, or any or either of them, establish their individual selling prices irrespective of their individual costs, as in the Petition alleged, or otherwise; or that together with the alleged weekly report giving detailed information as to every sale made by each Defendant, the alleged uniform use of the freight basing point, and the alleged maintenance of the uniform trade practices, or any or either of them, the Defendants, or any or either of them, have practically, or at all, eliminated all or any price competition between the Defendants, or any or either of them, as alleged in the Petition, or otherwise. The Defendants, and each of them, further deny that the use of the uniform trade-mark, and the character of the advertising put out by the Defendant Association, or either of them, intensify the tendency to establish or maintain, or that they, or either of them, have any tendency to establish or maintain uniform prices, or to eliminate practically, or otherwise, all or any competition between the Defendants, or any or either of them, based on the quality of their respective products, or any or either of them, as alleged in the Petition, or otherwise. [fol. 61] That the Defendants, and each of them, deny that the alleged elaborate information alleged to be and to have been furnished

the Defendants by the alleged reporting system of the Defendant Association enables the Defendants, or any or either of them, to forecast the trend of conditions in the industry, or the course of prices, or gives them, or any or either of them, an unfair advantage, or any advantage whatsoever over the general public, or that it prevents the free operation of the economic law of supply and demand. That the Defendants, and each of them, further deny that the alleged discussions at the alleged meetings, as set forth in the Petition, intensify, or even tend to intensify, or to cause the condition alleged in the Petition, or tend to cause, or do cause, the substitution on the part of the Defendants, or any or either of them, of uniform and concerted action for individual action. The Defendants, and each of them, deny that the alleged reporting plan and the alleged discussions at the alleged monthly meetings, or any or either of them, tend to accelerate, or do accelerate, upward movements of prices, or retard, or tend to retard downward movements, as alleged in the Petition, or otherwise.

That the Defendants, and each of them, further deny that there now is or ever has been between any or either of them any unlawful combination or conspiracy either as described in the Petition, or otherwise, and further deny that the competition in the manufacture and sale of Maple, Beech and Birch flooring, to which the public is entitled, has ever been or now is eliminated or otherwise affected to any extent whatsoever, between or among the Defendants, or any or either of them, by reason or on account of any acts, matters or things alleged to have been done, or suffered to have been done by the Defendants, or any or either of them, or that there now exists, or has ever existed, an unreasonable or unlawful re- [fol. 62] straint of interstate trade and commerce within the meaning of the Sherman Anti-Trust Act, by reason of any acts, matters or things done or suffered to be done by the defendants, or any or either of them.

That the Defendants deny that the Plaintiff is entitled to the relief prayed for in the Petition or any part of such relief.

Having fully answered all the matters and things contained in the Petition, the Defendants, and each of them, pray that the Petition be dismissed and that they and each of them have judgment for their and each of their costs in this behalf by them sustained.

For a further, additional and separate answer, and by way of a special defense to the matters and things alleged in the Petition, the Defendants, and each of them, say:

I

That the Maple Flooring Manufacturers' Association was organized and first came into existence on January 1, 1922, and is now and at all times has been a voluntary association, open to all manufacturers of Maple, Beech and Birch flooring in the United States without any limitations or restrictions whatsoever.

II

That the membership of the Defendant Association, their respective representatives and their respective places of business, are now and at all times since the organization of the Defendant Association have been as set forth in the following statement:

[fol. 63] Members	Representatives	Location of plant
W. D. Young & Company	B. P. Whedon	Bay City, Mich.
Mitchell Brothers Company	M. E. Thomas	Cadillac, Mich.
Wisconsin Land & Lumber Co.	G. W. Earle	Hermansville, Mich.
Cobbs & Mitchell, Inc.	M. E. Thomas	Cadillac, Mich.
I. Stephenson Co., Trustees	H. H. Shepeck	Wells, Mich.
Cummer-Diggins Co.	J. L. Colby	Cadillac, Mich.
Osgood & Blodgett Mfg. Co.	F. S. Blodgett	St. Paul, Minn.
Holt Hardwood Company	W. L. De Witt	Oconto, Wis.
Kerry & Hanson Flooring Company.	F. R. Welsh	Grayling, Mich.
East Jordan Lumber Co.	J. J. Porter	East Jordan, Mich.
Nichols & Cox Lumber Co.	F. E. Holland	Grand Rapids, Mich.
Strable Lumber & Salt Co.	George Strable	Saginaw, Mich.
Foster-Latimer Lumber Co.	H. I. Latimer	Mellen, Wis.
West Michigan Flooring Co.	Edwin Vollmer, W. H. Greene.	Manistee, Mich.
J. W. Wells Lumber Co.	A. C. Wells, C. H. Law.	Menominee, Mich.
Northwestern Cooperage & Lumber Co.	J. D. Staple	Gladstone, Mich.
Flanner-Stegel Land & Lumber Co.	P. D. Flanner	Blackwell, Forest Co., Wis.
Grand Rapids Trust Company, as Receiver for William Horner.	T. M. Ralston	Newberry & Reed City, Mich.
North Branch Flooring Company.	C. A. Brand	Chicago, Ill.
The Bigelow Cooper Co.	J. E. Dewey	Bay City, Mich.
Kneeland-McLurg Lumber Co.	F. M. Hodges	Phillips, Wis.
Oval Wood Dish Corporation.	P. S. McClurg	Tupper Lake, N. Y.

except that the Wisconsin Land & Lumber Co. is not now and has not been a member of the Defendant Association since on or about the 17th day of March, 1923, and that since said date neither G. W. Earle, nor any other person has represented said Wisconsin Land & Lumber Co. as a member of the Defendant Association.

That all the members hereinbefore mentioned are manufacturers of Maple, Beech or Birch flooring.

That the officers of the Defendant Association are now and ever since its organization on January 1, 1922, have been as follows:

President.....B. P. Whedon
Vice President.....M. E. Thomas
Treasurer.....A. C. Wells
Secretary.....George W. Keehn

[fol. 64] That neither the defendant Maple Flooring Manufacturers' Association, nor George W. Keehn, individually nor as Secretary of said Association, is now or ever has been engaged in the manufacture or sale of Maple, Beech or Birch flooring.

III

That the objects and purposes of the Defendant Association are and always have been to encourage and increase the use of Maple, Beech and Birch flooring in the United States by all lawful means; to constantly improve methods of manufacture; to establish uniform grades and standards of products; to ascertain the cost of manufacturing Maple, Beech and Birch flooring, and by all lawful means to collect and disseminate information concerning the general state of the Maple, Beech and Birch flooring industry.

That the Defendant Association was not organized for the purpose of regulating or controlling the price, output, manufacture, purchase or sale of Maple, Beech or Birch flooring and that neither the Defendant Association, nor the Defendants, nor any nor either of them have, either directly or indirectly, done so, or attempted to do so.

IV

That since January 1, 1922, the Defendant Association and its officers and the members, and their representatives have, from time to time, made test runs and surveys of the cost of manufacturing Maple, Beech and Birch flooring, and the results of such tests and surveys have, from time to time, been communicated to the mem- [fol. 65] bers of the Defendant Association. That said information was obtained and distributed for the sole purpose of informing the members of the Defendant Association as to the cost of the manufacture of Maple, Beech and Birch flooring. That no member of the Defendant Association was, is or ever has been required, under any penalty or otherwise, by the Articles of Association, or by any understanding or agreement, express or implied, to adopt, follow, or use said information, or any part thereof, in the conduct of his business, or to be controlled thereby, in determining at what price or prices such member should sell the Maple, Beech or Birch flooring manufactured by him. That at all times each and every member of the Defendant Association has exercised his own independent judgment in determining what it actually costs such member to manufacture Maple, Beech and Birch flooring and in determining the price at which he should sell the same and that in truth and in fact the members of the Defendant Association or any or either of them have never sold, nor agreed to sell Maple, Beech or Birch flooring, or any or either of them, at any agreed or uniform price or prices whatsoever, and that the prices at which the several members of the Defendant Association sell and at all times have sold the flooring manufactured by them, do now and always have substantially varied, and that such prices are now and have always been fair and reasonable to the public.

That in transmitting to the members of the Defendant Association said information, no recommendations of any kind or character whatsoever were ever made, either directly or indirectly, to such members, or any or either of them, that they should follow, adopt, use, or be guided by such information, but the whole matter,

both of cost of manufacture and price, has always been left to the individual and independent judgment of each member, and that [fol. 66] in fact each member has always exercised his independent judgment with respect to such matters, and that none of the Defendants have ever attempted to regulate or fix the price of Maple, Beech or Birch flooring.

That in endeavoring to arrive at the cost of manufacturing Maple, Beech and Birch flooring, the Defendants exercised good faith in so doing, and included therein no items of profit whatsoever, and the Defendants say that the information so compiled and distributed, from time to time, did in fact truthfully and accurately represent the cost of manufacturing Maple, Beech and Birch flooring.

That the manufacture of Maple, Beech and Birch flooring is essentially hazardous, and that in endeavoring to ascertain the cost of manufacturing Maple, Beech and Birch flooring, the Defendant Association has heretofore added to the actual cost of manufacturing such flooring as shown by said test runs Five per cent of such actual cost as a reasonable allowance for the contingencies and hazards of such manufacture over any considerable period of time. The Defendants aver that Five per cent is reasonable and did not cover the losses arising from the hazards incident to the manufacture of such flooring; but that upon learning from the Petition that the Plaintiff specially objected to the use of said Five per cent in ascertaining the cost of manufacture of such flooring, the Defendant Association has eliminated said Five per cent from the methods employed in endeavoring to arrive at the cost of the manufacture of such flooring.

[fol. 67] V

That approximately Ninety-five per cent of all the Maple, Beech and Birch flooring sold by the several Defendants is delivered by them to the purchasers F. O. B. cars at destination. That in selling Maple, Beech or Birch flooring delivered to the purchasers, none of the Defendant manufacturers make a separate charge for the freight on said flooring, but that each Defendant manufacturer charges a delivered price for Maple, Beech or Birch flooring. That the selling of Maple, Beech or Birch flooring F. O. B. cars at destination is not the result of any agreement or understanding, express or implied, by or between the Defendants, or any or either of them, but is now, and for many years past has been done and is done by most manufacturers of Maple, Beech and Birch flooring acting independently of one another, for the reason that the purchasers generally do not and will not buying flooring F. O. B. at the mills, because they insist upon knowing in advance what the Maple, Beech or Birch flooring will cost them delivered, and because they also insist that the manufacturers of such flooring shall run the risks incident to its transportation.

That each of the Defendant manufacturers daily receives a great many inquiries as to delivered prices for Maple, Beech and Birch

flooring from many different points throughout the United States. That many of the defendant manufacturers are located in small or country communities, where there are no facilities for promptly obtaining accurate information concerning freight rates to the innumerable towns and cities where Maple, Beech or Birch flooring is used, and that if the Defendant manufacturers were compelled to ascertain the freight rates from their respective flooring mills [fol. 68] to the various places of delivery, business could not be safely, economically or expeditiously carried on, unless each Defendant manufacturer established at his mill a special Traffic Department, at great expense, as is done by only very large manufacturing corporations.

That approximately eighty-five per cent of the Maple, Beech and Birch flooring sold by the members of the Defendant Association is manufactured in the State of Michigan. That the mills at which said percentage of flooring is manufactured are located at, about, around or near Cadillac, Michigan, which is the production center of the Maple, Beech and Birch flooring industry in the middle west.

That the Defendant manufacturers sell Maple, Beech and Birch flooring at delivered prices to points, North, East, South and West of Cadillac, Michigan, throughout the United States, and that the freight rates from the various points of shipment do not differ substantially from the freight rate from Cadillac, Michigan, to the various points of delivery.

That the average freight rate from the points in Michigan and Wisconsin where Maple, Beech and Birch flooring are manufactured, to the principal markets in the United States, is approximately the same as the rate from Cadillac, Michigan, to said principal markets. That for the convenience of the Defendant manufacturers in the conduct of their respective businesses, and to enable them to readily ascertain the approximate cost of delivering Maple, Beech and Birch flooring, in order to be able to quote delivered prices for such flooring, without the necessity of maintaining a traffic department, Casey & Learned, Inc., of Chicago, Illinois, compiled a list of cities and towns in the United States which took more than 7,600 rates of [fol. 69] freight, and used the rate of freight from Cadillac, Michigan, merely to represent the average rate of freight from all flooring mill points in Michigan and Wisconsin, to said towns and cities; and that said list was completed sometime during the year 1922 and that each Defendant manufacturer thereafter used and now uses said list merely for the purpose of obtaining information as to the approximate cost of delivering his Maple, Beech or Birch flooring; and that none of the Defendant manufacturers are now or ever have been under any constraint, duty or obligation to use said list, or any part of the same, in the conduct of their respective businesses, or to sell flooring upon the basis of the freight rates set out in said list, or to charge or collect either the freight rates set forth in said list, or any other freight rates, for delivering Maple, Beech or Birch flooring to any of the towns or cities named in said list, or

any other towns or cities in the United States; and that there is not now, nor has there ever been any understanding or agreement, express or implied, by or between the Defendants, or any or either of them, that the Defendant manufacturers, or any or either of them, or any of the Defendants, should in anywise use, or be guided or controlled by the said list, or any part thereof, in any particular whatsoever, in the sale or delivery of Maple, Beech or Birch flooring.

The Defendants, and each of them, say that each Defendant manufacturer, and the officers, employees, servants and agents of such manufacturer, have at all times been free to exercise their own independent judgment with respect to the charges to be made for delivering Maple, Beech or Birch flooring, and that in fact each manufacturer of flooring has at all times exercised his own dependent judgment as to the charges to be made for delivering Maple, Beech, or [fol. 70] Birch flooring, and that there is not now and has never been any uniform practice followed, either individually or collectively, by the Defendant manufacturers, or by any of the Defendants, with respect to freight rates or charges for the delivery of Maple, Beech or Birch flooring, anywhere in the United States.

VI

That from time to time since January 1, 1922, the Defendant Association has compiled, or caused to be compiled, delivered cost charts, relating to Maple, Beech and Birch flooring, and that said charts showed the cost of manufacturing and delivering Maple, Beech and Birch flooring to 7,600 towns and cities throughout the United States, taking freight rates from 4 cents to $1.46 per hundredweight. That the cost of the freight was computed upon the average rate of freight from flooring mills in Michigan and Wisconsin, as represented by the rate of freight from Cadillac, Michigan, to the various points of delivery in the United States, for the reasons set forth in the preceding paragraph. That these charts were prepared for the convenience of the various members of the Defendant Association, and merely combined the information of said average cost and average rate of freight from the flooring mill points to the principal towns and cities in the United States. That none of the members of the Defendant Association were required by the Articles of Association, or by any resolution, or act on the part of the Association, or by any agreement or understanding, express or implied, between the Defendants, or any or either of them, to use said charts, or any or either of them, or any part or parts [fol. 71] thereof, or to be guided or controlled thereby; and that all the Defendant manufacturers, and each of them, and all the Defendants, and each of them, were at liberty to use the information contained in said charts, or not to use the same, as they or any of them saw fit. That as a matter of fact, each Defendant exercised his own independent judgment as to what it would cost him to manufacture and deliver Maple, Beech or Birch flooring to any town or city in the United States, and that there is not now and never has been any uniform practice with respect to such mat-

ters, either by the Defendants collectively, or by any of the Defendants individually, with respect to any of the matters above mentioned.

That the purpose of the Defendant Association in compiling said delivered cost charts was not to constrain, hamper or interfere with the individual liberty of any Defendant manufacturer in determining either the cost of manufacture or the cost of delivery of Maple, Beech, or Birch flooring, but that each manufacturer might use the same, if he so desired, for any purpose whatsoever. That said delivered cost charts were not used by any of the Defendants as pricelists, and there never was any understanding, or agreement, either express or implied, that said delivered cost charts should be used either as a price-list or for any other purpose. The said delivered cost charts were compiled by the Defendant Association in good faith for the uses and purposes hereinbefore mentioned and with no intention of violating the so-called Sherman Act, or any other law or statute of the United States; but upon learning from the Petition that the use of such delivered cost charts for any purpose was objected to by the Plaintiff, the Defendants wholly abandoned the compilation, distribution and use of the same.

That in addition to abandoning and discontinuing the compila- [fol. 72] tion, distribution and use of said delivered cost charts, the Defendant Association and all the Defendants have also eliminated from said Freight Rate List or book all matters relating to differentials, and all matters relating to terms of sale, cash discounts and similar items.

That for many years prior to the first day of January, 1922, it was the custom of manufacturers of Maple, Beech and Birch flooring in the States of Wisconsin, Michigan and other states to allow discounts for cash, discounts for the payment of bills before the expiration of the original time of payment and certain other trade practices had become of universal use; that such discounts, terms and practices were identical with the terms, discounts and practices hereinbefore mentioned and of which complaint has been made by the Plaintiff; that said terms, discounts and some of said practices were incorporated in said Freight Rate List, or book formerely compiled and distributed by the Defendant Association. That there never was any understanding or agreement, express or implied, by or between the Defendants or any of them with respect to any of the foregoing matters, and that since January 1, 1922, the practice of the several Defendant manufacturers has varied, and that each of said manufacturers has been free to exercise his own discretion and has at all times exercised his own discretion with respect to all of such matters. That inasmuch as the Plaintiff has objected to some of the matters above mentioned, the Defendant Association and the Defendants have concluded to abandon and have abandoned the publication and distribution among the members of the Defendant Association of all terms of sale and all the other matters hereinbefore mentioned.

[fol. 73] VII

That since January 1, 1922, the Defendant Association, at considerable cost and expense, has endeavored to collect and distribute among its members and publish for the benefit of wholesale and retail lumber dealers, as well as for the benefit of all purchasers and consumers of Maple, Beech or Birch flooring, data with respect to the state of the Maple, Beech and Birch flooring industry. That in the collection of such information the Defendant Association has from time to time sent its agents into various parts of the United States in order to keep in touch with building conditions, the demand for Maple, Beech and Birch flooring, and the extent to which such flooring was being used in competition with other floorings, both wood and synthetic.

That members of the Defendant Association have from time to time since January 1, 1922, forwarded to the Secretary of the Defendant Association reports concerning unfilled orders, stocks on hand, amounts of flooring shipped, new orders booked, production and average prices realized for flooring after deducting freight for certain grades of Maple flooring. That all the information above mentioned related wholly to past and completed transactions and most of it was from a week to one month old when it was received by the Secretary of the Association, and it thereafter took some time for the office force of the Association to copy the same and forward such information to all the members of the Defendant Association. That all the information in question was offered to be filed by the Defendant Association as and when received with the Department of Commerce of the United States, but said Department of Commerce refused to receive all of it, but offered to [fol. 74] receive certain parts thereof, and that all data which the said Department would accept have from time to time and in the ordinary course of business been transmitted by the Defendant Association to such Department of Commerce where it has remained at all times accessible to the public and has from time to time been published in the Survey of Current Business published by the Department of Commerce.

That the members of the Defendant Association deal exclusively with wholesale and retail lumber dealers and that their sales are made wholly to such wholesale and retail dealers; that said wholesale and retail lumber dealers are at all times thoroughly informed as to the state of the Maple, Beech and Birch flooring industry and of the lumber market generally. That notwithstanding such facts, the Defendant Association has from time to time sent to the principal lumber trade papers in the United States for publication information collected by it and that said papers have published much of such information. That said papers have a very extensive circulation throughout the United States and are subscribed for and read by wholesale and retail lumber dealers, by architects and other persons interested in the various phases of the lumber industry. That in addition to the foregoing publication of the information so obtained, the Defendant Association, at the request of the Federal Reserve

Bank of Chicago, has furnished said information to the said Federal Reserve Bank. That the Defendant Association has at all times been willing to make available to the public any and all information collected by it and has endeavored to give such information the widest possible circulation. That the Defendant Association has from time to time furnished to the agents and representatives of the Federal Department of Justice full and complete copies of its records, [fol. 75] files, papers and documents relating to the conduct of its activities and has permitted such agents and representatives to inspect its files, records, papers and documents and furnished them with copies of the same whenever requested so to do.

That said information has been and is collected and distributed by the Defendant Association not for the purpose of enabling its members or anyone else to limit production, or fix or enhance, regulate or control prices, or in any other manner to restrain, limit or interfere with interstate trade or commerce. That most of the members of the Defendant Association live in small communities away from the centers of consumption of Maple, Beech and Birch flooring. That the purpose of furnishing such information to the members of the Defendant Association was merely to place before them information from which each one for himself might draw his own separate and independent conclusion as to the state of the Maple, Beech and Birch flooring industry and as to business conditions as reflected by the supply and demand for such flooring.

That the Articles of Association of the Defendant Association nowhere provide for or impose any fines, or penalties of any kind or nature whatsoever, upon any of the Defendant members who failed to furnish any such information, or who fail to attend meetings, or for any other reason or cause whatsoever.

That the collation and distribution of such information has not enhanced the prices of Maple, Beech or Birch flooring, or in anywise interfered with the free operation of the economic laws of supply and demand, but on the contrary have facilitated the free operation of such laws.

That the expense of collecting such information by each member [fol. 76] of the Defendant Association for himself would be so great as to be prohibitive and that none of the members of the Defendant Association are financially able, or of a sufficient size to incur such expense, which is usually undertaken only by corporations of great magnitude and great financial strength. That neither the collection nor the distribution of such statistical information, nor any other of the activities of the Defendants, or of any or either of them, have in anywise restrained, diminished or eliminated, or caused to be restrained, diminished or eliminated, the free flow of interstate trade and commerce in Maple, Beech or Birch flooring, either as between the Defendants, or as between all or any of the Defendants and other manufacturers of Maple, Beech or Birch flooring, and that there has at all times existed bona fide competition between all the Defendants and each of them and between each of the Defendants and other manufacturers of Maple, Beech and Birch flooring. That the prices for Maple, Beech and Birch flooring are fixed absolutely by the com-

petition above described and the economic laws of supply and demand and that said prices have always been and are now fair and reasonable to the public.

That prior to the filing of this answer the Defendant Association revised and altered its methods of transmitting to its members the foregoing information collected by the Association, and that the information now forwarded to the Defendant Association by its members, as hereinbefore set forth, is consolidated before it is distributed to said members, and that said information is now consolidated and transmitted to the members in such way and manner as not to disclose to any member or members, any of the particulars, or intimate details of any other member's business, and that neither from the information so transmitted by the Defendant Association, [fol. 77] nor from any other source, nor by any other means, can any member or members of the Defendant Association now learn or know, nor do such member or members learn or know, either the amount of unfilled orders, or the amount of stock on hand, or the amount of flooring shipped, or the amount of new orders booked, or the amount of production of Maple, Beech or Birch flooring, or the prices realized for any of such flooring, by any other member of the Defendant Association.

VIII

That since the Defendant Association was organized on January 1, 1922, its members have met on an average of about once a month, and that at said meetings the members discuss the general and financial business conditions of the country and the general condition of the Maple, Beech and Birch flooring industry, but that at none of such meetings was there ever any discussion, action, understanding or agreement, express or implied, by or between the Defendants, or any or either of them, with respect to limiting production, enhancing, fixing, regulating or controlling prices or otherwise restraining or interfering with the free flow of interstate trade and commerce in either the manufacture or sale of Maple, Beech or Birch flooring.

[fol. 78] IX

That at considerable cost and expense the Defendant Association has established and maintained and now maintains standardized grades of Maple, Beech and Birch flooring and an inspection service in order to protect both the public and the Defendant manufacturers. That the grades established and maintained by the Defendants are of the very highest quality and are fair and reasonable to the public, to the Defendant manufacturers and to all users of Maple, Beech or Birch flooring. That the establishment and maintenance of said standardized grades have been of great benefit to the public and have not in anywise interfered with the free flow of interstate trade and commerce in Maple, Beech or Birch flooring.

That Defendant Association was organized at the time and has been conducted and is now being conducted in the manner herein-

before set forth and not otherwise. That the plaintiff is not entitled to the relief prayed for, or any part of such relief.

Wherefore, the Defendants and each of them, pray that the Petition be dismissed and for judgment for their and each of their costs by them in this behalf sustained.

As a further and separate answer, and by way of a further special defense to the matters and things alleged in the Petition, the Defendants and each of them say:

That there have never been any uniform prices established or maintained among or between the Defendants, or any or either of them. That on the contrary, there has always existed actual and bona fide competition among and between all the Defendants, their [fol. 79] officers, employees, servants and agents, in the manufacture and sale of Maple, Beech and Birch flooring, as well as between each of the Defendant manufacturers and other manufacturers of Maple, Beech and Birch flooring. That at all times the prices of Maple, Beech and Birch flooring have been fixed by the economic laws of supply and demand and not otherwise. That during all times the prices of Maple, Beech and Birch flooring have risen and fallen in absolute harmony with the rise and fall of all other commodities sold in the United States, and that the Defendants neither individually nor collectively have ever exercised nor attempted to exercise any control or domination, nor have they ever had any control or domination over the price of Maple, Beech or Birch flooring, but that each of the Defendant manufacturers has at all times accepted and been compelled to accept such prices for his Maple, Beech or Birch flooring as he was able to secure in the open market in competition with all other manufacturers of Maple, Beech or Birch flooring, including other members of the Defendant Association. That the prices of Maple, Beech and Birch flooring have always been fair and reasonable to the public and that no loss or injury has been incurred or sustained by any purchasers or consumers of Maple, Beech or Birch flooring by reason of the matters and things alleged in the Petition, or by reason of any other facts, matters or things whatsoever.

Wherefore, the defendants and each of them pray that the said petition be dismissed and that they and each of them have judgment for their costs incurred in this behalf.

[fol. 80] As a further and separate answer, and by way of a further and special defense to the matters and things alleged in the Petition, the Defendants and each of them say:

That even if the Defendant Association was organized during the year 1895, as alleged in the Petition (which the Defendants deny) and was at various times thereafter reorganized, and was conducted under different Articles of Association from time to time, and is now being maintained under Articles of Association dated January 1, 1922, nevertheless the Defendants aver that the practices alleged to have been pursued by the Defendants and other members of the Defendant Association, previous to January 1, 1922, have been discontinued and abandoned, and that since the signing of the Articles

of Association, dated January 1, 1922, the Defendants have carried on and conducted the activities of said Association, as stated in the first separate answer and special defense hereinbefore set forth, and not otherwise. That the activities of the Defendants since January 1, 1922, have not resulted in unreasonable prices for Maple, Beech or Birch flooring, and that what the Defendants have done since January 1, 1922, was not done as a part of an illegal scheme, or with the intent to limit, or curtail production, or to restrain competition, or to monopolize interstate trade or commerce, or any part thereof, or to restrain interstate commerce in the manufacture or sale of Maple, Beech or Birch flooring. That at all times since January 1, 1922, none of the Defendants have charged the public exorbitant or unreasonable prices for Maple, Beech or Birch flooring, but the Defendants and each of them aver that during all of said time the prices of Maple, Beech and Birch flooring have been fair and reasonable.

Wherefore the Defendants and each of them pray that [fol. 81] the Petition be dismissed and that they and each of them have judgment for their costs in this behalf by them sustained.

W. D. Young & Company, Mitchell Brothers Company, Wisconsin Land & Lumber Co., Cobbs & Mitchell, Inc., I. Stephenson Co., Trustees, Cummer-Diggins Co., Osgood & Blodgett Mfg. Co., Holt Hardwood Company, Kerry & Hanson Flooring Company, East Jordan Lumber Co., Nichols & Cox Lumber Co., Strable Lumber & Salt Co., Foster-Latimer Lumber Co., West Michigan Flooring Co., J. W. Wells Lumber Co., Northwestern Cooperage & Lumber Co., Flanner-Steger Land & Lumber Co., Grand Rapids Trust Company, as Receiver for William Horner, North Branch Flooring Company, The Bigelow Cooper Co., Kneeland-McLurg Lumber Co. and Oval Wood Dish Corporation, Maple Flooring Manufacturers Association, George W. Keehn, B. P. Whedon, M. E. Thomas, G. W. Earle, H. H. Shepeck, J. L. Colby, F. S. Blodgett, W. L. De Witt, F. R. Welsh, J. J. Porter, F. E. Holland, George Strable, H. I. Latimer, Edwin Vollmer, W. H. Greene, Mary Vollmer, A. C. Wells, C. H. Law, J. D. Staple, P. D. Flanner, T. M. Ralston, C. A. Brand, J. E. Dewey, P. S. McLurg, and F. M. Hodges, by Neuman, Poppenhusen, Stern & Johnston, Solicitors for Said Defendants. Newman, Poppenhusen, Stern & Johnston, Travis, Merrick, Warner & Johnson, Solicitors for the Defendants.

[fol. 82] IN UNITED STATES DISTRICT COURT

[Title omitted]

STIPULATION TO TAKE DEPOSITIONS—Filed Oct. 19, 1923

The plaintiff and the defendants in the above-entitled cause, by their respective solicitors, do hereby stipulate and agree as follows:

I

(a) That authority is hereby given the plaintiff to take the depositions of such witnesses as it may desire upon giving Newman, Poppenhusen, Stern & Johnston, 1615 Lumber Exchange Building, Chicago, Illinois, solicitors for the defendants, not less than five days' notice by telegram for each five hundred miles distance by railroad between Chicago, Illinois, and the place where such depositions are to be taken.

(b) That authority is hereby given the defendants to take the depositions of such witnesses as they may desire by giving the Attorney General not less than five days notice by telegram for each five hundred miles distance by railroad between Washington, D. C., and the place where such depositions are to be taken.

Provided, however, that the aforesaid notice of taking depositions shall not be required in case the time and place therefor are agreed upon by counsel for both parties.

(c) That the telegraphic notices given pursuant to this stipulation shall inform the recipient of the State and the city or the town in such State, as well as the place in such city or town, where, and the time when, such depositions will be taken. The filing of such notices for transmission with the Western Union Telegraph Company, or Postal Telegraph Cable Company, and the posting on the same day of letters confirming said telegraphic notices shall be conclusive proof that notice has been given of the taking of depositions pursuant to this stipulation.

II

That the witnesses whose depositions are taken pursuant to this [fol. 83] stipulation shall first be duly sworn by some person who is authorized to administer oaths by the State or Federal laws where such witnesses are examined, and that the testimony of such witnesses shall be taken by a stenographic court reporter, or some other competent person, who shall reduce or cause to be reduced to longhand, or typewriting, the testimony so taken, and that such stenographic court reporter, or other person, shall have the same power to take such depositions and certify them as if he had been duly appointed Special Commissioner or Examiner by the Court wherein the above-entitled cause is now pending to take such depositions.

III

That unless otherwise stipulated in writing when the depositions are taken, all depositions taken pursuant to this stipulation and agreement shall be signed by the person giving them and certified by the stenogaphic court reporter or other person taking said depositions. That all depositions taken pursuant to this stipulation and agreement shall be transmitted by mail to the Clerk of the District Court of the United States for the Western District of Michigan, at Grand Rapids, Michigan, where they shall be filed in said cause and immediately published by the Court without notice.

IV

That the party giving notice pursuant to this stipulation and agreement for the taking of depositions of witnesses shall pay the expenses of taking the same and shall furnish the other party free of charge with a copy of such depositions, subject, however, to such expense incident to taking depositions by the Government being charged as a part of the costs of the cause should the Government prevail in the litigation; and provided that copies of numerous or voluminous exhibits need not be furnished said party at the expense of the party giving the notice. That the parties and their solicitors shall, however, pay their own traveling expenses, hotel bills and all other like or similar expenses.

V

That all depositions taken in conformity with the provisions of this stipulation and agreement may be used upon the trial of said cause, or upon any hearing before a Master in Chancery, or other person designated by the Court, in case said cause, or any part [fol. 84] thereof, be referred to a Master or other person by the Court, by either party, and shall be received in evidence and shall be entitled to the same force and effect as if they had been duly and regularly taken under and pursuant to the statutes in such case made and provided, and as if all the rules of court had been complied with and an order of court for the taking of such depositions had been duly and regularly made and entered in the above-entitled cause.

That the parties to the above-entitled cause do hereby expressly waive any and all objections which might be urged by either of them on account of the failure of the other to comply with any rules of court, or any statutes or rules of practice relating to depositions, or on account of the absence of any order of the court providing for the taking of the depositions in this cause.

C. Stanley Thompson, Special Assistant to the Attorney General. Newman, Poppenhusen, Stern & Johnston, Solicitors for the Defendants.

[fol. 85] In the District Court of the United States

[Title omitted]

Motion for a Continuance—Filed November 8, 1923

Come now the Defendants in the above entitled cause, and each of them, by their solicitors, Travis, Merrick, Warner and Johnson, and Newman, Poppenhusen, Stern & Johnston, and move this Honorable Court that the order setting the above cause down for hearing for November 26, 1923, be vacated and that said cause be continued to a date which will allow the said Defendants, and each of them, to prepare for a hearing of said cause. This motion is based upon the files, records and proceedings herein and the affidavit of Henry J. Darby hereto attached and made a part hereof.

Newman, Poppenhusen, Stern & Johnston, Travis, Merrick, Warner & Johnson, Solicitors for Defendants.

[fol. 86] State of Michigan,
County of Kent, ss:

Affidavit of Henry J. Darby

Henry J. Darby, being first duly sworn, on oath deposes and says that he is associated with the firm of Newman, Poppenhusen, Stern & Johnston, of Chicago, Illinois, solicitors for the Defendants in Equity Cause No. 1979, wherein the United States of America is the Plaintiff and the Maple Flooring Manufacturers' Association, et al., are the Defendants, which said cause is now pending in the District Court of the United States for the Western District of Michigan.

That he is a member of the bar of the State of Illinois and of the District Court of the United States, Eastern District of Michigan.

That sometime during the summer of 1923, upon the denial of certain motions made by the Defendants, the Honorable Judge Sessions set the said cause down for hearing on November 12, 1923, and stated in open court to the solicitors for the respective parties, that he would, under no circumstances, consider any motions for a postponement or continuance, and that said cause must be heard on November 12, 1923.

That thereafter, the solicitors for the Plaintiff in said cause moved for a continuance and the said motion was granted by the Judge of said court and the cause was set down for hearing on November 26, 1923.

That the solicitors for the Defendants have been diligent in the preparation for hearing in said cause and during the latter part of October depositions were taken in the City of Chicago pursuant to

stipulation by the solicitors for the respective parties to said cause. [fol. 87] That while the depositions were being taken, said affiant and Mr. Jacob Newman, of the firm of Newman, Poppenhusen, Stern & Johnston, informed Mr. C. Stanley Thompson, special assistant to the Attorney General of the United States and of counsel for the Plaintiff in said cause, that the solicitors for the Defendants had collected a great mass of data but had not been able to confer personally with all their clients in order to prepare for the hearing of said cause, but that schedules for appointments would shortly thereafter be made and that they intended to spend the major portion of November, prior to the 26th day thereof, in a series of conferences at Chicago, Illinois, with their clients in order to prepare for the hearing of said cause.

That thereafter, affiant and Mr. George W. Keehn, Secretary of the Maple Flooring Manufacturers' Association, prepared schedules for the Defendants in said cuase to appear in Chicago for the purpose of consulting with their solicitors and preparing for a hearing in said cause.

That the first of said hearings was arranged for Wednesday, November 7, 1923. That shortly before said date several of the Defendants in said cause, or their officers, employes or representatives, were served with subpœnas, duces tecum, to appear before the Federal Grand Jury at Grand Rapids, Michigan, on the 9th day of November, 1923, then and there to testify on behalf of the United States before the Grand Jury, and not to depart without leave. That said subpœnas, duces tecum, required the Defendants also to then and there bring with them the following files and records:

[fol. 88] Complete files from January 1, 1913, to date of the following material issued by or through or pertaining to the Maple Flooring Manufacturers Association as now existing, and any such Association existing during the period mentioned:

Articles or contracts of association.

Minimum price plans or basis.

Monthly, semi-annual and annual market conditions committee reports.

Mont-ly allotment statements.

Semi-annual and annual allotment contract fund statements.

Annual and semi-annual Secretary's reports.

Minutes or memoranda of general, special, annual and semi-annual association meetings.

Minutes or memoranda of market conditions committee meetings.

Semi-annual and annual special fund reports.

Monthly reports of Flooring Manufacturing information.

Monthly reports of current net values.

Monthly reports of average prices realized.

Quotations reports.

Reports of results of test runs.

Surveys of costs.

Tables of values and concessions sheets.

Delivered cost charts.

Freight rate books.
Records of completed transactions.
Circular letters or Secretary's letters to members.

All correspondence, letters and telegrams sent to or received from the officers, members of market conditions committee and members of said Association or Associations dealing with any of the following subjects:

Association meetings and activities.
Market conditions committee, meetings and activities.
Statistics and statistical reports.
Minimum price plans.
Articles of association.
Allotments.
Surveys of costs.
Test runs.
Weekly sales reports.
Tables of values and concessions.
Registering of wholesalers and commission men.
Trade conditions.
Curtailment of production.
Stocks on hand.
Prices charged or to be charged, and quotations.
Interchange of quotations.

That affiant was informed that all the other corporation Defendants in said cause, or some of their agents, officers or representatives, would be likewise subpœn-ed, and affiant was informed by the Honorable Edward J. Bowman, District Attorney for the United States for the Western District of Michigan, that a subpœna, duces tecum, of the same character as those above-mentioned had been issued for [fol. 89] said affiant and that affiant, as one of the solicitors for the Defendants in said cause would be required to appear before the Grand Jury at Grand Rapids and produce all files in his possession which relate to the matters above mentioned.

That the solicitors for the Defendants have collected since the institution of the suit, data from their clients; that said data was received by them in their capacity as solicitors and for the sole purpose of enabling them to prepare for a hearing in said cause and to be able to advise their clients as to the law and to see that their rights were adequately protected.

The subpœnas, duces tecum, that have been issued and served, and those that will hereafter be served upon the Defendants, their agents, officers or employes, have prevented and will prevent the Defendants and their solicitors from making an adequate preparation for the hearing in said cause.

That Defendant, Maple Flooring Manufacturers Association *in* composed of some twenty-two firms and corporations located in the States of Michigan, Minnesota, Wisconsin, Illinois and New York, and that besides the firms and corporations who are made Defendants to the petition in said cause, there are twenty-four officers or representatives of said firms and corporations who have been made

parties defendant in said cause, many of whom have been served with subpœnas, duces tecum; that affiant has been informed that several others of said individual Defendants will likewise be served with subpœnas, duces tecum.

That the Honorable A. T. Seymour, Assistant to the Attorney General of the United States, and of counsel for the Plaintiff in said *cuase*, demanded of Newman, Poppenhusen, Stern & Johnston, as solicitors for the Defendants, the physical possession of all files, documents and other data that the said solicitors had received from [fol. 90] their clients in order to ascertain the facts and to be in a position to advise their clients as to the law, and to represent them on the hearing of said *cuase*. That the Honorable A. T. Seymour informed said firm of solicitors that unless his said demand was complied with he would take other steps to procure the information that he desired. That within a week or ten days after the ultimatum above mentioned, the subpœnas, duces tecum, above mentioned were issued.

That *ny* reason of the foregoing facts it will be impossible for the Defendants to prepare for a hearing of said cause and to adequately protect the legal and constitutional rights of their clients, and that if forced to go to a hearing on November 26, 1923, the said Defendants, and each of them, will be deprived of their legal and constitutional rights to adequate time within which to prepare for a hearing of said *cuase*; that the documents mentioned in said subpœnas and the presence of said persons at Chicago are necessary to properly prepare the defendants' defense to the petition in said cause.

Henry J. Darby.

Notary's certificate omitted.

[fol. 91] IN UNITED STATES DISTRICT COURT

[Title omitted]

ORDER DENYING CONTINUANCE—Nov. 8, 1923

The motion of said defendants for a continuance in this cause came on this day to be heard and was argued by counsel for the respective parties; and thereupon it is ordered that said motion be and it hereby is denied.

[fol. 92] IN UNITED STATES DISTRICT COURT

[Title omitted]

OPINION—Filed December 19, 1923

Neither the merits nor the demerits of the Sherman Anti-Trust Act are here in issue. If, as is intimated, that statute, as hereto-

fore construed, interpreted and applied, has become antiquated, obstructive to honest progress, inconsistent with recognized and approved modern business methods, or unduly burdensome upon the industrial activities of the country, the remedy rests with the Congress and not with the Courts. The sole question here presented for consideration and determination is whether the agreements of these defendants, or the methods and practices by and through which these agreements are performed and carried into effect have a necessary tendency to cause a direct and undue restraint of intrstate trade or commerce. As is said in American Column Co. vs. United States, 257 U. S. 377-399:

[fol. 93] "Obviously the organization of the defendants constitutes a combination and confessedly they are engaged in a large way in the transportation and sale of lumber (flooring) in interstate commerce so that there remains for decision only the question whether the system of doing business adopted resulted in that direct and undue restraint of interstate commerce which is condemned by this Anti-Trust statute."

Both the oral testimony and the documentary evidence in this case are very voluminous; but the basic and controlling facts are not much in dispute. There is, however, the widest possible divergence of inferences, deductions and conclusions sought to be drawn from such facts. These differences may be thus summarized:

On the part of the plaintiff it is claimed that, (1) The organization of defendants has been in existence many years without material change in form or character and its purposes and objects cannot be discovered nor correctly determined without a study of its previous history and activities as well as its present conduct; (2) The primary object and purpose of this combination has been at all times and is now to control the production and prices of maple, beech and birch flooring and thus to limit competition and unduly to restrain trade in that product, all other purposes and objects being either subordinate or incidental; (3) The efforts of defendant have been successful in large measure and have resulted in a material [fol. 94] reduction of competition, a practical control of production, and at least a partial fixation of prices and, hence, an unlawful restraint of trade in the maple flooring industry; and (4) The relief which should be granted is an injunction restraining the defendants from continuing the present Association or organizing, creating, or entering into another combination of similar nature and character.

In behalf of defendants the opposing contentions are: (1) The present Association is a new and independent one, quite different in character and purpose from those preceding it, and should be approved or condemned solely because of its own actions and conduct and not because of any misconduct of its predecessors; (2) The purposes and objects of the present Association are not only lawful but commendable and consist mainly in an attempt to increase the use and consumption of maple, beech and birch flooring by extensive advertising and by the standardization and betterment of

such product, the settlement of disputes by the maintenance of an inspection service, and the collection, compilation, exchange and distribution of legitimate statistical information, all for the benefit and to the advantage of the manufacturer, the dealer and the consumer alike; (3) The efforts of the defendants along the lines above indicated have not resulted in any appreciable lessening of competition, control of production or increase or fixation of prices; and, (4) The actions and conduct of the Association and its members should not be condemned as a whole, but, either plaintiff's petition should be dismissed, or only the objectionable features and methods, if any, [fol. 95] of defendants' plan and operations should enjoined.

A detailed recital of facts is both unnecessary and impractical. Therefore, a brief discussion of the antagonistic claims of the parties and as concise a statement of the conclusions reached as reasonable clearness and a due regard for the importance of the subjects will permit is all that will be attempted.

The first inquiry pertains to the relationship between the present organization and its predecessors and the connection between the earlier and later plans and methods of operation. From the beginning the name of the Association has remained unchanged. There has been no break in continuity of organization or activities. Each agreement constituting its Articles of Association and each amendment thereof has been signed and executed before the expiration of the old. The present Articles were executed in March or April, 1922, and dated back to January 1, 1922, but the next preceding Articles would not have expired by their terms until July 1, 1922. The membership has been fairly constant. Fifteen of the twenty-one present members have belonged to the Association for upwards of ten years. The chief executive officer of the organization is its secretary and the same person has held that position and shaped the course of its activities for many years. The conclusion is irresistible that this combination has been single and continuous and that a study and examination of its past history as well as its im-
[fol. 96] mediate agreements and doings is necessary in order to reach a full and fair comprehension of its present purposes and objects.

There is no longer room for controversy as to the meaning and purpose of the Sherman Act. In American Column Co. vs. United States, Supra., at page 400, it is said:

"It has been repeatedly held by this court that the purpose of the statute is to maintain free competition in interstate commerce and that any concerted action by any combination of men or corporations to cause, or which in fact does cause, direct and undue restraint of competition is such commerce falls within the condemnation of the act and is unlawful."

The rule by which the legality of combinations like the Maple Flooring Manufacturers Association, operating under an "Open Competition" plan or system, must be tested, has also been clearly defined and settled by the Supreme Court. The latest pronounce-

ment of that Court is found in the case of United States vs. American Oil Co., 262 U. S. 371-390:

"We are not called upon to say just when or how far competitors may reveal to each other the details of their affairs. In the absence of a purpose to monopolize or the compulsion that results from contract or agreement, the individual certainly may exercise great freedom; but concerted action through combination presents a wholly different problem and is forbidden when the necessary tendency is [fol. 97] to destroy the kind of competition to which the public has long looked for protection."

Applying the rules thus announced: Does the conduct, past and present, of the defendants indicate a purpose to monopolize the maple, beech and birch flooring industry? Do the present Articles of this Association, either in and by their own force and terms or when viewed in the light of prior agreements of like nature, exert a pressure or compulsion toward the control of production and prices? Does the plan or system followed and pursued by defendants in their operations have a direct and necessary tendency to destroy the kind of competition to which the public has a right to look for protection and which the Congress intended to preserve in and by the enactment of the Sherman Anti-Trust Act? The decision of this case depends and hinges upon the answers to be given to these questions.

At the outset, we may assume that the efforts of these defendants directed along the lines of advertising, standardizing and inspection of their product, when considered in any by themselves, have been lawful and permissible. But, since January 1, 1922, these matters, in comparison with the other activities of the Association and its members, have been of minor importance. No new advertising campaign has been commenced or conducted and no change has been made in grades and sizes of the product or in the rules of inspection.

Articles of Association, if any, adopted and in force during the years from 1895 to 1912 inclusive, have not been introduced in evidence. It has been stated in argument and probably is shown [fol. 98] by the record that during these years unsuccessful attempts were made to fix and maintain definite and specific prices at which maple, beech and birch flooring was to be sold. The Articles of this Association in force during the years 1913 to 1923 inclusive are in the record and afford and yield indisputable evidence of the primary purposes of the organization. Embodied in the Articles of January 1, 1913, is the so-called "Allotment Plan". This plan was continued in force and operation until after the decision of the lower court in the Hardwood case in March, 1920. This plan is best described by quoting from the Articles themselves: "For the purpose of securing moneys for the General Fund, an assessment of three dollars per thousand feet shall be levied each month on all shipments during that month in excess of the allotted percentage set opposite the signature of each member. From this General Fund

each member who has shipped during that month less than his allotted percentage shall be paid three dollars per thousand feet on the quantity under-shipped down to 75% of his allotment for that month." Then follow provisions for a final adjustment of accounts at the end of each fiscal year and for the imposition of penalties upon any member failing to pay his assessments. It is apparent that by this plan competition among the members of the Association was practically eliminated.

On July 1, 1916, the Articles of Association were amended by the adoption of a "Minimum Price Plan" which continued in effect until about January 1, 1921. This plan required the establishment of minimum prices for the sale of maple, beech and birch flooring [fol. 99] by the members of the Association, such prices to consist of the average cost and expense of manufacturing and selling the product (including the market value of raw material, interest on capital invested, allowances for depreciation of plant and usual overhead charges) plus an average net profit of ten percent. Drastic penalties were provided for the sale of flooring by any member at less than the minimum prices so established. Here again, the effect of this agreement in limiting and controlling prices and in suppressing competition is apparent.

On January 1, 1921, the defendants, by agreement, established a "Minimum Price Basis" for the sale of their flooring during the period from January 6, 1921 to July 1, 1922. The only substantial differences between this agreement and the preceding one creating the "Minimum Price Plan" were the reduction of the average net profits to be obtained from ten percent to five percent and the abolishment of penalties for violations. Defendants claim that this plan was abandoned after a few weeks trial upon the receipt of a very pointed suggestion from the Department of Justice that it was in violation of the Anti-Trust statute.

Confessedly, each of the agreements above mentioned relating to prices for the sale of flooring falls within the ban of the statute. Soon after the decision of the Supreme Court in the Hardwood case and apparently because of that decision, the present Articles of Association were adopted. In express terms, this contract does not establish minimum prices; but it does set forth that "The sound business principle * * * that manufacturers should carefully con- [fol. 100] sider the question of cost in manufacturing and selling their product is recognized by the Association as the only scientific method of conducting the business of manufacturing and marketing Maple, Beech and Birch Flooring", and it does provide means for ascertaining and furnishing to the members of the Association full and complete information relative to the "Average Cost" of manufacturing and marketing such flooring. The "fundamental elements" entering into and determining such average cost are declared to be the same as those set forth in the previous "Minimum Price Plan" and "Minimum Price Basis" agreements. Thus, by the simple process of adding together the "Average Cost" of the product, so ascertained and furnished, and the customary percentage of average

net profits, each member of the Association, taught by long experience and example, is enabled to, and undoubtedly is expected to, convert the present somewhat vague and concealed price plan into the old definite but obnoxious "Minimum Price Plan".

The collection, analysis and distribution of statistical information always has been and is now a prominent and controlling part of the general scheme of this combination. Since the spring of 1922, the reports made by the individual members of the Association to its secretary and those made by him to the members, collectively and individually, have been more voluminous and in greater detail than ever before. In substance, this reporting system is the "Open Competition Plan" which was considered and discussed in the Hardwood and Linseed Oil cases. At present, each member of the Association is required to "send to the Secretary promptly at the end of each [fol. 101] week a report of all sales made during that week of Maple, Beech and Birch flooring", stating the "quantity, kind and grade of flooring sold, the delivered price sold at, the average freight rate to destination of shipment, and the commissions paid, if any". Each member is also required to make monthly reports showing stocks on hand and unfilled orders on hand at the end of the previous month; the amount in feet of shipments made (except flooring purchased from other members of the Association), mill production, new orders booked and the "average prices realized F. O. B. flooring plant" for flooring sold during the previous month. Quarterly reports of manufacturing and marketing costs per thousand feet of flooring are likewise made.

The Secretary of the defendant Association receives, analyzes and combines these reports received by him and in turn prepares therefrom and distributes to the members of the Association weekly, monthly, quarterly, semi-annual and annual reports containing statistical information covering in minute detail every phase and feature of the Maple, Beech and Birch flooring industry as conducted by such members. His weekly reports show every sale made during the preceding week with the date of sale, the quantity and description (dimension and grade) of flooring sold, the delivered price, the average freight rate, the commissions paid, if any, and the index number of the mill making the sale. (Since July 19, 1923, the index numbers of the mills have been omitted and group sales have been reported). The monthly reports contain full and complete data as to stocks on hand, unfilled orders, shipments, [fol. 102] production, new business booked, average values, average prices realized by each member. (Since July 1923, by each group of members,) with totals for all members and with elaborate comparative tables and a so-called "Barometer" showing the changes in trade conditions and in these statistical data from month to month and year to year. The quarterly reports show average manufacturing and marketing costs compiled and derived from "surveys of costs," "test runs" and average freight rates. The semi-annual and annual reports consist largely of a comprehensive review and combination of the weekly, monthly and quarterly reports together with corresponding tables of comparison.

The reporting system created and practiced by these defendants is, in itself, a bar to genuine competition. Business rivals do not disclose to each other the minute details of their transactions unless such disclosure is made for some ulterior and unworthy purpose.

An important feature of defendants' system has been the compilation and distribution of "Rate Books" and "Tables of Values" showing the freight rates from Cadillac, Michigan, to upwards of four thousand cities and towns in different parts of the United States and delivered values of flooring based upon such freight rates and the average cost of production. Defendants emphatically deny that these books have been used for any purpose other than as a convenient means for quickly ascertaining freight rates upon which to base quotations of delivered prices. It may be true that, at the pres- [fol. 103] ent time these books are used merely as handy reference tables of freight rates, but, prior to August 2, 1923, when the members of the Association were instructed to remove the tables of values from these books, they were designed and intended to be, and were in fact, an essential factor in fixing minimum prices at which flooring could be sold. In the "Minimum Price Plan" and "Minimum Price Basis" agreements, we find the following express declaration of the use and purpose of these rate books and tables of values:" "For Maple, Beech and Birch Flooring, Clear, No. 1, and Factory standard grades and lengths, the said Minimum Prices (Minimum Price Basis) shall be the delivered prices (values) in the Table of Values of May 15, 1916 (January 6, 1921), in the Association Rate Book and Index of Towns."

During the years 1922 and 1923 meetings of the Association and its committees have been held more frequently than in former years. Notwithstanding the positive testimony of several witnesses to the effect that, at these meetings, the conferences and discussions have been confined to "past and completed transactions," it is a heavy tax upon one's credulity to be compelled to believe that these progressive business men have traveled long distances at large expense to attend these meetings, and, while there, have always been looking backward and have carefully avoided, in both conversation and discussion, all reference to the highly important subjects of present trade conditions and future trade outlook.

A helpful sidelight upon the motives which have actuated these defendants in their Association dealings is the fact that nearly every [fol. 104] modification of their agreements or change in their methods or plans has followed a decision of the courts in a case involving the construction and interpretation of the Anti-Trust statute. As each successive opinion has been handed down, these defendants, pursuant to legal advice, have been compelled to shift their position and, in form, to abandon, or more thoroughly to disguise and conceal some obviously unlawful practice. This is the course of conduct usually pursued by those who desire and intend to go as far as possible in the wrong direction and still keep "within the law" and which ofttimes leads into trouble.

During the last few years, the members of this Association have

manufactured and sold more than seventy percent of the total amount of maple, beech and birch flooring produced in the United States and have dominated and, to a very large extent, controlled the industry. Upon this record, it cannot be doubted that they have exercised their power wrongfully and that their agreements and the methods employed by them have had, at all times, a compelling tendency to impede the operation of the economic laws of supply and demand, to increase prices and to stifle competition.

In view of the inherent illegality of the plans and contracts of the defendants as well as their actions in the execution and performance thereof, the actual results flowing from such plans, agreements and the execution and performance thereof are of secondary importance. Besides, no method has been discovered and probably none can be discovered by which to measure either accurately or even approximately the effect of the agreements and doings of these defendants [fol. 105] upon prices, production and competition in the maple, beech and birch flooring industry, for the reason that there are no satisfactory standards of comparison. This Association has been in active operation since the infancy of the industry and, therefore, it is impossible to compare conditions existing before and after its organization. In recent years, nearly every branch of the lumber and flooring business has been highly organized and has been operating under a plan somewhat similar to the plans of this Association. Some of these plans have been condemned by the courts and the validity of others is now being questioned and challenged. When we enter the great field of general industrial and commercial activities each industry is found to have its own peculiar conditions and environment and here comparisons are of little or no value. The elaborate defense interposed upon this branch of the controversy is believed to make this case unique in Anti-Trust litigation. But while the testimony of a large number of witnesses and the illustrative charts which have been exhibited tend to show that the trend of prices, production and conditions in the maple flooring business has been in the same general direction as like trends in other kinds of business, this fact does not greatly assist in the solution of the problem here presented. It is probable that a monopoly, whether partial or complete, may be successful in elevating price levels and in impairing or destroying competition, but every industry is so dependent upon and intertwined with others that the trends of prices and market conditions necessarily must be in the same general direction in all. While the evidence shows that, at all times, there has been [fol. 106] some spread in the prices demanded and obtained by the different members of this Association, it also shows that both quoted and accepted prices have rarely been below those fixed in the earlier "Minimum Price" plans and suggested in the later "Average Cost" plan. The evidence also indicates that somewhat lower prices have usually been quoted by non-members than by members of the Association. It must be confessed, however, that these and other indicia are neither very satisfactory nor conclusive.

There remains the question of relief to be granted. The contention of defendants that the relief, if any, which should be granted, must be confined to an injunction against the specific transactions which may be found to be objectionable, cannot be sustained. If this were a proceeding against a corporation owning and controlling large properties or operating a public utility a very different situation would be presented. The present Articles of this Association contain an express covenant for the termination of the combination on the first day of January, 1925, and provide for the distribution of its money and property among its members at that time. No injury to property or property rights can result from its earlier dissolution. Moreover, the evidence in this case shows clearly that the fundamental and primary purposes and objects of this combination are unlawful and relief short of terminating its existence and restraining the defendants from entering into other agreements or combinations [fol. 107] of like character would be insufficient and inadequate.

A decree will be entered accordingly.

C. W. Sessions, District Judge.

Dated December 19, 1923.

[fol. 108] In United States District Court

[Title omitted]

Decree—Filed and entered January 4, 1924

This cause came on to be heard at this term, and the Court having considered the evidence and having heard arguments of counsel and being fully advised in the premises, it is hereby ordered, adjudged and decreed as follows:

1. That the contract or articles of association under which defendants are now operating, under the name of the Maple Flooring Manufacturers Association, and the activities thereunder as alleged in the original bill and proved on the hearing constitute a combination in restraint of interstate trade and commerce in violation of the Act of Congress of July 2, 1890, entitled "An Act to protect trade and commerce against unlawful restraints and monopolies," known as the Sherman Anti-Trust Act.

2. That the defendants and their officers, agents, servants and employees and all persons acting under, by or in behalf of them or any of them, are hereby ordered and directed to dissolve and to forever discontinue defendant Maple Flooring Manufacturers Association, and they are perpetually enjoined, restrained and prohibited from forming or engaging in any like association; and from entering into any express or implied agreement or articles of association or minimum price plan or minimum price basis or any arrangement similar to and having a like purpose as said agreements or articles of association or minimum price plans or minimum price bases described in the petition herein and shown in the proof.

3. That the defendants, their officers, agents, servants and employees and all persons acting under, through or in behalf of them or any of them, are hereby perpetually enjoined, restrained and prohibited from combining, conspiring or agreeing to do any of the following acts:

(a). To fix in any manner whatsoever or to maintain uniform or non-competitive f. o. b. factory or delivered prices for the maple, beech or birch flooring sold by them, or to increase or diminish such prices, or to do any act or acts having the purpose or effect of establishing or maintaining such uniform or non-competitive prices, [fol. 109] or increasing or diminishing such prices;

(b). To fix in any manner whatsoever, or to maintain, uniform minimum prices or average costs for maple, birch or beech flooring, or the elements to be considered as entering into and determining said minimum prices or average costs, or to do any act or acts having the purpose or effect of establishing or maintaining uniform minimum prices or average costs for use as common bases in establishing prices;

(c). To make reports to a central collective agency or agencies or to receive reports from a central collective agency or agencies such as or similar to the reports described in subdivision five of paragraph five of the petition herein (and proven by the evidence) to be used as a means of controlling or fixing prices or in any manner affecting the production of maple, beech or birch flooring, or to be used as a means of fixing or controlling or increasing or diminishing prices of maple, beech or birch flooring, or to be used as a means of controlling or otherwise affecting the production of such flooring;

(d). To do any act or acts having the purpose or effect of causing or enabling them or any of them to establish or maintain uniform or non-competitive prices or to increase or diminish such prices or to maintain uniform policies as to prices and sales;

(e). To compile, publish or use freight rate books containing all or any of the following matters: average cost charts of the principal items of maple, beech or birch flooring, tables of differentials for the determining of the average costs of other kinds of maple, beech or birch flooring, delivered cost charts showing the average cost of any item of maple, beech or birch flooring when delivered at any destination;

Provided, however, that nothing contained in this decree shall be construed as prohibiting any defendant from doing or performing any of the foregoing acts or from selecting his or its own trade and from disposing of his or its own products to such persons or on such terms as it may choose, if done individually and without combining, conspiring or agreeing with any other defendant or with any other manufacturer of maple, beech and birch flooring.

4. That the petitioner shall have and recover from the defendants its costs.

January 4, 1924.

C. W. Sessions, District Judge.

[fol. 110] DISTRICT COURT OF THE UNITED STATES

[Title omitted]

PETITION FOR APPEAL—Filed January 4, 1924

To the Honorable Clarence W. Sessions, Judge in said Court and cause presiding:

And now come Maple Flooring Manufacturers Association, a voluntary Association, W. D. Young & Company, Mitchell Brothers Company, Wisconsin Land & Lumber Co., Cobbs & Mitchell, Inc., I. Stephenson Co., Trustees, Cummer-Diggins Co., Osgood & Blodgett Mfg. Co., Holt Hardwood Company, Kerry & Hanson Flooring Company, East Jordan Lumber Co., Nichols & Cox Lumber Co., Strable Lumber & Salt Co., Foster-Latimer Lumber Co., West Michigan Flooring Co., J. W. Wells Lumber Co., Northwestern Cooperage & Lumber Co., Flanner-Steger Land & Lumber Co., Grand Rapids Trust Company, as Receiver for William Horner, North Branch Flooring Company, The Bigelow Cooper Co., Kneeland-McLurg Lumber Co., Oval Wood Dish Corporation, George W. Keehn, B. P. Whedon, M. E. Thomas, H. H. Shepeck, J. L. Colby, F. S. Blodgett, W. L. De Witt, F. R. Welsh, J. J. Porter, F. E. Holland, George Strable, H. I. Latimer, Edwin Vollmer, W. H. Greene, Mary Vollmer, A. C. Wells, C. H. Law, J. D. Staple, P. D. Flanner, T. M. Ralston, C. A. Brand, J. E. Dewey and F. M. Hodges, defendants herein, by Newman, Poppenhusen, Stern & Johnston and Travis, Merrick, Warner & Johnson, their attorneys, and feeling themselves aggrieved by the final decree of this Court entered herein on the 4th day of January, 1924, hereby pray that an appeal may be allowed to the said defendants from the said decree to the Supreme Court of the United States, for the reasons specified in the Assignment of Errors which is filed herewith, and that a complete transcript of the record, proceedings and evidence upon which said decree is based, duly authenticated, may be sent to the Clerk of the Supreme Court of the United States; that the amount of the appeal bond and the time for filing the same may be fixed, and that the time for the presentation and filing of a certificate of evidence may be fixed and determined.

And said defendants further represent that the evidence presented upon the hearing of said cause is voluminous and includes several hundred separte documents and papers introduced as exhibits, and that it will require approximately ninety (90) days for the preparation of a certificate of evidence and transcript of the record.

Wherefore these defendants pray that the time of the defendants within which to file a complete transcript of the record with the Clerk of the Supreme Court of the United States and to docket said cause in said Court be extended to the first day of June, A. D. 1924.

And said defendants further represent that if the said decree stands in full force and effect until said appeal is heard and decided by said Supreme Court of the United States, the said defendants will

suffer great and irreparable injury, as will more fully appear from the evidence adduced in said cause and from the affidavit of George W. Keehn submitted herewith. Wherefore said defendants further [fol. 111] pray that this Court exercise the discretion conferred upon it by Equity Rule 74 and enter an order herein, suspending the operation and effect of said decree during the pendency of said appeal, upon such terms as to bond, or otherwise, as this Court may consider meet and proper. And these defendants will ever pray.

Maple Flooring Manufacturers Association, W. D. Young & Company, Mitchell Brothers Company, Wisconsin Land & Lumber Co., Cobbs & Mitchell, Inc., I. Stephenson Company, Trustees, Cummer-Diggins Company, Osgood & Blodgett Mfg. Co., Holt Hardwood Company, Kerry & Hanson Flooring Company, East Jordan Lumber Co., Nichols & Cox Lumber Co., Strable Lumber & Salt Co., Foster-Latimer Lumber Co., West Michigan Flooring Co., J. W. Wells Lumber Co., Northwestern Cooperage & Lumber Co., Flanner-Steger Land & Lumber Co., Grand Rapids Trust Company, as Receiver for William Horner, North Branch Flooring Company, The Bigelow-Cooper Co., Kneeland-McLurg Lumber Co., Oval Wood Dish Corporation, George W. Keehn, B. P. Whedon, M. E. Thomas, H. H. Sheteck, J. L. Colby, F. S. Blodgett, W. L. De Witt, F. R. Welsh, J. J. Porter, F. E. Holland, George Strable, H. I. Latimer, Edwin Vollmer, W. H. Greene, Mary Vollmer, A. C. Wells, C. H. Law, J. D. Staple, P. D. Flanner, T. M. Ralston, C. A. Brand, J. E. Dewey, and F. M. Hodges, by Newman, Poppenhusen, Stern & Johnston, Travis, Merrick, Warner & Johnson, Their Attorneys.

[fol. 112] DISTRICT COURT OF THE UNITED STATES

[Title omitted]

Order Allowing Appeal, Fixing the Time for Filing Certificate of Evidence, etc.—Filed January 4, 1924

This matter having come on to be heard in open Court upon the petition of Maple Flooring Manufacturers Association et al., defendants herein, for an appeal from the final decree of the Court entered herein on the 4th day of January, A. D. 1924, to the Supreme Court of the United States, and for the extension of time within which to present and file a certificate of evidence and to file a complete transcript of the record with the Clerk of the Supreme Court of the United States, and it appearing to the Court that all parties in interest are present, or are represented in Court.

It is ordered, adjudged and decreed, that said appeal be and the same hereby is allowed, upon the said defendants filing their appeal bond herein in the sum of ten thousand dollars within five (5) days, with surety to be approved by the Court.

It is further ordered, adjudged and decreed, That said defendants present and file a certificate of evidence, prepared in accordance with Equity Rule 75, on or before the 15th day of March, A. D. 1924, and that the time of said defendants within which to file a complete transcript of the record with the Clerk of the Supreme Court of the United States and to docket said cause in said Court be extended, good cause therefor having been shown to the Court, up to and including the 15th day of April, A. D. 1924.

It is further ordered, adjudged and decreed That in accordance with the prayer of the defendants' petition and pursuant to Rule 74 of the Equity Rules, the permanent injunction this day granted is hereby suspended until the 1st day of January, 1925, unless the appeal of the defendants this day allowed to the Supreme Court of the United States be determined by said Court prior to that date, upon said defendants filing herein said appeal bond in the form prescribed by statute in the penal sum of Ten Thousand Dollars ($10,000) with surety to be approved by the Court.

Entered.

(Signed) C. W. Sessions, Judge.

Dated January 4, 1924.

[fol. 113] DISTRICT COURT OF THE UNITED STATES

[Title omitted]

ORDER DISMISSING BILL AS TO G. W. EARLE AND PERCY S. McLURG—Filed and entered January 4, 1924

It having been shown to the Court that two of the defendants herein, G. W. Earle and Percy S. McLurg, have died pending the hearing of this cause, it is on motion of defendants ordered, adjudged and decreed, that the petition herein be and the same hereby is dismissed as to said defendants, G. W. Earle and Percy S. McLurg.

Dated January 4, 1924.

Enter.

C. W. Sessions, Judge.

[fol. 114] DISTRICT COURT OF THE UNITED STATES

[Title omitted]

ASSIGNMENT OF ERRORS—Filed January 4, 1924

And now come Maple Flooring Manufacturers Association, a voluntary Association, W. D. Young & Company, Mitchell Brothers Company, Wisconsin Land & Lumber Co., Cobbs & Mitchell, Inc., I. Stephenson Co., Trustees, Cummer-Diggins Co., Osgood & Blodgett Mfg. Co., Holt Hardwood Company, Kerry & Hanson Flooring Company, East Jordan Lumber Co., Nichols & Cox Lumber Co., Strable Lumber & Salt Co., Foster-Latimer Lumber Co., West Michi-

gan Flooring Co., J. W. Wells Lumber Co., Northwestern Cooperage & Lumber Co., Flanner-Steger Land & Lumber Co., Grand Rapids Trust Company, as Receiver for William Horner, North Branch Flooring Company, The Bigelow Cooper Co., Kneeland-McLurg Lumber Co., Oval Wood Dish Corporation, George W. Keehn, B. P. Whedon, M. E. Thomas, H. H. Shepeck, J. L. Colby, F. S. Blodgett, W. L. DeWitt, F. R. Welsh, J. J. Porter, F. E. Holland, George Strable, H. I. Latimer, Edwin Vollmer, W. H. Greene, Mary Vollmer, A. C. Wells, C. H. Law, J. D. Staple, P. D. Flanner, T. M. Ralston, C. A. Brand, J. E. Dewey and F. M. Hodges, defendants in the above entitled cause, by Newman, Poppenhusen, Stern & Johnston and Travis, Merrick, Warner & Johnson, their attorneys, and say that in the record and proceedings of the said Court in the above entitled cause and in the final decree made and entered therein on the 4th day of January, 1924, there is manifest error, and for error the said defendants assign the following:

1. Because the Court erred in holding "that the contract or articles of association under which the defendants are now operating under the name of the Maple Flooring Manufacturers Association, and the activities thereunder, as alleged in the original bill and proved on the hearing, constitute a combination in restraint of interstate trade and commerce in violation of the Act of Congress of July 2, 1890, entitled 'An Act to protect trade and commerce against unlawful restraints and monopolies,' known as the Sherman Anti-Trust Act."

2. Because the Court erred in holding that it was proved on the hearing that the contract or articles of association under which the defendants are now operating under the name of Maple Flooring Manufacturers Association, and the activities thereunder, constitute a combination in restraint of interstate trade and commerce in violation of the Act of Congress of July 2, 1890, entitled "An Act to protect trade and commerce against unlawful restraints and monopolies," known as the Sherman Anti-Trust Act.

3. Because the Court erred in ordering and directing the defendants, their officers, agents, servants and employes, or any of [fol. 115] them, to dissolve and to forever discontinue the defendant Maple Flooring Manufacturers Association.

4. Because the Court erred in perpetually enjoining, restraining and prohibiting the defendants, their officers, agents, servants and employes, or any of them, from forming or engaging in any like association, or from entering into any express or implied agreement or articles of association, or any arrangement similar to and having a like purpose as said agreements or articles of association described in the petition and shown in the proof.

5. Because the Court erred in perpetually enjoining, restraining and prohibiting the defendants, their officers, agents, servants and employes, and all persons acting under, through or in behalf of them,

or any of them, from combining or agreeing to fix, in any manner whatsoever, the elements to be considered as entering into and determining the average costs of maple, beech or birch flooring.

6. Because the Court erred in perpetually enjoining, restraining and prohibiting the defendants, their officers, agents, servants and employes, and all persons acting under, through or in behalf of them, or any of them, from combining or agreeing to make reports to a central collective agency, or agencies, or to receive reports from a central collective agency, or agencies, such as or similar to the reports described in subdivision 5 of paragraph 5 of the plaintiff's petition.

7. Because the Court erred in holding that the evidence showed that the reports described in subdivision 5 of paragraph 5 of the plaintiff's petition were made and used by the defendants, or any of them, as a means of fixing or controlling the production or prices of maple, beech or birch flooring.

8. Because the Court erred in perpetually enjoining, restraining and prohibiting the defendants, their officers, agents, servants and employes, and all persons acting under, through or in behalf of them, or any of them, from combining or agreeing to compile, publish or use freight rate books containing all or any of the following matters: Average cost charts of the principal items of maple, beech or birch flooring, tables of differentials for the determination of the average costs of other kinds of maple, beech or birch flooring, delivered cost charts showing the average cost of any item of maple, beech or birch flooring when delivered at any destination.

10. Because the undisputed evidence showed that the prices charged for maple, beech and birch flooring by the defendants are now and always have been fair and reasonable.

11. Because the undisputed evidence showed that the members of the defendant association never fixed or maintained, or agreed to fix or maintain a practical uniformity among themselves of prices for maple, beech or birch flooring.

12. Because the undisputed evidence showed that at all times there had been free, active and vigorous competition among the defendants in the production and sale of maple, beech and birch flooring.

13. Because there was no evidence that the defendants, or any of them, at any time subsequent to January 1, 1922, ever combined, conspired or agreed to restrain, or ever attempted to or did restrain, in any manner or by any means whatsoever, interstate trade or commerce in maple, beech or birch flooring.

[fol. 116] 14. Because the Court erred in admitting in evidence, over the objection of the defendants, articles of association, minimum price plans and minimum price bases and what was done thereunder by the associations created thereby and the parties signatory thereto, all of which articles of association, plans, bases and association

activities had either never become effective or had expired and terminated or had been abandoned long prior to January 1, 1922, the date of the articles of association constituting the defendant Maple Flooring Manufacturers Association.

15. Because the Court erred in admitting in evidence, over the objection of the defendants, articles of association providing for the formation of a Maple Flooring Manufacturers Association, and fixing the duration of its existence from January 1, 1913, to January 1, 1916, and what was done thereunder, by the Association thereby created, and the parties signatory to said articles of association.

16. Because the Court erred in admitting in evidence, over the objection of the defendants, articles of association providing for the formation of a Maple Flooring Manufacturers Association, and fixing the duration of its existence from January 1, 1916 to January 1, 1919, and what was done thereunder by the Association thereby created, and the parties signatory to said articles of association.

17. Because the Court erred in admitting in evidence, over the objection of the defendants, a certain Minimum Price Plan beginning July 1, 1916, and ending November 1, 1917, and what was done thereunder by the parties thereto.

18. Because the Court erred in admitting in evidence over the objection of the defendants, a petition to the Federal Trade Commission submitted on August 27, 1915, and executed July 14, 1915, and what was done thereunder by the parties signatory thereto.

19. Because the Court erred in admitting in evidence, over the objection of the defendants, articles of association providing for the formation of a manufacturers association and fixing its duration from January 1, 1919 to July 1, 1919, and what was done thereunder by the parties signatory thereto.

20. Because the Court erred in admitting in evidence, over the objection of the defendants, articles of association providing for the formation of a Maple Flooring Manufacturers Association and fixing its duration from July 1, 1919 to July 1, 1922, and amendments thereof, and what was done thereunder by the parties signatory thereto.

21. Because the Court erred in admitting in evidence, over the objection of the defendants, the Minimum Price Bases submitted to the Department of Justice and to the Federal Trade Commission on January 29, 1921, and what was done thereunder by the parties signatory thereto.

22. Because the Court erred in denying the defendants' motion to dismiss the plaintiff's petition, on the ground that said petition did not state any matter of equity entitling the plaintiff to the relief prayed for, nor facts sufficient to constitute a valid cause of action in equity, or to entitle plaintiff to any relief against said defendants, or any of them.

[fol. 117] 23. Because the said decree entered by the Court is contrary to evidence.

24. Because the said decree is contrary to law.

25. Because the said decree is contrary to law and the weight of the evidence.

26. Because the Court erred in entering judgment for costs against the defendants.

By reason of the errors aforesaid, the said defendants pray that the said decree may be reversed.

Newman, Poppenhusen, Stern and Johnston, Travis, Merrick, Warner & Johnson, Attorneys for said Defendants.

[fol. 118] (Copy)

DISTRICT COURT OF THE UNITED STATES

[Title omitted]

AFFIDAVIT OF GEORGE W. KEEHN—Filed January 4, 1924

STATE OF ILLINOIS,
County of Cook, ss:

George W. Keehn, being first duly sworn, on oath, deposes and says follows:

1. That he is the Secretarry of Maple Flooring Manufacturers Association, one of the defendants herein, and has since the organization of said Association on the first day of January, 1922, been in active charge of its affairs.

2. That for many years the said defendant Association, and its predecessor association, have conducted an extensive advertising campaign whereby they have advertised maple, beech and birch flooring manufactured by the members of the various associations under the trade mark MFMA; that as the result of such extensive advertising, the name of the Association, Maple Flooring Manufacturers Association, and the trade mark, MFMA, have acquired a good will value worth many thousands of dollars to the members of the Association, so that many of the large purchasers of maple, beech and birch flooring throughout the United States now insist upon the purchase of MFMA flooring, and architects specify MFMA flooring shall be used in the carrying out of building contracts under their supervision.

3. That for many years the Maple Flooring Manufacturers Associations have been engaged in standardizing the grading of maple, beech and birch flooring and have expended in the publication of

uniform grading rules and the employment of inspectors, to see that such standard grades are maintained, large sums of money; that as the result of the efforts of the Defendant Association, and its predecessors, the standards for the manufacture of maple, beech and birch flooring have now become well established and are generally accepted throughout the United States; that in order to maintain such standard grading rules, it is necessary to employ competent inspectors who will, from time to time, visit the mills of those engaged in the manufacture of maple, beech and birch flooring; to render inspection service both to the manufacturers of maple, beech and birch flooring and to the purchasers thereof, so that there may be uniform interpretation of said standard grading rules, and to settle disputes that may arise concerning the same, equitably and fairly.

4. That for many years the Defendant Association, and its predecessors, have furnished to various departments of the Govern-[fol. 119] ment copies of their Articles of Association and other data and information relative to the activities of said Associations, and various departments of the Government have been, for many years, familiar with the activities of said associations; that no action was taken by the Government against the Defendant Association, or its members, until the institution of the above entitled cause in March, 1923; that during all of said period the Association, and its members, by reason of the activities of said associations above referred to, have acquired a standing and reputation in the trade for fair dealing and for high quality of product.

5. That so far as affiant is advised, no member of the public, and no purchaser of maple, beech or birch flooring has ever complained of any of said Maple Flooring Manufacturers Associations, or of the activities of such association, but on the contrary many of the witnesses examined in the above entitled cause testified that the prices charged for maple, beech and birch flooring by the members of the Association were at all times fair and reasonable, and all of the witnesses examined both on behalf of the Government and on behalf of defendants testified that there at all times existed active competition among the manufacturers of maple, beech and birch flooring and a wide fluctuation in the prices charged by various manufacturers for the same grades and sizes of maple, beech and birch flooring, and that the prices for said flooring moved at all times in response to the law of supply and demand; that it further appeared from the evidence that the prices of maple, beech and birch flooring during the period from 1913 to 1923 moved in harmony with the fluctuations in the market prices of many other commodities, and particularly competing wood floorings and with the All Commodity Index Price prepared and used by the Department of Labor, Bureau of the Census.

6. That if the dissolution of the Defendant Association is required, pending the hearing of the appeal from the final decree in this cause to the Supreme Court of the United States, the good

will acquired by said Association, as the result of its operations and the operations of its predecessors, the great value acquired by said trade mark MFMA, and the benefits resulting to the manufacturers of maple, beech and birch flooring, and to the public from the maintenance of standard grade rules and inspection service will be wholly lost and dissipated to the irreparable injury and loss of the members of said Defendant Association.

And further affiant saith not.

George W. Keehn.

Subscribed and sworn to before me this 3rd day of January, A. D. 1924. A. L. Rittenberg, Notary Public.

[fols. 120-122] Appeal Bonds for $10,000—Filed Jan. 4, 1924; approved, Sessions, J.; omitted in printing

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[fol. 123] Citation in Usual Form Showing Service on E. J. Bowman—Filed Jan. 4, 1924; omitted in printing

[fol. 123½] [File endorsement omitted.]

[fol. 124] In United States District Court

[Title omitted]

Stipulation as to Portions of Record to be Incorporated in Transcript of Record on Appeal—Filed Feb. 9, 1924

It is hereby stipulated by and between the parties to the above entitled cause, by their respective attorneys, that the Clerk of this court, in preparing the Transcript of Record of said cause on the appeal of paid defendants to the Supreme Court of the United States, shall incorporate in said Transcript of the Record, copies of the following pleadings, documents, and orders, and the same shall constitute the Transcript of Record on said appeal, and the Clerk of said Court shall transmit only the papers designated in this stipulation:

1. Petition filed March 5, 1923.
2. Appearance of defendants, filed March 26, 1923.
3. Stipulation of parties to extend time to plead, filed March 26, 1923.
4. Order entered March 26, 1923 extending time to file answer.
5. Motion of defendants to dismiss petition, filed May 26, 1923.
6. Order entered June 25, 1923, denying motion to dismiss.

7. Stipulation filed July 26, 1923, extending time to plead.
[fol. 125] 8. Order entered July 26, 1923, extending time to plead.
9. Answer of defendants filed August 6, 1923.
10. Stipulation filed October 19, 1923 for the taking of depositions.
11. Motion made November 2, 1923 for continuance of the cause.
12. Order entered November 2, 1923 denying motion for continuance.
13. Opinion of the court, filed December 19, 1923.
14. Final decree entered January 4, 1924.
15. Petition for appeal, filed January 4, 1924.
16. Order allowing appeal, entered January 4, 1924.
17. Order dismissing petition as of two defendants, entered January 4, 1924.
18. Assignment of errors, filed January 4, 1924.
19. Affidavit of George W. Keehn, filed Jan'y 4, 1924.
20. Appeal bond, filed January 4, 1924.
21. Citation to appellee, filed January 4, 1924.
22. Certificate of evidence.
23. Copy of this stipulation.
24. Notice of lodging proposed Statement of Evidence.
25. Motion to reproduce testimony.
26. Order to reproduce testimony.
27. Motion to transmit certain exhibits.
28. Order for transmission of certain exhibits.

This stipulation is filed pursuant to the provisions of Rule 8 of the Rules of the Supreme Court of the United States, for the purpose of [fol. 126] reducing the size of the Transcript of Record on appeal to the Supreme Court of the United States.

Dated January 30th, 1924.

J. A. Fowler, C. Stanley Thompson, Attorneys for Plaintiff.
Newman, Poppenhusen, Stern & Johnston, Travis, Merrick, Warner & Johnson, Attorneys for Defendants.

[fol. 127] IN UNITED STATES DISTRICT COURT

[Title omitted]

Statement of Evidence—Filed March 10, 1924

Be it remembered and certified that on the hearing of this cause upon the petition and answer thereto, the United States of America, plaintiff, appeared by Honorable Edmund J. Bowman, Honorable James A. Fowler and Honorable C. Stanley Thompson, and the defendants appeared by Mr. Jacob Newman, Mr. Edward R. Johnston, Mr. Henry Jackson Darby and Mr. Edgar J. Johnson.

That said cause came on duly to be heard at Grand Rapids, Michigan and that the taking of testimony in open court began on November 26, 1923.

That during the hearing of said cause the following evidence was offered, admitted or excluded as hereinafter stated, and the following proceedings were had, that is to say:

That to sustain the allegations of its petition, the plaintiff introduced the following testimony and evidence, and the following proceedings were had:

[fol. 128] GOVERNMENT'S CASE IN CHIEF

GEORGE W. KEEHN, being duly sworn, testified as follows:

(Direct examination by Mr. Fowler:)

I reside at Kenilworth and am secretary of the defendant, Maple Flooring Manufacturers Association. I have been secretary of different maple flooring manufacturers' associations since 1905. The headquarters of the Association in 1905 were at Chicago, Illinois, which is also the headquarters of the present Association. The members of the different associations were manufacturers of maple, beech and birch flooring; some of them also manufactured oak flooring. The Association of 1905 lasted until 1907 or possibly 1908. The second association began in 1907 or 1908. My impression is that the articles of that association expired about 1909. It was succeeded by an entirely new association under different articles with a different membership. This association lasted until either 1911 or the fall of 1912. A new association immediately succeeded the one last mentioned. This association was organized on January 1st, 1913. A copy of the Articles of Association were filed with the Department of Justice. To the best of my knowledge and belief the document you show me is a copy of the document that was sent to the Department of Justice.

Mr. Fowler: Your Honor, we will ask that this be filed, Gov. Ex. No. 1.

Mr. Johnston: We object to the introduction of this evidence in order that the record may be clear and the introduction of all other evidence relating to associations prior to the one sought to be dis-[fol. 129] solved, for the reason that such associations are different as to membership and as to articles of association and as to practice under the articles of association, from the association now sought to be dissolved; that the practices existing under prior associations do not exist under this association and that therefore the pertinent inquiry is as to what the present association is now doing, we having offered if the Government was not satisfied with the prior abandonment of all the practices followed under previous articles of associations, to allow an injunction to be issued against such practices, so that the Government may be satisfied. The allegation in the petition is with reference to this Association, to-wit, the Association which now exists and not as to prior associations and alleges that the association was organized in 1897, 'This Association' is the language of the petition—defendant association.

Mr. Fowler: Of course, your Honor, we are going to undertake to prove as a matter of fact, they are all the same association.

The Court: The document will be received and the objection may stand as to all testimony of this character without repeating it.

(Articles of Association referred to marked Gov. Ex. No. 1.)

I have before me a list of the members of the present Association as well as a list of the members of the Association that organized on January 1st, 1913. There are twenty-two members of the present association. W. D. Young & Company and Mitchell Bros. Company were members of the Association organized in 1913 and are [fol. 130] members of the present association. Wisconsin Land & Lumber Company claim they are not members of the present association. They never signed the articles of association and never agreed to join the present association. Up to March, 1923, they exchanged statistics with other manufacturers but since then have discontinued all relations of every kind with the association. They were members of the association that existed in 1913. Cobbs & Mitchell, Inc., I. Stevenson Company, Cummer-Diggins Company, Osgood & Blodgett Manufacturing Co., Kerry & Hanson Flooring Company, East Jordan Lumber Company, Nichols & Cox Lumber Company, Strabel Lumber & Salt Company, Foster-Latimer Lumber Company, West Michigan Flooring Company, Northwestern Cooperage & Lumber Company and the J. W. Wells Lumber Company were members of the association that existed in 1913, and are members of the present defendant association. William Horner was a member of an association from July 1st, 1915 to December 31st, 1915, when he discontinued his membership. Of the 22 members of the present association about 16 of them were members of the association that existed in 1913. There were 30 members of the association last mentioned, 14 of whom do not belong to the defendant association.

Q. You say that association lasted up until what time?

A. Until 1916, January 1st, 1916.

Q. That was immediately succeeded by another association, was it?

A. A new association was organized, new articles of association were adopted, printed and signed up, I presume.

Q. But this one functioned right up to the very day the other one began, didn't it?

A. Yes.

Q. And you were the Secretary of the old one?

A. Yes, sir.

Q. Became the Secretary of the new?

[fol. 131] A. Yes, sir.

Q. Your office was the same place, wasn't it?

A. In Chicago, but not necessarily in the same building but we were in Chicago, yes. They were separate organizations

Q. As a matter of fact, wasn't your office in January 1916 in exactly the same building?

A. They may have been, I don't recall that. It is immaterial anyway.

Referring to Government's Exhibit 1, the association therein provided for operated under said articles.

Q. They kept their Special Fund and their General Fund just as provided for herein?

A. Yes, sir.

Q. And also the reports were made just as required here?

A. Yes, sir.

Q. That was a report of course from each individual member?

A. Yes, sir.

Q. And did you send out a summary of that report to the various members, I mean, did you send out to each member a report showing exactly what each other member had been doing?

A. You mean in shipments?

Q. I mean as to shipments, etc.

A. Yes, sir.

Q. That is, you complied literally with these provisions here?

A. Yes, sir.

[fol. 132] I cannot be certain as to whether or not the document you hand me is a correct copy of the articles of association which became egective on January 1st, 1916. The articles have certain blanks which were not filled in. These articles say January, 1916, to the first day of January, 1919. Below that in pencil, "1913 to 1916." The document is a copy of the articles I gave to Mr. McKeag of the Federal Trade Commission on April 23d, 1919. There appears on this the following statement. "This is the only sample copy we now have of the articles of association of the Maple Flooring Manufacturers Association." The figures in pencil, "1913"-"1916", are inserted so this copy will correspond with the copy filed with the Department of Justice, Washington, D. C., December 31, 1912.

The figures in ink, "1916", "1919", etc., indicate the extension and duration of the articles for three years from January 1, 1916, as per our letter to the Department of Justice under date of January 27, 1916. That is my signature and I am satisfied that states the truth. The interlineations on page 10 are not in my handwriting. The interlineations are modifications of these articles that took effect in 1916. For instance: "NOTE.—June 29, 1917" relates to a modification that was made with respect to the classes of flooring to be reported. "Narrower that 6" wide No. 3 Common and poorer not kiln dried or end matched is exempt if used in U. S. cantonment work." In other words, any material of that description that was sold to the United States Government during the war was not [fol. 133] reported to the Association. I should say that the document in question is a correct copy of the articles as originally adopted and subsequent modifications of them. The modifications in question are interlined.

Mr. Fowler: Your Honor, we will introduce this as Gov. Ex. No. 2.

The modifications modified both the articles and the practices of the association then in existence. The articles last mentioned extended up to January 1st, 1919. There were twenty-eight manufacturers composing that association, eleven of whom do not belong to the defendant association. Seventeen members of the association that existed up to January 1st, 1919, are members of the present defendant association, which is composed of twenty-two members.

Q. Were the Articles of Association adopted on January the first, 1919?

A. Yes, sir.

Q. How long had these Articles adopted on January the first 1919 been under discussion by the members of the other Associations?

A. I couldn't say off hand. Q. It had been under discussion among them for some time. A. There was an entirely new Association formed on January first, 1919.

Q. I asked you if these Articles of Association had not been under discussion by the members of that Association for some time?

A. I couldn't say off hand whether they had or not.

Q. You mean to say that these had never been mentioned until January the first, 1919?

A. Everybody knew they were in existence at that time, Mr. Fowler, that when the Articles expired we formed other Associations.

Q. I am speaking about the ones that were adopted January the first, 1919. Hadn't they been agreed upon before January the first, 1919?

A. I couldn't be certain as to that. It takes some time to formulate these organizations, sometimes it takes two or three months. [fol. 134] Q. Had to beformulated before it was adopted?

A. Might not have been adopted until some time in January or February.

Q. Was it?

A. I don't know.

Q. Don't you remember?

A. Not off hand, I would have to look that up, I can't recall when the Articles of January first, 1919 were adopted and signed.

Q. Anyway the old Association existed until these were adopted, didn't it?

A. I would say so, yes.

Q. It was functioning on up to the very time these went into operation?

A. It functioned up to December 31st, 1919.

Q. Didn't it function up to the time they began to operate under these Articles?

A. There was a different membership on January 1st, 1919.

Q. Didn't the other Association function up until these Articles were adopted?

A. I think I have answered that question. The old Association could not function for the month of January, 1919.

Q. I am not reasoning anything about it.

A. The new Association was formed.

Q. Didn't the old Association function up until this one began?
A. I would say so; yes.
The Court: Was there any gap between the two Associations?
A. No, sir.
Q. How long did the Association function under those adopted January 1st, 1919, or at least purported to be adopted then?
A. Until July 1st, 1919, six months.
[fol. 135] The document you hand me is a copy of the articles of association that were in effect from January 1st, 1919, to July 1st, 1919.

Mr. Fowler: The Government will file this as its Exhibit No. 3.

The articles last mentioned expired on July 1st, 1919 and other articles of association were immediately adopted.

Q. As a matter of fact, that Association functioned under that one until this one began to function under this one, I mean the one adopted July 1st, 1919?
A. Yes.
Twenty-one members of the present association were members of the association that was in existence from January 1st, 1919, to July 1st, 1919, which consisted of 29 manufacturers, eight of whom do [fol. 136] not belong to the present defendant association. The personnel was entirely different and the dates of joining were different in1919. Of the eight manufacturers above mentioned, I think only one of them quit manufacturing—possibly two. The document you show me is a copy of the articles of association that were adopted on July 1st, 1919.

Mr. Fowler: The Government will file this as Gov. Ex. No. 4.
The Court: It will be understood that all exhibits which are offered in evidence will be received until an announcement is made to the contrary.
Mr. Johnston: All subject to our objection, your Honor.
The Court: Certainly.
Mr. Johnston: If I may interrupt just a moment. There was one other ground I should have added to that objection—that was that the petition in this case doesn't charge that what the defendant did was done with unlawful intent. The only possible materiality as we conceive for the introduction of this evidence would be for the purpose of showing intent. Since that is not charged in the petition we add that as our additional ground of objection.

Referring to the handwriting on page 7 of the exhibit last mentioned, "Discontinued March 31, 1920," I wrote that. That applies to the allotment feature and the general fund. There has never been any allotment contract of any kind between any members of any associations since March 31st, 1920. There has been no general fund and no allotment payments since March 31st, 1920. The [fol. 137] cancellation of article 14 automatically cancelled article 18.

Q. Where is the minute cancelling that Article, have you got a minute of it?

A. I am not certain that we have, but we can look it up. We have issued no reports or made no payments of any kind under any allotment contract, there has been no allotment contract in affect since March 31, 1920.

Q. Did you keep a minute of all your meetings?

A. Sometimes we did and sometimes we didn't.

Q. Do you mean to say that you did a great many things at those meetings that you made no minutes of?

A. No, I wouldn't say that.

Q. Do you mean to say that you would do a thing like that and make no minute of it?

A. Yes, certainly we would.

Q. You would abrogate Article 14, and Article 18 without making any minute of it?

A. Yes, sir, we did upon the advice of our attorney we suspended all Association activities beginning in April, 1920, and running about four months thereafter on account of the Memphis case. We have a copy of his opinion with us and then we resumed afterwards in August, 1920, our statistical work, but we never resumed any allotment contracts and haven't had any to this day.

Q. Did you ever suspend that Article 15?

A. Which is that?

Q. The reporting.

A. No, we never suspended except for four months.

Q. That was after the hardwood case?

A. Yes, that was after the hardwood case.

Q. Then you resumed it?

A. Resumed it in August 1920. We have a copy of Mr. Newman's opinion, a record of it.

Mr. Fowler: When you get to your side of the case, you can put all of those things in?

The Court: Let me see if I understand your statement: do you mean to say that you had meetings of the Association of which you [fol. 138] made no record?

A. Well, I think his question was whether or not we did——

The Court: No, answer my question.

A. No, I think we made minutes of all meetings.

The Court: And of all actions?

A. Not of all actions, there is no minute of this action.

The Court: Such as would be required to suspend one of your Articles of Association?

A. I don't recall that we had any record of any action taken on that.

The Court: Was there any action taken?

A. We suspended all statistics for four months and did not resume the allotment feature.

The Court: Was there any action taken at a meeting of the Association?

A. I should have to look that up to see. I know we took Mr. Newman's advice in regard to suspending our——

The Court: I didn't ask you that.

Q. Haven't you examined the minutes of your Association to see if there is anything in them showing that that was discontinued?

A. That the allotment was discontinued?

Q. Yes, haven't you examined your minutes to see if there was any such order in the minutes?

A. Well, I don't recall that it is in there.

Q. Don't you know it is not in there?

A. I think it is not in there but I am not certain about that.

Q. On whose advice was it that this was suspended?

A. On Mr. Newman's advice, our attorney's advice, that we suspend all statistical activities of the Association.

Q. Mr. Newman wrote you a letter to that effect?

A. Yes, we have his letter.

Q. What is the date of it?

A. I would say along about April 1920.

[fol. 139] The association that was organized July 1st, 1919, terminated on December 31st, 1921. I do not think there were any modifications of it other than those noted on the face of the articles. There was not another association organized on October 1st, 1921. There was a tentative plan that was put out, but it was never consummated and nothing was ever done under it. I do not recall how many members signed the tentative plan. I haven't a copy of it. The document you hand me is a copy of the tentative plan.

Q. You have just now said there was a tentative plan.

A. Yes, it wasn't a tentative plan; it was an effort to form a new organization.

Q. Is this one I have now handed to you, was that the one that you were intending to organize under?

A. Yes, that we made an effort to organize under and failed to organize it.

Mr. Fowler: The Government wishes to file this as Gov. Ex. No. 5.

I cannot recall offhand how many manufacturers signed it. It failed of consummation and went into the discard. The documents [fol. 140] you hand me are copies of letters sent out on September 16th and October 24th, 1921.

(Said documents were introduced in evidence by Mr. Fowler and marked Gov. Ex. No. 6 and Gov. Ex. No. 7 respectively.)

Nichols & Cox, the Holt Hardwood Company, Flanner & Steger Land & Lumber Company, and possibly one other manufacturer did not sign the tentative plan. Those who did sign it signed upon the condition that said plan would be signed by all. The last articles of association were adopted some time in March, 1922, and were dated back to January 1st, 1922. The previous association continued to

function up until the organization of the present defendant association. The document that you hand me is a copy of the Articles of Association adopted in March, 1922, and dated back to January 21st, 1922.

Mr. Fowler: The Government files that as Gov. Ex. No. 8.

Before the articles last mentioned were adopted I sent out a circular letter, a copy of which you hand me.

Mr. Fowler: The Government will file this as its Exhibit No. 9.

I don't think I have any of the correspondence between the Association and the members during the existence of the articles of the Association adopted January 1, 1913. We did not keep it you know. We couldn't keep anything like that for 10 or 15 years back. I presume it was thrown away in the ordinary course of business. We may have some of it. We have gone through our files to find anything we can.

Q. Have you the minutes of your meeting during that period?

A. I think not. I have a list of minutes, however, that we have given to the Department of Justice and the Federal Trade Commission.

[fol. 141] Q. Did you furnish the Department of Justice with all the minutes you had?

A. Yes, we did.

Q. Were those minutes kept in a book?

A. They were loose-leaf folders, mimeographed and stuck away anywhere.

Q. Never kept a minute book at all?

A. Never kept a minute book at all. We are a voluntary association. We never supposed we needed to keep any minutes at all.

Q. I am not discussing it. I am asking you the fact. You just stuck those loose leaves away anywhere?

A. Anywhere. Yes, anywhere.

Q. Did you have a stenographer present at the meetings?

A. No. No sir.

Q. You yourself just made some rough notes?

A. Made some rough notes and wrote them up and mimeographed them and sent the reports to the members as memoranda of meetings. The proceedings of meetings.

I presume those were sent at the time by me or under my directions and were submitted to all the members. I couldn't answer as to whether the members still have them. We had more or less correspondence at different times with the members regarding their statistical reports and other things. We may have some of the minutes of some of these succeeding associations but I think not. I think everything we had we gave to the Department of Justice. We had a long list of minutes and accounts and things like that we gave Mr. Rooney in 1921 or rather explained to him and to Mr. Frank in 1922 and to Lewis and Garber in 1922.

Q. You have nothing except what you gave up at that time?

A. We couldn't find anything except what we gave to them.

That was in 1921 and 1922. My recollection is that Mr. Howe and Mr. Rooney did not ask particularly for any documents. We gave them some however. During the whole of the time we had been sending out copies of the minutes to the various members of the association. We had some correspondence in the files between the secretary and the members. I brought a trunkful (of whatever we could find) over with me in answer to the subpœna. It is at the Hotel Morton. I do not know whether that trunkful has been gone through by the agents before but I do not think so. We showed the agents whatever they wanted. Whatever they asked for. They went through our files. We gave them any files they asked for. Any minutes, any proceedings.

[fol. 142] In 1915 a petition was filed with the Federal Trade Commission. This is a facsimile copy or reproduction of the original.

Mr. Fowler: The Government will file this as Exhibit 10.

The petition was sent some time in July, 1915. The document which you show me entitled "Minimum Price Plan, Maple Flooring Association, July 1st, 1916" is a copy of the plan that was sent to the Federal Trade Commission and the Department of Justice.

Mr. Fowler: The Government will file that as Exhibit No. 11.

The document you show me entitled "Minimum Price Plan as revised as of January 1, 1919, Maple Flooring Manufacturers Association," was gotten up by me.

Q. Did that go into effect on that date?

A. No minimum price ever was enforced or was consummated.

Q. Well you got the one up that has just been read, didn't you, that was gotten up?

A. It was gotten up, yes, sir.

Q. And then you got up this one which purports to be a revision of that one, two years or two or three years later.

A. It was reprinted as a plan that was pending before the Department of Justice and the Federal Trade Commission for the information of new members who joined our Association, January, 1919.

Q. You had considerable correspondence about it?

A. We may have had and we may not.

Q. We have some, I will present that to you directly. But this was a plan that was planned by the Association?

A. Yes.

Q. Circulated among the members of the Association?

A. Yes.

[fol. 143] Mr. Fowler: The Government will file this as Exhibit No. 12.

The document entitled "Maple Flooring Manufacturers' Association, Minimum Price Basis January 6, 1921" is a copy of another plan.

Mr. Fowler: The Government will file that as Exhibit 13.

The plant last above mentioned was signed by the members. It was filed with the Department of Justice and the Federal Trade Commission. There was filed with it a reprint of the old petition of July 14, 1915. One of the members of the Association was Cobbs & Mitchell, Inc. I know Mr. Thomas. To the best of my judgment, I received copy of the letter from Mr. Thomas, dated February 2d, 1920. Mr. Thomas is a representative of Cobbs & Mitchell and Mitchell Bros. Company. The document you hand me is a copy of a communication which I sent out to the various members under date of January 11th, 1921, regarding the minimum price basis. I also sent out a typewritten paper entitled "Memoranda Concerning Minimum Price Basis." I also sent out a letter to members of the Association dated January 22d, 1921. Also another letter dated January 31st, 1921. The documents you hand me are correct copies of the letters above mentioned. I think I received the original of the copy of the letter dated February 3d, 1921, addressed to me and signed M. E. Thomas.

[fol. 144] The Court: I take it that your objection does not go to the question of copies being used instead of the originals?

Mr. Johnston: Oh, no, your Honor, not as to the form.

Mr. Newman: Our objection is as to the matter of substance.

Mr. Johnston: That is all right, we are not objecting on that ground.

I sent out a communication to members dated February 3d, 1921. The document you hand me is a copy of said communication. The communications dated February 11th and February 4th, 1921, were sent out by the office while I was out of town. The communications to the Federal Trade Commission dated February 12th, 1921, was sent during my absence from the city. I sent out the communication dated May 28th, 1921, also the communication dated June 28th, 1921. The communications dated December 12th, 1921, addressed to B. P. Wheadon and to Morris E. Thomas are signed by me.

Mr. Fowler: Your Honor, we wish to file this as Government Exhibit 14.

The Court: I suggest that you mark them as the numeral exhibit and then for each leaflet or part of the exhibit that you add a letter.

(Papers referred to marked Govt. Ex. 14, 14 A to 14 L inclusive.)

The letters "M P P" as used in some of the communications above mentioned stand for minimum price plan.

The letter dated May 28, 1921, addressed to members and quoting a letter dated May 26 from the East Jordan Lumber Company refers to the minimum price basis. I think it must refer to the plan of [fol. 145] January 6, 1921. The name was changed.

Q. It is dated May 28, 1921?

It must have referred to the plan of January 6, 1921. They were differentiated. Some were called minimum price plan. The last one minimum price basis.

The Court: Just what is the difference in plan?

A. The minimum price basis never provided for any penalty of any kind. A man could do just as he pleased about it. It was without force or effect. It was simply a statement of business policy. That is the one Mr. Nebeker objected to so strenuously in the last paragraph of that celebrated letter of his that you will find in here and the whole plan immediately became null and void as soon as we got his letter.

We were writing about the minimum price basis January 6, 1921, which was submitted to Mr. Nebeker on January 31, 1921. The East Jordan Lumber Company probably mentioned the minimum price plan in error. There was no minimum price plan. It may have been an error of our stenographer in quoting the letter too.

I signed the document dated January 29th, 1914, addressed to John Schroeder Lumber Company. I also sent out a letter, copy of which you hand me, dated March 12, 1914, addressed to members.

[fol. 146] I also signed the letter, copy of which you hand me, addressed to John Schroeder Lumber Company, dated January 12th, 1914.

The Court: What I am trying to do is to shorten up this matter of introduction of exhibits and if the documents could be shown to the witness so he could see those are genuine documents, then we would not have to take this time that we are taking.

Mr. Fowler: Well as your Honor suggests, I will just hand them to the witness and let him identify them and bring them in in the morning.

The Court: Let me suggest this, unless counsel on the other side object, that these documents be used upon assurance of counsel that they are the documents and that they then be submitted to the witness and if there are any corrections they can be made and if upon examination he finds some that are incorrect they can be taken out.

Mr. Newman: We have no objection whatever in following your Honor's suggestion subject to Mr. Keehn having an opportunity this evening to go over them and see whether they are correct or are what they purport to be.

Mr. Fowler: I wish to say this about some of these. They were obtained from the Federal Trade Commission and some are photostat copies taken from the originals but the originals will be here we think tonight.

Mr. Newman: We won't stand on that.

(Documents of various kinds introduced in evidence and marked Govt. Exs. 15, 15 A to 15 F F F, inclusive.)

Through inadvertence there was no Gov. Ex. 15 T.

(Witness temporarily withdrawn.)

[fol. 147] G. H. EARLE, being first duly sworn, testified as follows:

(Direct examination by Mr. Fowler:)

I am connected with the Wisconsin Land and Lumber Company and have been summoned here by the government as a witness. I do not have any of the correspondence in relation to any of this association work that passed between my company and Mr. Keehn. I do not think there is anything in our files now at all. Several years ago, between three and four years ago, our office manager went through the attic where we had a lot of our files. It was pretty well cluttered up and disposed of a lot of material for waste paper and later Mr. Darby called on us and asked us for the files that we had. Anything that we had there, anything that was left, was gathered together and he was going to look them over. But he didn't have time and he asked us to send them to him in Chicago, which we did. We sent him everything we could find around the office.

(Cross-eramination by Mr. Johnson:)

We are not a member of the present association. The files that were destroyed included files on other matters than the association. That had no connection whatever with any investigation made by the government in this case. My father was for many years president of the Maple Flooring Manufacturers Association and my work was taken up in the production department and did not have any connection with the association work at all. I do not know what files I sent to Mr. Darby and did not make any list of them.

AUGUST O. BUBLITZ, being first duly sworn, testified as follows:

(Direct examination by Mr. Fowler:)

My business is manufacturing packing boxes and maple flooring. I am connected with August C. Beck Company of Milwaukee. In 1922 we manufactured 2,949,000 feet of maple flooring. Our ca- [fol. 148] pacity is about 20,000 feet a day. In 1921 we manufactured 3,558,000 feet of maple flooring. In 1918 we manufactured 1,116,000 feet; in 1919, 3,689,000 feet and in 1920, 2,873,000 feet.

Q. Your concern is not a member of this Association?

A. No, sir.

Q. Never has been?

A. Years ago.

(Cross-examination by Mr. Johnston:)

We do not manufacture any flooring other than maple. We buy rough maple lumber on the open market. We have two machines. We sell our product to retail lumber yards located in all parts of the United States.

OTTO PRECHEL, being first duly sworn, testified as follows:

(Direct examination by Mr. Fowler:)

I am connected with the Segelke & Kohlhaus Manufacturing Com-
[fol. 149] pany of La Crosse, Wisconsin. Our principal business is manufacturing interior finish. In 1918 we manufactured 84,000 feet of birch flooring; in 1919, 67,000 feet; in 1920, 101,000 feet; in 1921, 82,000 feet and in 1922, 27,000 feet. In 1918 we manufactured only 300 feet of maple flooring; in 1919, 500; in 1920, none; in 1921, 600 feet; in 1922, 500 feet.

(Cross-examination by Mr. Johnston:)

We have one flooring machine, and with it we manufacture all the oak flooring, maple flooring and birch flooring that we produce.

OSCAR O. BUBLITZ recalled.

(Cross-examination by Mr. Darby:)

We sell most of our flooring at St. Louis and all the way up to Chicago and St. Paul. We keep in touch with market conditions and the prices of other manufacturers through salesmen or we solicit by mail. If we make quotations and our orders are turned down, we have got to come again. We have pretty strong competition. In the course of our business we have learned of the prices made by Kerry & Hanson, J. W. Wells Company, I. Stevenson Trustees, Cummer-Diggins Company, West Michigan Flooring Company, Cobbs & Mitchell, and Mitchell Bros. They have been competitors of ours in selling in the territory above mentioned.

"Q. State whether or not you have at times found any of the firms you have mentioned quoting lower prices than yours or sometimes higher. How has that been, generally?

"A. Well, we have found them sometimes lower and a few ex-
[fol. 150] ceptions where they were higher—they have often a better price than we—as a rule they are always lower. We try to get prices, you know—we have to meet competition in order to get the business."

Sometimes we were able to meet their lower prices and to get the business and sometimes they got the business.

CARL BARNES, being sworn, testified as follows:

(Direct examination by Mr. Fowler:)

I am a bookkeeper for the A. H. Krauskoph Company of Richland Center, Wisconsin, which company is engaged in the wholesale and retail lumber business and manufacturers oak and maple flooring. Our largest output is in other items. In 1919 we sold 217,325 feet of 13/16 maple and 3648 feet of 3/8 maple. In 1920

we sold 141,683 feet of 13/16 and 13,546 feet of 3/8; in 1921 we sold 36,095 feet of 13/16 and 1343 feet of 3/8; in 1922 we sold 55,434 feet of 13/16 and 2144 feet of 3/8. All the items above mentioned were maple flooring.

We also have a retail yard and sell maple flooring in that. I should judge we sell perhaps 50,000 feet a year in all grades out of our retail yard. All the flooring we manufacture is for sale although we aim to keep a stock all the time and carry some over every year. I think we usually have about 100,000 feet on hand. We do not buy any flooring that we don't manufacture.

(Cross-examination by Mr. Johnston:)

Our principal business is other than the production of flooring. We have two machines. The daily capacity of these machines is about 4,000 feet each. We run oak and maple flooring interchangeably through these same machines. The larger part of our maple flooring is sold in the vicinity of Richland Center. Madison is about as far east as it is sold and we go west out through Iowa. In selling maple flooring we have met competition from other manufacturers who sometimes sell at lower prices than we do. We come [fol. 151] into competition with the Northwestern Cooperage & Lumber Company, W. D. Connor Company, Wisconsin Land & Lumber Company.

I am not sure as to the difference in prices as between Conner and The Cooperage Company, but as between them and us I have noticed a difference. We are higher than they are. That is true also of the Wisconsin Land and Lumber Company but not so much so I think. I am not so conversant with the prices recently that they have made. We used a kind of a common sense basis in grading our maple flooring not so much the regular floor association grading. We would have the same general grades and so far as the quality of the product is concerned, we think it is probably as good as that of the members of the association and we employ the same general method of arriving at uniform grades.

CHARLES A. GOODMAN, being duly sworn, testified as follows:

(Direct examination by Mr. Fowler:)

I am in the lumber and manufacturing business and am connected with the Goodman Lumber Company and the Sawyer-Goodman Company of Goodman and Marinette, Wisconsin, respectively. We manufacture maple flooring besides manufacturing and selling hardwood, hemlock and white pine. I have a record of the flooring manufactured by the Sawyer-Goodman Company. This record covers dressed and matched flooring, but does not include what is known as jointed factory flooring, of which we have made a considerable quantity in the past few years. During 1918 we manu-

factured 331,000 feet of dressed and matched flooring; in 1919, 421,000; in 1920, 604,000; 1921, 458,000; 1922, 1,685,000. For the first nine months of 1923, 1,842,000 feet. Up to and including 1921 we made just about the same amount of jointed flooring as we did of the dressed and matched flooring, but in 1922 and so far in 1923 we have made about 35,000 or 40,000 feet each month. The Goodman Lumber Company manufactured some jointed flooring and perhaps a small amount of dressed and matched flooring during the years above mentioned, possibly not more than 360,000 [fol. 152] feet each year, but they have no separate record of it. The capacity of our mills is 12,000 feet per day of finished, dressed and matched flooring.

[fol. 153] (Cross-examination by Mr. Johnston:)

Our capacity for jointed flooring is about 100,000 feet per day. We have three machines in the flooring mill at Marinette for making the dressed and matched flooring. The daily capacity of each of these machines is between 4,000 and 5,000 feet. We have flooring machines in the other mill, but we have no dry kiln capacity so we can't make the better grade of flooring. We sell most of our flooring in Wisconsin, Illinois, Michigan and Ohio to wholesale dealers and retail lumber yards. In the sale of our maple flooring we have met competition from other manufacturers and that competition has always been pretty active since we have been in business. The manufacturers whom I come most directly in competition with are I. Stevenson Company and Cobbs & Mitchell: Mitchell Bros., Wells Lumber Company, Wisconsin Land & Lumber Company, Northwestern Cooperage Company, William Horner, Ward Bros., W. D. Young & Co. In selling in competition with these various manufacturers we have found that competition took the form of varying prices quoted by different manufacturers. Sometimes their prices were lover than ours and sometimes we were able to meet their prices or perhaps better them. There has at all times been substantial variations in the prices quoted for the same grades and same sizes of flooring by the different concerns above mentioned. We find the prices are extremely variable. The competition we meet is quite difficult for us to locate because we can't depend upon the same prices at all. We will quote a price on a carload of a certain kind of flooring and maybe get the order and the next day quote the same price [fol. 154] for flooring again and lose the order by several dollars. The condition above described so far as the spread in prices between manufacturers for the same grades and sizes of flooring has existed right along since we have been in business and exists today. There have been many times when we could figure no profit in manufacturing flooring. At times the price of flooring has been high enough to permit a substantial profit: other times the prices has permitted no profit. We manufacture our maple flooring from our own logs, our own lumber. There is almost no time that I can recall when there was any money in making maple flooring out of the maple lumber we had on hand. We could usually sell the maple lumber to some

one else at a price which if we put it into the factory at the same price would leave us no margin, but we have been making this maple flooring largely as a matter of taking care of our trade and accommodation to our customers. We sell flooring in mixed cars with other lumber. The demand for maple lumber is very much broader than the demand for flooring. There are a great many uses to which maple lumber is put, whereas maple flooring is limited almost entirely to use in factories, homes and commercial buildings and the demand for it is dependent on the condition in the building industry. At times we have purchased flooring from other manufacturers and resold it to our trade. Neither of our companies belongs or has ever belonged to the defendant association. We have bought flooring from the Holt Hardwood Company, Wisconsin Land & Lumber Company, and mostly from the J. W. Wells Lumber Company because they are neighbors of ours and some from I. Stevenson Company.

[fol. 155] CHARLES T. KERRY, being duly sworn, testified as follows:

(Direct examination by Mr. Fowler:)

I reside at Saginaw, Michigan. The name of my company is Kerry & Way Lumber & Manufacturing Company, which manufactures maple flooring. The Kerry Lumber & Manufacturing Company buys and sells hardwood and soft wood lumber, wholesale and retail, and manufactures interior finish and maple flooring. Kerry & Way Lumber & Manufacturing Company is not a member of the defendant association. The Kerry & Hanson Flooring Company is a member of the Association. The Kerry & Way Lumber & Manufacturing Company did not manufacture any flooring until 1920 and ran only part of the time during 1920 and 1921. The flooring manufactured by said company is beech, birch and maple, running strong to maple. No separate tally was kept of the different kinds. The production records of said company show that during 1920, 925,335 feet of maple, beech and birch flooring were manufactured. In 1921, 1,557,126 feet; in 1922, 2,483,641 feet.

The foregoing figures were taken from a letter addressed by said company to the Bureau of Investigation, Department of Justice, Washington, D. C. (Said letter was marked Gov. Ex. 15½ and introduced in evidence.)

(Cross-examination by Mr. Johnston:)

The capacity of the Kerry & Way Lumber & Manufacturing Company is about 3,000,000 feet a year or better of maple flooring. Said company has two machines. The Kerry & Way Lumber & Manufacturing Company is in competition with all other manufacturers in the sale of flooring. I do not look after the sales department of [fol. 156] the Kerry & Way Lumber & Manufacturing Company,

although it is frequently reported to me that lower prices are being made by different members of the Association. The Kerry & Way Lumber & Manufacturing Company meets these lower prices in the sale of its flooring. Active competition has always existed in the sale of maple flooring and it does today. Kerry & Way Lumber & Manufacturing Company makes some oak flooring. This oak flooring is made with the same equipment that is used in the manufacture of maple, beech and birch flooring. The sales manager of the Kerry & Way Lumber & Manufacturing Company has often reported to me that members of the Maple Flooring Association were sometimes getting better prices than said company was able to get, sometimes the same prices, sometimes higher prices.

GEORGE BULGRIN, being first duly sworn, testified as follows:

(Direct examination by Mr. Fowler:)

I am connected with the R. Connor Company, of Marshfield, Wisconsin, which has a mill at Strathford, and also one at Leona, Wisconsin. The R. Connor Company is a large concern. It is not a member of the defendant association and has not been since 1918. The letter dated November 14th, 1923, and addressed to W. G. Burns, Bureau of Investigation, Department of Justice, is correct. In 1918 the R. Connor Company manufactured 3,959,034 feet of maple and birch flooring. In 1919, 4,415,000 feet; 1920, 3,479,000 feet; 1921, 4,651,000 feet; 1922, 4,412,000 feet. The above figures include a very small amount of oak, of which no separate record [fol. 157] was kept. (The letter above mentioned was marked Gov. Ex. 16.)

(Cross-examination by Mr. Johnston:)

Of the flooring manufactured about 15 to 25 per cent was birch. The R. Connor Company has four machines for the manufacture of flooring, having a daily capacity of 25 to 30,000 board feet of finished flooring. I am the sales manager of the R. Connor Company. As such I come in competition with other manfacturers of maple flooring. Our principal competitors are I. Stevenson & Co. Trustees, Northwestern Cooperage & Lumber Company and Wisconsin Land & Lumber Company; Foster-Latimer Company, Kneeland McLurg Company, J. W. Wells Lumber Company. I have been sales manager of the R. Connor Company for about six years, and during all of said time have kept in close touch with market conditions. I have always found that competition was very keen and that very rarely would there be any prices alike. Some would be lower and some higher all the time. The variation in prices was very substantial. The normal variation in price per thousand feet was $5.00 per thousand. In 1919 and 1920 the variation for a given size and grade of maple flooring was sometimes as high as

$25 to $30 a thousand. There were times when there was a spread as high as $50.00 a thousand. In order to meet this competition since 1918 I have found that at times our prices were higher than the prices of our competitors who were members of the Association. That has occurred frequently. At other times we were able to meet their prices or perhaps better them and get the business.

(Redirect examination by Mr. Fowler:)

[fols. 158 & 159] Q. You were not a member of the Association in 1921, were you?

A. We were not.

Q. You were in 1918?

A. We discontinued our membership some time in 1918.

Q. You still kept in touch with it though, didn't you?

A. Well no, I do not believe we did.

Q. Well you say you don't believe you did. Well did you?

A. No, I didn't keep in touch with it.

Q. Did you carry on correspondence with the members of that association all the time?

A. No, we did not.

Q. And did they keep you informed all the time that was the present price they had agreed on, did they keep you informed of that?

A. No.

Mr. Johnston: May I inquire if counsel is examining this witness as his own?

Mr. Fowler: No, I am cross*ing* examining him on a matter they examined him on, the defendants.

The Court: Very well.

Q. Isn't it correct that you carried on correspondence with members of the Association with reference to the prices they had fixed or had an understanding about?

A. No, we didn't.

Mr. Johnston: I object to "prices they had fixed" as assuming a condition which is the very point of inquiry before this Court and is very improper.

Q. Well you did have correspondence with the North Western Cooperate and Lumber Company, didn't you?

A. Why, I suppose so.

Q. Don't you know so?

[fol. 160] A. I think we have more or less correspondence with all the people.

Q. Well they were your competitors weren't they?

A. Yes.

Q. What was you writing them about?

A. Well sometimes we buy stuff of them.

Q. I will ask if you didn't receive a letter from that concern on April 18, 1921, and which contained this passage:

The Court: Perhaps you better show him the letter.

Mr. Fowler: Your Honor, my trouble is that we haven't got the letter, and that was one that was in a bunch of papers that were examined at one time and there was a note of this taken, and we haven't got it.

The Court: I thought you were reading from the letter itself.

Mr. Fowler: I am just reading some ex-erpt from it.

The Court: Very well.

Q. (Reading:) "Answering your question as to whether there has been any change in prices lately, we know of none, and our understanding is that every one is using the basis made at Marinette, and as we understand it, are still using this also." Now didn't you get a letter that had that in?

A. I don't remember that. I couldn't state whether we got that or not.

Q. Well isn't it your best judgment that you did get such a letter as that?

A. No.

Q. Haven't you some recollection of getting that letter from that concern?

A. I would not recollect it.

Q. Well didn't you have some understanding about the basis being reached at Marinette, or something said about it?

[fol. 161] Mr. Newman: May we interpose an objection. The question, it seems to me, to be improper, unless counsel shows some connection with what he calls the basis at Marinette and this Association.

The Court: Well he is talking about what he claims was in a communication that was sent.

Mr. Newman: I know, but unless it is in some way connected with the Association, it seems that it is in no wise pertinent or material, what other individuals may have done, that is, one member of the association, what trades he may have had with a non-member, we respectfully submit is wholly immaterial.

The Court: You may answer.

Mr. Fowler: Read the question.

(Question read.)

A. No.

Q. Don't you remember that there was a meeting at Marinette of this Association or some of its members?

A. I don't remember that meeting or any meeting.

Q. Weren't you told about it?

A. Well I suppose we—Somebody told me about it, I don't remember that.

Q. Don't you know somebody told you about it? Don't you have a recollection of the fact you were told about it?

A. No, I haven't any recollection of that meeting or being told about it.

Q. Then why do you suppose you were told about it?

A. Well I don't know, you meet and talk with so many different people at different times, probably somebody talked about it, but——

Q. Didn't you know from members of this Association that there were prices established by the Association, price bases?

Mr. Johnston: When and where?

[fol. 162] Mr. Fowler: Any time within the last three or four years.

A. Well I suppose there was.

Q. Don't you know it and weren't you so told by members of this Association?

A. Why——

Q. Then why do you suppose there was?

A. Because you kind of intimated the fact to me here.

Q. You got your whole information from me, did you?

A. Just about.

Mr. Fowler: Stand aside.

Re-examination by Mr. Johnston:

Q. Did you ever hear at any time when you were members of the Association or subsequent to that time of the Maple Flooring Manufacturers Association ever meeting at Marinette?

A. I don't remember that; never heard of it.

Q. When you were a member of the Association did members of that Association ever meet at any other point than Chicago?

A. That is the only place I remember of.

Q. And has the Maple Flooring Manufacturers Association to your knowledge ever had anything to do with a Marinette base?

A. Never.

Mr. Johnston: That is all.

E. C. KNOERNSCHILD, being duly sworn, testified as follows:

(Direct examination by Mr. Fowler:)

I am Secretary of the Cream City Sash & Door Company, Milwaukee. We do not manufacture maple flooring or any other kind of flooring, and have not manufactured any maple flooring for the last five years or any other kind.

[fol. 163] W. R. GILLETTE, being duly sworn, testified as follows:

(Direct examination by Mr. Fowler:)

I am connected with the Brown Lumber Company of Traverse City, Michigan. The mill of our company is located at Manistique, Michigan. We began to manufacture maple flooring in 1920. In

1920 we manufacture 910,000 feet; in 1921, 800,000 feet; in 1922, 1,200,000 feet. I have not the figures for the amount manufactured in 1923. I think we will run about the same as we did in 1922, possibly a little more. Our company is not a member of the Association and has never been.

(Cross-examination by Mr. Johnston:)

We have one flooring machine in our plant. Our daily average would be approximately 6,000 feet. We manufacture our flooring [fol. 164] according to the grading rules of the Maple Flooring Manufacturers Association. We have found it an advantage to do so. It enables us to say to our customer that the flooring is made in accordance with the Association rules and we claim that our flooring is equally as good as that made by members of the Association. I think the rules are all right. They give the purchaser a standard grade of flooring—uniform flooring. Most of our flooring goes to Chicago, practically 80% of it, and the balance to Detroit. In the Chicago and Detroit markets in the sale of our flooring since 1920 we have met competition. At times we find the competition very keen and we are able sometimes to get the business, other times we find that the other fellow apparently has a lower price than we have, so we don't get the order. Our principal competitors are the Northwestern Cooperage & Lumber Company, Wisconsin Land & Lumber Company, Holt Hardwood Company. I have often been told by our salesmen that some of our competitors were quoting lower prices for the same grade and size of maple flooring than we were. That situation has existed since 1920. Our equipment for the manufacture of flooring cost us about $5,000, not including the cost of installation. We bought the machine second-hand. It is an American Woodworking Machine. We saw our own maple lumber.

GEORGE STRABLE, being duly sworn, testified as follows:

(Direct examination by Mr. Fowler:)

The Bliss & Van Auken Lumber Company has not manufactured maple or beech flooring since 1917.

(Cross-examination by Mr. Johnston:)

In 1917 the Bliss & Van Auken Lumber Company's mill burned. We did not rebuild because we could see no profit in the manufacture of hardwood flooring. Since then our company has sold its lumber in the rough because it was more profitable to do so than work it up into maple flooring.

[fol. 165] B. F. SPRINGER, being duly sworn, testified as follows:

(Direct examination by Mr. Fowler:)

I am Secretary of the John Schroeder Lumber Company of Milwaukee, where the maple flooring part of the business is located. Our saw mill is located at another point. Our company has been engaged in the manufacture of maple flooring for about 15 or 20 years. It is not a member of the defendant association nor in any way connected with it. In the statement furnished by us to the Department of Justice the amount of maple flooring manufactured by us was estimated. Since then we have ascertained the amounts manufactured. During 1918 we manufactured 344,000 feet; in 1919, 300,000 feet; in 1920, 779,000 feet; in 1921, 949,000 feet; in 1922, 305,000 feet. We have not manufactured any maple flooring during 1923.

(Cross-examination by Mr. Johnston:)

In 1918 we had one operating unit, that would be a capacity of approximately 5,000 feet a day. In 1918 we were operating only one unit. Now there are three machines or three units, which would give us a capacity of approximately 15,000 feet per day, but we never operated the other two units. We operated only one unit right along, although we had three. Our company is engaged in the manufacture of maple flooring at Milwaukee. During the last few years we have purchased practically all the maple flooring we have sold, except such quantities as we had on hand and carried over of our own manufacture. During the entire period of from 1918 to 1922 we purchased maple flooring from other manufacturers, as well as operated [fol. 166] our own plant. It costs more to manufacture flooring in the City of Milwaukee than we can buy it in the open market. We found that we could purchase to better advantage from other fields than manufacture the flooring needed for big jobs. Most of the people from whom we buy flooring call us shoppers. We shop around and get the lowest prices possible. Our Purchasing Department has a list of manufacturers of every kind of product. Whenever we desire to purchase maple flooring we send out an inquiry addressed to 30 or 40 manufacturers. The prices quoted are listed and other things being equal the manufacturer who quotes the lowest price gets the business. We have stopped manufacturing maple flooring but still have one unit on the floor. We can resume the manufacture of maple flooring and are waiting for the time when we can do so profitably.

HAMLIN J. WARD, being duly sworn, testified as follows:

(Direct examination by Mr. Fowler:)

I live at Big Rapids, Michigan, and am a manufacturer of hard wood flooring. I have been engaged in that business for about 24

years. We manufacture maple flooring almost exclusively. The name of my company is Ward Bros. Our company is not a member of the defendant association. Our company was a member of the Maple Flooring Manufacturers Association many years ago. We sent to the Government a statement of flooring manufactured by Ward Bros. since 1918. The figures stated in the letter are correct.

(Letter marked Gov. Ex. 17 and received in evidence.)

[fol. 167] (Cross-examination by Mr. Johnston:)

The capacity of our plant is about 6,000,000 feet per annum. We have three flooring machines with a maximum daily capacity of approximately 24,000 feet. We manufacture very little beech and no birch. We buy the rough lumber in the open market. We sell our flooring throughout the United States. The bulk of it is sold in the Middle West. In manufacturing our product we follow substantially the grading rules of the Maple Flooring Manufacturers Association.

I have been in the maple flooring industry for about 24 years and have observed the effect of the introduction of standardization rules. In my opinion the standardization rules are essential. A great many of the inquiries we get for maple flooring specify that the grades are to be in accordance with the rules of the Maple Flooring Manufacturers Association. The same is true with respect to orders given us. Grades of flooring depend very largely upon the grades of lumber used, that is so far as the percentage of each grade is concerned. A thousand feet of lumber will make a number of items of different grades and sizes. There are three grades, Clear, No. 1 and Factory, and there are several widths which must be made in order to avoid waste. The product of every thousand feet of rough lumber will consist of flooring of each width and grade. In other words, in manufacturing flooring all three grades are made at the same time. One might sell a thousand feet of lumber that would make practically all Clear, but such a grade of lumber is not used in the manufacture of flooring. In the manufacture of flooring we use the No. 1 and No. [fol. 168] 2 Common rough lumber and the very best No. 3 Common, but we do not use any considerable amount of the best grade of lumber which is known as First and Seconds. That is too valuable a lumber to put into maple flooring. First and Seconds are used for other purposes. Quite generally, the quotation to wholesalers and others dealing in maple flooring is made subject to commissions. The usual commission at the present time is $2.00 a thousand. Such an allowance is quite generally made in the maple flooring industry. During the time that I have been in the maple flooring business I have found quite active competition. That competition has been represented by variation in prices quoted by different manufacturers for the same size and grade of flooring at any given time. That competition has always existed and exists today. The terms we quote our customer are 2% off from net amount of invoice for cash within 15 days or 60 days net. I think these terms are quite generally used by other manufacturers. They are terms that are general in the

lumber business, not only maple flooring but lumber business generally.

(Redirect examination by Mr. Fowler:)

I have always been anxious to find out what prices other manufacturers were quoting, and it is possible that I have inquired of different manufacturers the prices that they were asking for their product. I don't recall that I ever wrote anyone concerning prices asked for maple flooring. In conversation with manufacturers of maple flooring I have discussed such matters in order to find out [fol. 169] what the market was. I don't recall any correspondence. I discussed the matter of prices asked with our competitors because they were the ones who knew what prices they were making. We were not members of the Association and it was very important to us to find out market conditions. We were handicapped because we were not members. We did not have the information in regard to general trade conditions. If I happened to discuss the matter of prices asked with a member of the Association he was very frequently quite frank about the matter. I inquired what prices he was asking because I wanted to be within the market. It is a distinct disadvantage to offer your flooring at materially less than others are asking or more either. If you ask less you are perhaps getting more business than you want and are therefore not in a position to take care of your regular customers. I wanted to know what the market was in order to keep within that market, as well as get what the product was worth. What I asked the persons with whom I discussed the matter of prices was, what prices the particular persons were charging for their product.

GEORGE W. KEEHN resumed the stand for a continuance of direct examination by Mr. Fowler.

These associations at one time had a committee called "Market Conditions Committee," with I think about 7 or 8 or 9 members. The functions or rather the duties of that committee were in a general way to find out the state of the market, the trade conditions, and to make an analysis of conditions generally and report to the association as to their findings. They sometimes made their reports to the association in the meetings, sometimes by mail to the association. I sent out the reports of that committee to the members of the association and when the reports were made verbally at association meetings [fol. 170] I might reduce them to writing or they might be referred to in the minutes of the meetings. Anyway, I circulated them among the members of the association.

I couldn't say positively from what sources this committee got its information. I suppose from all sources. The committee ascertained from past transactions what the prices were at which maple flooring was being sold.

Q. They never thought about future transactions?

A. It is pretty hard to forecast the market.

Q. That is what you were driving at weren't you? Your future transactions were the things that interested you and the members of the association?

A. Not in the way the market conditions committee functioned in latter years. They simply wanted to find out what the market was or had been.

Q. Now as I understand this committee studied the past transactions.

A. Yes sir.

Q. For the purpose of determining future transactions?

A. I wouldn't say that. No, sir.

They were not going out of business and the object of the inquiry about past transactions was to ascertain what the market was. They wanted to know what the market was for the information of the members of the association, to be used as the members saw fit.

Q. To be used in the future?

A. Not unless a member desired to use it in the future. There was no obligation.

Q. Wasn't going to use it in the past when the past was already gone.

—. ——. Now, Mr. Keehn——

[fol. 171] The Court: I suppose Mr. Keehn all of this information was disseminated among members in order to aid them in determining what their course should be and necessarily, of course, in the future, wasn't it?

A. It was a source of information to them.

The Court: Upon which he might act?

A. He might act or might not act.

The Court: In conducting his business?

A. They could act or not as they chose.

I think the documents you hand me, the first of which is dated December 19, 1913, and the last of which is dated October 28, 1921. are mostly market conditions reports, although there may be other documents. All these reports were sent out by my office.

I wouldn't say that the Market Conditions Committee was succeeded by another Committee, but a new committee was created called the "Cost Surveys Committee". It has been operating in accordance with the articles of association of January 1, 1922.

(The documents last above mentioned were marked Gov. Ex. 18, 18-A to 18X inclusive and received in evidence.)

(Witness temporarily withdrawn.)

SIDNEY L. EASTMAN, being first duly sworn, testified as follows:

(Direct examination by Mr. Fowler:)

I live at Saginaw, Michigan. I am jobbing maple flooring, hard wood lumber and one or two other things. I do not manufacture

maple flooring and have not manufactured any since March 1st, 1917.

(Cross-examination by Mr. Johnston:)

I purchased the maple flooring sold by me from different manufacturers in Michigan. I bought from four different manufacturers [fol. 172] and have solicited quotations from a number of others. In 1917 my mill burned. In soliciting prices from various manufacturers of maple flooring I have found that there are hardly any two prices alike. There is always a variation on most purchases I make. At times the prices vary anywhere from $2.00 to $10.00 a thousand on the same size and grade. Most of our flooring is largely for export.. I have to charge a higher price in order to take care of expenses incidental to export business. I have made the largest purchases from Kerry & Hanson Flooring Company of Grayling, Kerry & Way Manufacturing Company of Saginaw, the East Jordan Lumber Company, and the West Michigan Flooring Company. Before 1917 I belonged to the Maple Flooring Manufacturers Association.

IRA SCHEIFLEY, being first duly sworn, testified as follows:

(Direct examination by Mr. Fowler:)

I am the Assistant Treasurer of the Lobdell-Emery Manufacturing Company at Onoway, Michigan. It is not engaged in the manufacture of maple flooring at the present time, it having discontinued such manufacture about 1915. We make maple lumber and sell it to the trade.

(Cross-examination by Mr. Johnston:)

We discontinued the manufacture of maple flooring because we needed our mill space for other business. We have another company called the American Wood Rim Company that manufacturers [fol. 173] bicycle rims and automobile steering wheels and we needed this floor room for the manufacture of steering wheels. There was more money in that than in the manufacture of maple flooring.

D. G. FITZGIBBON, being first duly sworn, testified as follows:

(Direct examination by Mr. Fowler:)

I live at Cedar Springs, Michigan, and am connected with the A. L. Dennis Salt & Lumber Company. Neither company is now engaged in the manufacture of maple flooring. The A. L. Dennis Salt & Lumber Company has not manufactured any maple flooring since 1919.

(Cross-examination by Mr. Johnston:)

Formerly the A. L. Dennis Salt & Lumber Company manufactured maple flooring at Big Rapids. It has not been a member of the Maple Flooring Manufacturers Association since 1915. The dry kiln at Big Rapids burned down and we did not care to rebuild it. We do not handle maple flooring at the present time and have not jobbed it for a good while.

It was stipulated by counsel for the defendants that the Morgan Sash & Door Company had not manufactured any maple flooring for 15 years.

GEORGE W. KEEHN recalled for further direct examination:

The references in the reports to the "M. P. P." plan mean the "Minimum Price Plan", and "M. P. B." means the "Minimum Price Basis."

Q. When did you quit talking about the Minimum Price Plan?

A. Well, I think early in 1920, or the fall of 1919.

Q. And how long had you been talking about the Minimum Price Plan before that?

[fol. 174] A. I think it was submitted to the Government in July, 1916.

Q. When did you first begin to talk about the Minimum Price Basis?

A. In either December or January—in December, 1920, or January, 1921, I should say. It may have been earlier than December, 1920.

You put two Minimum Price Plans in evidence. You put one in evidence that was dated July 1, 1916, and then you put another one in evidence that was dated, I think, July 1, 1919, which was a reprint of the other one, as a plan pending before the Department of Justice and the Federal Trade Commission.

The Court: You are the man that helped devise them, aren't you?

Q. Wasn't it sent out through you?

A. It was sent out through me, yes sir.

Q. You read it over and over?

A. Yes.

Q. You were, then, thoroughly familiar with it?

A. Yes.

Q. You haven't forgotten all about it?

A. Not all about it, no.

The M. P. B. which was submitted to the Department of Justice and the Federal Trade Commission in January, 1921 was simply a statement of business policy that selling prices of flooring should be based upon costs. It went on to outline the fundamental principles upon which this should be done, and it was submitted to the Department of Justice and the Federal Trade Commission, January

29, 1921. It was simply a statement of policy which the manufacturers of maple, beech and birch flooring should use as a source of information in marketing their product.

[fol. 175] Q. That is, this Committee, Marketing Committee, I believe it is called, was to make up a cost, is that it?

A. Yes.

Q. And they were not to sell under what they should determine the cost was to be?

A. It was in the original M. P. P., Minimum Price Plan.

Q. Was that in the second Minimum Price Plan?

A. It was simply a statement of policy that provided no penalties or anything like that. A member could do as he pleased in regard to selling his flooring.

The Court: I wish this witness would tell us what you did under those plans? That is what we are trying to get at ultimately?

A. I think it would be necessary for me to see a copy of the plan in order to refresh my mind on it. It is a very voluminous thing.

Q. You have that plan first adopted before you. State what you did on that plan.

A. The Market Conditions Committee made surveys of manufacturing and marketing costs from time to time.

[fol. 176] They requested the members of the Association to submit a detailed statement of their manufacturing and marketing costs, listing about ten or twelve different items. This statement was requested to be made quarterly. Members of the Association were also requested to make test runs. A test run is made as follows: A given quantity (500,000 or 1,000,000 feet) of rough lumber of various grades, such as No. 1 Common, No. 2 Common, and some No. 3 A Common is processed into flooring. An accurate record is kept of the quantity of rough luber used and the amount of flooring of each grade and dimensions that is produced. Seven or eight different test runs made by the different members of the Association are assembled. Then a comparison of the cost of the rough maple lumber per thousand feet of flooring produced is made. In the manufacture of flooring there is ordinarily anywhere from 20 to 30 per cent waste. By this means we find out how much 1,000 feet of flooring costs. For example, we will say that a thousand feet of the rough maple lumber averages $40.00 a thousand. If the flooring product is 20 per cent waste, we would then get 800 feet of flooring from the rough lumber, the cost of which would be $50.00. If the manufacturing and marketing cost at that time was about $15.00 a thousand, that would make a total cost of the rough flooring lumber processed into flooring, including the manufacturing and marketing costs of $65.00. If a profit of ten per cent was expected to be realized in selling the flooring as a legitimate profit, [fol. 177] then about one-ninth would be added to the $65.00 and bring the selling price to about $72.00 or $73.00.

Now take this flooring product on the other side of the sheet, that is all very carefully analyzed and very carefully put together, and then we go on and figure out the approximate relative cost of

the different faces and grades and thicknesses of the maple flooring product, then we extend those on a percentage basis and if the cost of this flooring manufactured is $72 or $73, the right hand side of the sheet is supposed to equal $72 or $73.

Q. That information distributed among all the members?

A. That is distributed among all the members of the Association and we have some examples here which very particularly figure it out and how we use certain costs and how in case one member's costs are abnormal on account of having a light production of flooring we don't use that in making the average, because it would show an artificial manufacturing and marketing cost.

Q. One element of cost was 6% upon the invested capital?

A. Yes, and we followed the proposal——

Q. How long was it that you sent out reports based upon that minimum price plan?

A. You mean tables illustrating it?

Q. Yes.

A. That was done quite a good deal, not always in a test run, sometimes in the form of a table, average table of values based upon average cost.

Q. I show you three sheets. It is headed—the first one is headed: Listings of M. P. P. Surplus Stocks, and the First Listing appears to have been in 1917. I wish you would explain what that sheet is, what those sheets are.

[fol. 178] A. In Article No. 7 here this so-called Minimum Price Plan we go on to say in case any member of the Association shall have on hand any maple, birch or beech flooring which he is unable to market at the Minimum Price at that time in force under this agreement or is unable to sell the same to any other member of the Association without regard to such Minimum Price, then he shall offer such flooring to the members of the Association through its Secretary stating the quantity and kind and the price at which he is willing to sell such flooring which price may be minimum price and in case such flooring is bought by any member of the Association then the member buying the same shall not sell such flooring at any price less than minimum price then in force under this agreement, but in case such flooring is not bought by any member of the Association within thirty days after the same has been so offered to the members of Association through its Secretary, then the members so offering to sell such flooring may sell the same in the open market at any price provided such price be not less than the price at which you offered to sell the same to members of the Association through its Secretary.

By the Court:

Q. That means just this, does it not, if any member of the Association has a surplus?

A. Yes.

Q. And is unable to sell it in the general market at the minimum

price he may offer it to any other member of the Association at a lesser price?

A. Yes, sir.

Q. And if another member of the Association purchase it, he is required then to sell it at the minimum price?

A. Yes.

[fol. 179] Q. And if another member of the Association does not purchase it, then the original holder is entitled to sell it at a price not less than the amount for which he offered it to an associate member?

A. Yes, sir.

The Court: Very well.

—. ——.

A. Now the first listing I think carried a concession of $1.00, then if the flooring didn't move he could make a second listing, reduce it $2.00, then if the flooring still did not move, he could make a third listing and reduce it $3.

Q. The sheet that you have there showed the first, second and third listings?

A. Yes, shows the first, second and third listings.

(Document filed as Gov. Ex. 19.)

Another provision of the minimum price plan was that if a member sold flooring at less than the minimum price, he was to pay into the expense fund of this Association ten per cent on that sale. As a atter of fact, no penalties were ever exacted from any member of the Association under the minimum price plan and no criticisms were ever made to any member of the Association either by the secretary's office or by any other member of the association regarding any prices at which he sold his flooring.

The Court: That was all under your Articles of Association of 1916?

A. We had two elements, we had Articles of Association which contains certain features, then we had these so-called minimum price plans which were sort of supplemental to the articles.

The Court: That was during the period of——

A. 1916 to 1917. Afterwards, as I said before, it was extended dated January 1st, 1919.

[fol. 180] The Court: It was the same plan with modifications?

A. With modifications, yes, sir.

Mr. Fowler: Have you explained both of these minimum price plans; you said there — two of them?

A. I think the other one, if I may have it, is in a yellow cover; it is simply a reprint of this with certain modifications.

The so-called Minimum Price Basis is dated January 6, 1921, and is Government Exhibit 13 and that provided for establishing the values of flooring on a cost basis similar to the one in a previus Minimum Price Plan, but I think the interest on the capital invested was made six per cent instead of five per cent. This Minimum Price

Basis provided for no listings whatever, provided for no penalties whatever, as the other one did. We did not exact any penalties of any kind under the Minimum Price Plan, but in the Minimum Price Basis no penalties of any kind were even prescribed. It is simply a statement of business policy and was for handling the sales of maple, beech and birch flooring. The statement of the policy is described in the instrument.

We did not always file the Market Conditions Committee reports with the Federal Trade Commission. I think we did file some of them, and that we have a record of some that we filed. I do not think we ever filed them with the Department of Justice, but I think we gave them to the agents of the Department of Justice when they were investigating, but I wouldn't be certain as to that. I have a complete list of the documents we have given to the Federal Trade Commission and the Department of Justice investigators, except that I did not take a list of what I gave to Mr. McCaaig in 1919.

The Court: Will you permit me a question? If I understand you, with the exception of a declaration that penalties would be imposed [fol. 181] or might be imposed, the method of obtaining the cost of production and selling was the same under these two plans, that is, the Minimum Price Plan and the Minimum Price Basis, as you call them, and the information furnished members of the Association was the same information, in substance?

A. In substance the same basis was used in arriving at the average cost of producing and marketing flooring with the exception of the interest rate that I mentioned.

The Court: Then, the difference would be, the substantial difference would be that in the one case, in form at least, you required it, and in the other you advised it?

A. I wouldn't say that we advised it. We gave it to the members to use in such way as they wished to use it.

The second plan, the Minimum Price Basis, was never proceeded with. It was a proposed plan rather than a tentative plan.

Q. You say now, Mr. Keehn, that that Minimum Price Basis was never put into effect at all?

A. I would say so, Mr. Fowler. It might have been in effect for a day or two, or four or five days. It only took two weeks before we heard from Mr. Nebeker on that subject.

Q. What was the date of that letter?

A. I think it was February 6th, and I think it was submitted January 29, 1921. We have all that correspondence.

Q. I show you a sheet here that is entitled "Maple Flooring Association, Record of Completed Transactions as of date January 13, 1921."

A. Yes.

Q. What is that sheet?

A. Those are the weekly sales reports. Report of sales made during the week ending January 8, 1921.

[fol. 182] Q. That was one of the reports that you sent out?

A. Yes sir.

(The paper referred to was marked "Government Exhibit 20" and received in evidence.)

Q. I wish you would look at that report and state if it does not show on its face what the minimum Price Basis was?

A. Yes, it does.

Q. That is, the information that is given on that report is, first, date; second, quantity; third, description; fourth, delivered price; fifth, new index letters; sixth, Minimum Price Basis; seventh, commissions, and eighth, mills reporting.

A. Yes.

Q. That is the information that is given there?

A. Yes sir. Some of the members may have operated under it for a short time pending our hearing from Mr. Nebeker.

Q. You were operating under it any way because you sent it out through your office, didn't you?

A. We sent it out through our office on January 6, 1921.

Q. I show you another sheet that is dated January 27, 1921. What is that, omitting the figures in pencil that are on there?

A. That is a record of completed transactions, reports of sales made during the week ending January 22, 1921.

Q. A similar report to the one I just handed you?

A. Yes sir.

(The paper in question was marked "Government Exhibit 21" and received in evidence.)

Q. Isn't it a fact that that report is made in the same way and shows the Minimum Price Basis on it?

A. Yes sir.

Q. So you were operating under it when that report was sent out?

A. Possibly for two weeks or three weeks before we heard from [fol. 183] Mr. Nebeker. As I said before we perhaps may have operated under it.

This other sheet, dated February 3, 1921, is a report of completed transactions for the week ending January 29, 1921.

(The paper in question was marked "Government Exhibit 22" and received in evidence.)

In 1921 each member of the Association was assigned a number for convenience in keeping our records. Any member of the association would know, for instance, what was meant by "No. 24, Group A." The giving numbers to the members has been in force since 1905. The group indicates the territory. Group A would be Eastern Lower Michigan. The members were divided into groups just to show the location of the plants, the members of a group being located in the same territory, but not in the same town. There was no particular benefit except to show the location of the plant. All our reports are made that way on average cost and average prices realized. The groups are: Eastern Lower Michigan, and Western Lower Michigan, and Upper Michigan and Wisconsin. The groups did not have anything to do with freight rates.

Q. Were you operating under that Minimum Price Basis in December, 1920.

A. No sir.

Q. Or in January, 1921.

A. For a very short time until we heard from Mr. Nebeker. The members may have been considered to have operated under it.

The Minimum Price Basis before the present articles of association were adopted was not made by the Market Conditions Committee, but I made the compilation myself from the reports sent in to the office by the members of the Association. Sometimes the Market Conditions Committee obtained the information through me, as [fol. 184] Secretary of the Association. We got the information regarding costs from the reports made by the members of the Association who sent in itemized statements of costs according to a survey, which we have of marketing and manufacturing costs, consisting of about twelve or thirteen questions. I sent out these questionnaires to ascertain the average cost of manufacturing and marketing flooring; then the information regarding the values of rough maple lumber as established by sales on the open market was obtained by the Market Conditions Committee from the various members of the Association. The questionnaire sent to each member of the Association was intended to cover every element of cost. This sheet, entitled: "Survey of Costs, Third Quarter 1922" is the kind of questionnaire I have been referring to. We have been using it for a great many years, perhaps eight or nine or ten years, and we are still using it.

(The paper referred to was marked "Government Exhibit 23" and received in evidence.)

When an estimate of cost was made we also had the market value of the rough lumber as established by sales in the open market. We might have such information from the lumber trade papers or from sales made by saw mill operators of flooring lumber on the market or from members of the Association who had purchased the rough lumber on the open market. We used all sources of information. This information was sent in by members of the Association, sometimes to me, sometimes to the Market Conditions Committee, all for the use of the Market Conditions Committee. Sometimes during [fol. 185] the past year we would get this information at meetings of the Association by asking each one what he was paying for rough maple lumber on the open market, actual sales. The Committee on Cost Surveys ordinarily came to the conclusion as to what information was to go out in my reports to the members. The cost of rough maple lumber was taken by using several purchasers—five, six, eight or ten—and we might take the average the same as the Government does in compiling its data regarding the value of rough maple lumber on the open market. The information from which we figured out the cost of production came from the members of the Association. We had no information from non members regarding their cost of production. Referring to Gov. Ex. 23, we use the same form

but employ different calculations. We are still sending out the questionnaire above referred to and by means of them ascertain the average of actual costs. The Cost Surveys Committee does not perform exactly the same function as the Market Conditions Committee did. The Committee on Cost Surveys simply go into the cost of the raw material, the cost of marketing and manufacturing, and takes no notice of any kind of the selling price of flooring. Under the present Association we make an estimate of the cost of flooring by taking the market value of the rough lumber and the other elements as provided in the Articles of Association. For instance, referring to the document you hand me (Gov. Ex. 24 to 24-R inclusive, which were thereafter received in evidence): There is the average cost based upon composite runs, five test runs. These were made as follows: one made in January, and February, 1922; one in December 1922 and three in January of 1923. This particular lot, these 5 test runs, are assembled together, as you will see, on this paper; one test run made by Mitchell Brothers Company; another [fol. 186] by Kerry and Hansen Flooring Company; another by the East Jordan Lumber Company; one by the Grand Rapids Trust Company; receiver for William Horner—two as a matter of fact; and one by the Bigelow-Cooper Company. In this test run one member used 176,000 feet of number one common. That included a very small percentage of firsts and seconds, which do not enter into the calculation, because it would be negligible. No. 24, that is Mitchell Brothers Company used 176,000 feet No. 1 Common, 71,000 feet of No. 2 Common, a total of 247,000 feet of rough lumber used. Out of that he got 108,000 feet Clear; 55,000 No. 1; 126,000 feet Factory; 20,841 feet of other product, a total of 196,000 feet. The waste was 50,840 feet or 20.5%.

No. 24, Kerry and Hansen Flooring Company used 276,000 feet No. 1 Common; 155,000 feet No. 2 Common; 170,000 feet No. 3 Common, making a total of 601,000 feet of rough lumber. They got out of that 117,000 feet of Clear; 235,000 feet of No. 1; 82,500 feet Factory, a total of 435,000. They had a waste of 166,000 feet or 27.6%.

No. 26, East Jordan Lumber Company used 21,000 feet of No. 1 Common; 13,000 feet No. 2 Common; 2,500 feet No. 3 Common A; 11,000 feet of No. 3 Common, a total of 47,000 feet. The product was 13,000 feet Clear; 13,000 No. 1; 12,000 Factory, a total of 37,000 feet. The waste was nearly 10,000 feet or 20.8%.

No. 47, that is the Grand Rapids Trust Company, Receiver for William Horner, used 68,000 feet No. 1 Common; 3,200 feet No. [fol. 187] 2 Common; 10,000 feet No. 3 Common A; total of 111,000 feet. The flooring produced was 47,000 feet Clear; 34,000 feet No. 1; 11,000 feet of Factory, a total of 92,000 feet, and a waste of 19,000 feet or 16.8%.

Bigelow-Cooper Company used 7,400 feet Selects; 30,600 feet No. 1 Common (we put the two together because while Selects are worth $10.00 a thousand more than the No. 1, the total would be negative when you get at the end); 33,000 feet No. 2 Common; 15,000 feet No. 3 Common A; total 86,500 feet. The flooring product was

31,000 feet Clear; 28,600 feet No. 1; 11,000 feet Factory, a total of 70,000 feet. The waste was 15,900 feet, or 18.4%.

Now we throw these all together in one calculation, making a total quantity of No. 1 Common of 579,000 feet or 53% of the total; No. 2 Common 305,000 feet or 28% of the total; No. 3 Common A 28,000 feet or 2.6% of the total; No. 3 Common 180,000 feet, or 16.6% of the total, making a grand total of 100%.

Now the Clear Flooring that came out of that was 315,800 feet or 38%; 366,000 feet of No. 1, or 44%; Factory 129,000 feet or 15.5%; other product 20,800 feet or 2.5%; total product 831,869 feet. The total waste is 261,200 feet or 24%, an average of 24% waste.

Now on the test run made July 19, 1923, that is the average cost table based upon that, that was exactly the same calculation, 53% No. 1 Common; 28% No. 2 Common; 3% No. 3 Common A; [fol. 188] 16% ordinary No. 3 Common, making a total of 1,093 thousand feet, reduced to percentages.

The present average cost of rough flooring lumber at the flooring mill at that time, according to the best information the Survey Committee could obtain was $64.00 for No. 1, $44.00 for No. 2, $32.00 for No. 3 Common A, $24.00 for No. 3 Common. This calculation is extended to show the cost of a thousand feet of lumber.

The Court: Of the average cost of rough flooring lumber. You do not give out information in detail as to where that was obtained from?

"A. No, we got it from the committee on Cost Survey, or it might — talked over in the meeting of the Association."

Mr. Darby: But the actual sales are on the open market?

"A. They are the best information people can get as to it. Then we found a thousand feet of lumber of this character enumerated, manufactured into flooring, cost at the flooring mill $51.04. Now we got 760 feet of flooring out of the thousand feet of lumber, so the 760 therefore cost $51.04; a thousand feet cost $67.16. Manufacturing and marketing cost first quarter of 1923, the average was $17.85, and I will show you that, Your Honor, in a minute. Consequently the average cost f. o. b. flooring plant of 1,000 feet of flooring sold was $85.01.

The approximate relative average cost of flooring product f. o. b. [fol. 189] at flooring mills the previous classes of rough Maple lumber, we find we have 38% Clear; 44% No. 1; 15% Factory and 3% of other products, and that the waste was 24%.

Now, we find in the grades and faces the 13/16" x 1½ Clear amounted to 15,500 feet or approximately 2%; the 13/16 x 2" amounted to 12,000 feet, or 1.4%; the 13/16 x 2¼" amounted to 227,000 feet, or 27%; the 13/16 x 3¼" amounted to 27,000 feet, or 3.2%; the 13/16 x 4" amounted to 13,000 feet, or 1.6%; the jointed flooring amount to ½ of 1%. So, the total Clear product out of that stuff was 38%. Now, we find the No. 1 production was about 12,000 feet of the 1½" or a little over 1%; the 2" face about 14,000 feet or 1.7%.

The Court: It is not necessary to go into all of that detail. It is a total of 44%.

"A. Yes. When this tabulation was sent out to the members July 19, 1923, we had omitted to eliminate from our Articles of Association the 5% which was put in to cover matters incident to manufacturing operations.

Now, we come to November 10, 1923, with exactly the same information, and according to the best information obtainable through the Committee on Costs, there appears to have been a decline in the average cost of rough flooring lumber of $7.00 per thousand. So this is made on the basis of 57, 37, 27 and 20 dollars, and all these relative costs of the flooring product were horizintally reduced $8.00 a thousand. In other words, on July the 19th, this flooring [fol. 190] product cost $85.00. On account of the decline in the market value or cost of the rough lumber it comes down to $77.00, so that makes a difference of $8.00, while the decline in the lumber is $7.00. On account of the waste in the flooring it amounts to $8.00 on the other."

Mr. Johnston: Do any of these figures contain any element of profit?

"A. None whatever."

Mr. Johnston: Those are all cost figures?

"A. All cost figures. It so happens they accord very closely with the prospectus sent out in 1913, which was referred to in our petition to the Federal Trade Commission, the way the Government sells its timber, and we will bring that up later."

The Court: What you are lacking thus far, is the details of the manufacturing costs.

"A. Yes."

The Court: And selling costs.

"A. I am going to get to that now, your Honor. Suppose we use this one as an illustration, the one of November 10, 1923. November 10, 1923 we have a manufacturing and marketing cost, the third quarter of 1923, $18.34. Here are the reports of the members of the Association who made these reports."

The Court: You take into consideration all of the reports which you received from your members.

"A. All of them."

Mr. Darby: Not all of them.

[fol. 191] "A. Except in this case, we had the report from the Grand Rapids Trust Company, Receiver, for William Horner, showing their cost was $34.81, and we concluded that was abnormally high, so we omitted it from this calculation. If we put their cost in to get the average, our average marketing and manufacturing would have been about $21.00, and we would have been justified in using it instead of $18.34."

Mr. Fowler: They are sometimes abnormally low.

A. We always put in the low ones."

Mr. Fowler: Always exclude the high ones.

"A. When they are shut down or something like that. This is a fair illustration; there we have the actual manufacturing and

marketing cost on this schedule, which I will read to you. 'Survey of Costs.'"

The Court: This is your questionnaire.

"A. Yes. 1. Labor taking lumber off of dock, car, pile or wagon, and placing in dry kiln, including expenses of night firemen.

2. Cost of manufacturing into flooring and putting flooring in warehouse, including twine, oil, belting, and other factory supplies, and factory repairs and including manufacturing administrative expenses."

The Court: Just what does that mean, office expenses, for instance.

"A. Yes."

The Court: Salary of the General Manager, and so on.

"A. Yes."

The Court: Commonly called overhead.

[fol. 192] "A. Or a proportion of it, in case they have other business."

The Court: Your member in making his report makes that division?

"A. Yes, he makes that division."

3. Warehouse expense and loading into cars, or on wagons.

4. Insurance and taxes. (Divide ¼ of annual amount by quantity of flooring produced during July, August and September.)

5. Interest at 6% on value of plant and on value of average stock carried of rough flooring lumber and of finished flooring. (Divide ¼ of annual amount by quantity of flooring produced during July, August and September.)

6. Selling expenses, including commissions and advertising and office expenses, including selling administrative expenses.

7. Cash discount.

8. Annual depreciation on flooring plant as is usually allowed by the United States Government. (Divide ¼ of annual amount by quantity of flooring produced during July, August and September.)

9. Total per M feet of flooring produced during this period.

10. Less net profit from wood and other by-products of flooring lumber, per 1 M feet of flooring produced during July, August and September.

11. Actual manufacturing and marketing costs per 1 M feet of flooring produced during July, August and September.

12. Quantity of flooring produced by us during July, August [fol. 193] and September.

13. Our percentage of waste in manufacturing flooring during July, August and September.

Now, we have this tabulation as to number five, Cobbs and Mitchell Company. I wonder if any objection will be made to this."

Mr. Darby: There will be no objection.

"A. We will read that number five, Cobbs and Mitchell, Inc., Total cost 16.44; less wood, etc. 1.09; actual manufacturing and marketing costs 15.35; percentage of waste 10½%.

No. 26, East Jordan Flooring Company; total cost 18.58; wood 1.22; actual manufacturing and marketing costs 17.36; percentage of waste 26.4%.

No. 34, Foster and Latimer Lumber Company; total cost 19.661, less wood, etc. 1.74; actual manufacturing and marketing cost 17.92; percentage of waste 27.6%.

No. 42, J. W. Wells Lumber Company; total cost 2.50; less wood, etc. 4.09; actual manufacturing and marketing costs 17.41; percentage of waste 31%.

No. 48, North Branch Flooring Company, total cost 26.60; less wood 2.92; actual manufacturing and marketing costs 23.68; percentage of waste 23%, a total of 102.78 in the first column; the wood is 11.06; actual manufacturing and marketing costs 91.72, and the [fol. 194] simple average total cost 20.55; less wood, etc. 2.21, and the actual manufacturing cost 18.34, and the percentage of waste it so happens is 24%."

Mr. Darby: Your Honor, may we read what the manufacturing cost of the Grand Rapids Trust Company, Receiver was?

"A. Yes, I am going to do that now. Here is the survey of costs third quarter 1923, manufacturing and marketing costs per thousand feet of flooring produced during July, August and September 1923. The same set of question and answers set opposite each question."

Mr. Fowler: What is the date?

"A. The date of their report is—our blank is dated October 5, 1923."

Mr. Newman: Whose report is that?

"A. Grand Rapids Trust Company, Receiver for William Horner. Their total cost figured at 37.34, less net profit from wood and other by-products for one thousand feet of flooring produced 2.53; actual manufacturing and marketing costs during July, August and September 34.81; quantity of flooring was yearly 3 million. Their waste was about 18%, so we did not use that in our calculation in arriving at the arithmetic average.

Mr. Darby: Was any explanation given you as to those costs?

[fol. 195] "A. I spoke to Mr. Klesner; he said he would try to look it up when he arrived home. It may be explained in their letter transmitting it."

Mr. Darby: They did not explain why their costs were high?

"A. No. I spoke to Mr. Klesner about it. This same method has been pursued at different times and we have a number of those calculations going way back to 1913, and of course, we can repeat them and repeat them, but the Government, I think, has a record of all these things; they have a record of every survey of costs that we could find in our office, going back to 1913, 1914, 1915, but you haven't any very recently; I think the last one I gave to Mr. Frank some time in May or June, 1922."

Mr. Newman: Who is Mr. Frank?

"A. A special agent of the Department of Justice. I think some of the others have been given in too; I can find out about if from our records."

Mr. Darby: I would suggest that we have those sheets marked.

The Court: Those may be marked one number and then the

different sheets lettered in addition to the number; they all pertain to the same subject.

(Papers referred to were marked Government exhibit 24 to 24 R inclusive.)

[fol. 196] Q. Now you have explained in great detail your method of arriving at what you denominate as the cost price of lumber.

A. Yes, on the flooring.

Q. That method has been used for how many years?

A. I think we commenced, originally, in 1913 under what we termed "scientific list." That was based on the old work of the Market Conditions Committee.

Q. You have been using that same method since the same general principles and are using it today.

A. We are using it today.

We make those estimates from time to time according to when the market changes on rough lumber or according to when the manufacturing and marketing costs are changed. There is no definite period. We make them at very irregular intervals. I would say without looking it up we made perhaps three or four during 1922.

Here is a report dated May 31, 1922. It is the first one I find here and I assume it is the first one we sent out.

(Document in question was marked "Government Exhibit 25 25a and 25b" and received in evidence.)

The next estimate we made after May 31, 1922 was made October 25, 1922. That is the one I have here next. I am quite certain that none was made between May and October.

(Document mentioned was marked "Government Exhibit 26" and received in evidence.)

There was an estimate made on February 15, 1923.

(Document marked "Government Exhibit 27" and received in evidence.)

I wrote this letter dated February 16, 1923, addressed to members and it went out with the report of February 15, 1923 as stated in the [fol. 197] second paragraph of the letter.

(Letter marked "Government Exhibit 27-A" and received in evidence.)

Q. Of course, that information is sent to every member?

A. Every member of our Association received that information.

Q. Just as quick as that cost estimate is made it is sent out to every member?

A. To every member.

The sheets you give me are, I think, all test runs and analysis of cost and production, etc. They were all sent out by our office.

(Documents referred to marked "Government Exhibits 28 and 28-A to 28-T inclusive" and received in evidence.)

Q. Now, Mr. Keehn, did the Association ever have a freight rate book?

A. Yes sir.

Q. When did it first adopt a freight rate book, or when was the first Association that used it?

A. The defendant Association never adopted a freight rate book.

Q. I will come to that now directly. I want to know when did one of these Associations you have been testifying about do so?

A. A great many years ago, Mr. Fowler.

Q. Now, what do you mean by a great many years ago?

A. Ten, twelve or fifteen years ago.

Q. As far back as 1905, didn't it?

A. 1905 or 1906.

I was connected with the Association on April 1, 1905. I am very familiar with this paper "Prices on Maple Flooring effective April 1, 1905." We gave it to Mr. Lewis.

Q. What does it show?

[fol. 198] A. It is what it purports to be.

Q. What is that?

A. Tables of prices on maple flooring by geographical zones.

Q. What do you mean by geographical zones?

A. For example, by states or blanket price covering certain territory. For instance, say Maine, it would accept Portland rates.

Q. That is the price including the freight, is it?

A. Yes, sir, that is the price including the freight.

Q. In that certain zone?

A. In that certain zone.

(Paper marked Government Exhibit 29 and received in evidence.)

The Court: You have a number of those I take it?

A. Yes.

The Court: They will all be given the same number with letters.

(Similar papers marked Government Exhibits 29-A to 29-C, inclusive, and received in evidence.)

Q. That was used by the Association that was in existence at that time?

A. I presume it was.

Q. You had nothing to do with that?

A. I was Secretary of the Association, at that time.

Q. Then don't you know that it was?

A. It depends upon how you mean it was used.

The papers you hand me are charts showing the delivered prices or values of maple flooring. One is dated March 1, 1907, the other is dated October 1, 1907, October 27, 1909, January 27, 1910, September 14, 1910, October 18, 1911.

(Documents above mentioned were marked "Government Exhibits 30, 30-A to 30-E" inclusive and received in evidence.)

I do not think I have the rate book for 1913. I might possibly have it but I am not certain. Whatever rate books we had in our [fol. 199] possession at the time Mr. Lewis came to see us and asked for we gave to him. We gave him the first original rate book, which was a very meager and primitive affair, and was dated 1906 to 1907. Mr. Lewis sent it back to me as a sort of souvenir, but I don't know where it is now. I presume there was a rate book issued in 1913, but I could not be positive about it. The small book you show me designated "Rate Book, Copyrighted 1916 by Maple Flooring Manufacturers' Association, Chicago" was got out by the Association existing at that time, and was distributed among all the members. It is copyrighted in 1916 by Maple Flooring Manufacturers' Association, and the copyright date on it is June 16, 1916, and the table of values which appears in the back is dated May 15, 1916. The index letter following the name of each town indicates the rate of freight from Cadillac, Michigan to the various points. We do not consider that Cadillac is taken exactly as the base. The rate of freight from Cadillac to about thirty or forty or fifty representative markets in the United States happens to be about the same as the average rate of freight from the seventeen producing points in Michigan and Wisconsin. In this particular book it is true that all the freight rates are estimated from Cadillac because we simply took the rate of freight from Cadillac in having it compiled. It shows the rate of freight from Cadillac to five or six thousand points or seven or eight thousand points, scattered all over the United States.

[fol. 200] Q. If they were going to ship to a point, right near a point that is mentioned in there, or not mentioned, they would refer to the nearest point, would they?

Mr. Darby: We object to that.

Q. Well, is that true, or not?

Mr. Darby: We object to the question because Mr. Keehn is the Secretary of the Association; he shipped no flooring, and what some member would do he would not know.

The Court: He can tell us he don't know, if he does not.

A. You would have to ask the member for that information.

Q. You don't know?

A. I don't ship any flooring or sell any.

Q. I don't care if you ship any or not, do you know?

A. Not of my own knowledge.

Q. Well, what did the members tell you?

Mr. Darby: We object to what the members told him, immaterial and hearsay.

The Court: No, you may answer.

A. We will cover that by the members that know.

Q. Did the members tell you?

A. They did not. According to the best of my knowledge and belief at this time, I did not know what they did in 1916.

Q. Is that all the information that that book contains, just the freight rate from Cadillac to that point?

Q. We have not finished that part of our story yet.

Q. Then finish it.

A. Do you wish the Table of Values?

[fol. 201] Mr. Johnston: I don't see why counsel, examining Mr. Keehn as his witness, should assume any such attitude. I object to the method of examination.

The Court: Proceed.

Q. What is the balance of the information?

A. The balance is the table of values.

Mr. Darby: Explain to the Court what that table of values is.

Q. The table of values illustrates the delivered values of flooring to certain destinations.

Mr. Darby: What is that composed of, what figures?

Q. Well it is composed I would say of the cost elements and so forth that enter into it.

Q. Does that mean the values reached in the manner that you have explained in detail?

A. I think this covers the so-called minimum price plan of July 1st, 1916, in which reference is made to the table of values of May 15, 1916.

Q. Then that book shows what you call the cost price?

A. Plus the freight.

Q. Of the lumber, plus the freight to those various points, from Cadillac.

A. Yes.

Q. Now that is what it shows.

A. Yes.

Q. Then you say it has an index.

—. ——.

Q. What are those letters on that book, what do they mean?

A. The index on this book indicates the rate of freight from Cadillac, Michigan, to the towns.

Q. What do you mean by "index letters."

—. ——.

Mr. Darby: Tell the reason for that.

Q. Please answer my question.

[fol. 202] A. A is one; B is two; C is three; D is four; E is five; F is six; G is seven; H is eight; I is nine; J is a cipher.

Q. What are those letters used for those figures?

A. It is more convenient, there are lots of fractional rates of freight as it states there and everything like that.

Q. Why didn't you just illustrate that as one, two, three, four, whatever it is and not use a letter.

A. We could have done it just as well that way but thought it more simple in printing to use B instead of 45. Then besides, those rates take a certain grouping, where 45 might represent 44½, 45½, such things as that.

Q. Would EE represent the 44½?

A. EE would represent 55. We could have used figures just as well but just did this as a matter of convenience.

Q. You found it convenient to use those letters instead of figures.

A. I presume we must have followed some old custom somewhere.

Q. Well did you?

A. There is no particular advantage in using figures instead of letters, or letters instead of figures.

Q. As a matter of fact those letters are still being used aren't they?

A. Those letters are still being used.

Q. Have been ever since.

A. Ever since.

Q. Now when another estimate of costs has been made before the issuance of another freight rate book, what did you do?

A. Well we might have put in a sheet or might have issued a new table of values.

[fol. 203] Q. Well you would do one or the other?

A. One or the other, ordinarily.

Q. That is, you would send to each member a sheet showing this new estimate?

A. New estimate, yes, sir.

Q. So he could use that in connection with his freight rate book?

A. He could make such use of it as he desired. Simply sent to him for his information.

Q. When did you get out the next book after that?

A. If you have it there—this is May 15, 1916.

[fol. 204] (The freight book of May 15, 1916, was marked Gov. Ex. 31 and introduced in evidence.)

The two small printed sheets which you show me called "Tables of Values, Freight Rates 4-14" was dated January 26th, 1917. I have an impression that it was for the back part of those rate books.

(The two sheets above referred to marked Gov. Ex. No. 32 and received in evidence.)

I think we had a freight book dated March, 1920. I think a copy of it was sent to the Federal Trade Commission. I have not the original. The sheets of paper you hand me appear to be photographic copies of pages 83 to 95 of such a book. As to whether or not they are correct, I cannot say.

(Sheets above referred to marked Gov. Ex. 33 and received in evidence.)

I think I sent a copy of this rate book to the Federal Trade Commission. Another book entitled, "Rate Book, Maple Flooring Manu-

facturers' Association,' I should say was adopted by the Association that was then in existence.

[fol. 205] (Said book marked Gov. Ex. 34 and received in evidence.)

The book last mentioned shows the value of the flooring and the freight rate from Cadillac to the various points or the average freight rate from those seventeen producing points. The book in question is a loose leaf book and when new average cost charts are made, new sheets would be prepared and sent to the various members. Sometimes the rate of freight is changed and a new compilation is made of the freight rates. New sheets would be sent out to members for insertion in the loose leaf book. The book you show me entitled, "Rate book, Freight Rates and Index of Towns, Copyrighted, 1922, by Maple Flooring Manufacturers' Association, Chicago," was never formally adopted by the present Association by any formal action. It was printed and sent out by me, but the Association never formally adopted it in any way. I would say that I had authority to send it out. The Association's money paid for it and it went to every member. The book last mentioned contains a delivered cost chart, including average cost of freight to destination. It reads, "Includes average cost of freight to destination." Under our present method we arrive at an average cost f. o. b. flooring plant for 13/16 by inch and one half and two inch and two and a quarter and three and one quarter. Then the average rate of freight gives us the average cost of fright to destination and is added to the average cost of the flooring. The average cost of the freight is the average cost of the freight from the different flooring mills. It so happens that the freight from Cadillac represents the average rate of freight.

[fol. 206] Q. And it is all really from Cadillac.

A. To save the inconvenience of getting freight rates from 17 different points and averaging them.

Q. As a matter of fact, the freight rate that is given there is not the actual freight rate from a single flooring mill is it?

A. Yes, there are three flooring mills at Cadillac and one or two flooring mills near Cadillac that take practically the same rate as Cadillac.

Q. Then it is the actual rate from about five mills.

A. I am not certain about that, but I think it might be. I can look that up for you.

Q. But is not the freight rate from 17 mills.

A. It is the average freight rate from 17 mills.

Q. It is not the actual freight rate from 17 mills outside of Cadillac is it?

A. Yes.

A. We will show you a tabulation; we will show you a list of the freight rates.

Q. Will you answer my question, and let me stand between you and Mr. Darby. Will you answer my question as to whether or not that shows the actual freight rate from a single mill that is outside of Cadillac?

A. It does, yes.
Q. Which one?
A. I think Manistee, Michigan.
Q. Which one?
A. Manistee, Michigan.
The Court: That happens to be the same rate as the one from Cadillac.
A. And perhaps Reed City, maybe, but I won't be certain of that. However, I will show you a chart giving you the rates of freight from all different towns and you will find some alike.

[fol. 207] (Freight rate book last mentioned marked Gov. Ex. 35 and received in evidence.)

The chart of freight rates above mentioned contains the rates of freight on Maple flooring, carloads, from Michigan and Wisconsin mills. Here is Albuquerque, New Mexico. Bay City, 85, Grayling, 85; Saginaw, Michigan, 85; Cadillac, Michigan, 85; East Jordon, 85; Grand Rapids, Michigan, 85; Manistee, 85; Reed City, 85; Gladstone, 80; Hermansville, 80; Menominee, 80 cents; Newberry, 80 cents; Wells, Michigan, 80 cents; Blackwell, Wisconsin, 80 cents; Mellen, Wisconsin, 80; Oconto, Wisconsin, 80; Phillips, Wisconsin, 80 cents. Now we get the average of those forty different points. The average rate of freight from Bay City, Michigan, to forty different points, geographically, is 40.8 cents; from Grayling, Michigan, 50.6; from Saginaw, Michigan, 48.1; From Cadillac, Michigan, [fol. 208] it is 50.4; from East Jordon 53.7; from Grand Rapids it is 48; from Manistee, Michigan, it is 50.6; from Reed City it is 49.9; from Gladstone it is 48.9; from Hermansville it is 49; from Menominee, 47.4; from Newberry, 50.2; from Wells, Michigan, it is 48.9; from Blackwell, 49.9; from Mellen, 50.6; from Oconto, 47.3; Phillips, 50.1; and the grand average is 49.5 cents from all the points, and from Cadillac it is 50.4, a difference of nine tenths of one cent per one hundred weight, which would mean a difference of about eighteen cents a thousand.
Mr. Darby: Will you give the points, the consuming centers there, so that they will be in the record?
A. Albuquerque, N. M., Atlanta, Ga., Baltimore, Md., Birmingham, Ala., Boise, Idaho; Boston, Mass., Buffalo, N. Y., Butte, Mont., Chicago, Ill., Cincinnati, Ohio, Cleveland, Ohio; Dallas, Texas; Des Moines, Iowa; Denver, Colo., Detroit, Mich., El Paso, Texas; Fargo, N. D., Indianapolis, Ind., Jacksonville, Fla., Kansas City, Mo., Louisville, Ky., Memphis, Tenn., Milwaukee, Wis., Minneapolis, and St. Paul, Minn., Nashville, Tenn., New Orleans, La., New York, N. Y., Oklahoma City, Okla., Omaha, Nebraska.
Pacific Coast terminals: Seattle, Portland, San Francisco, Los Angeles.
Philadelphia, Pa., Pittsburgh, Pa., Portland, Me., Richmond, Va., Salt Lake City, Utah; Spokane, Wash., St. Louis, Mo., Sioux Falls, S. D., Washington, D. C. Wilmington, N. C.
[fol. 209] The Court: As a matter of fact, your answer a few

moments ago when you said there was the same rate applied to Cadillac as applied to Manistee, was incorrect, was it not?

A. I will look and see.

The Court: You used the same average rate, but the actual rate is different.

A. We will take Cadillac. To Albuquerque; Manistee 85, Atlanta, Ga., 59.

Mr. Darby: No, make the comparison.

A. I am giving them both. I will start over again. I will give Cadillac first and Manistee second.

The Court: Well if they are both alike you don't need to.

A. There may be a difference in some territory.

The Court: That is what I mean.

A. Albuquerque, 85 in both cases; Atlanta, 59; Baltimore, Md., 42½; Birmingham, Ala., 51½; from Cadillac and 55½ from Manistee; Boise, Idaho, the same; Boston, Mass., the same; Buffalo, New York, the same; Butte, Montana, the same; Chicago, Illinois; Manistee has twenty and one half; Cadillac 24½; Cincinnati 31 and ½—I think in a majority of cases the rates are the same.

[fol. 210] (Said freight chart marked Gov. Ex. No. 36 A and received in evidence.)

I sent out a letter with this sheet that shows rates of freight on maple flooring in carloads from Michigan and Wisconsin mills. The letter is attached to the sheet.

(Said letter was also marked Ex. 36 and received in evidence.)

The small book that you show me dated February 15, 1923, called "Delivered Cost Chart" is an average cost chart showing the average cost of 13/16 f. o. b. cars at flooring mills, to which is added on the succeeding chart the average cost of freight to destination under the name "Delivered Cost Chart."

(Said book marked Gov. Ex. No. 37 and received in evidence.)

Q. So it is that at the present time every member of the association has in his possession the book which shows first, the estimated cost of production, and, second, your freight rate from Cadillac, which you call the average freight rate to several thousand points in the United States, scattered all over the United States?

A. Yes, that is all he has at the present time, except——

Q. We will see directly about that.

A. He has a freight table showing the cost of freight, but no delivered cost.

Q. Aren't you mistaken on that assertion "that is all he has."

A. That is all he should have.

Q. Don't he have the amount of production and the price of everything, every sale that is made?

A. You are talking about the freight rates, you were talking about the rate book.

Q. You made that as a broad statement, that is all he would have.

A. I should have added, "in his rate book."

[fol. 211] Q. That is all that is shown by this rate book, what you stated a while ago?

A. However, you mean now the last table of the rate book?

Q. That is all that is shown in any of these rate books?

A. Well the table of delivered average cost has been eliminated from the rate book. We sent you correspondence to that effect; we sent it to Mr. Thompson.

Q. Oh, you mean after the suit was started?

A. Yes.

Mr. Darby: You asked him what he had now.

A. You asked me what we had now, and we are in November, 1923.

Q. What does that rate book that you got out after the suit was started, show?

A. It shows the average rate of freight, assuming Cadillac to represent the average, to about seven thousand six hundred different cities and towns in the United States.

Q. Yes.

A. It shows the average cost of 13-16ths maple flooring f o b cars at the flooring plant; it shows the table of what the actual cost of freight would be on certain rates of freight.

Q. Well what more than that did any of the freight rate books ever show?

A. Well the other freight rate books as you know showed delivered cost, what it cost.

Mr. Darby. It added the two.

A. The two were added.

Q. The only difference is the fellow makes his own addition.

A. He could make his own addition.

Q. Then before that why it was added for him, he just had to glance at it.

A. He might not use the rate of Cadillac.

[fol. 212] Q. He could.

A. He could use the rate from Cadillac, could use the rate from his own mill.

Q. Then hasn't he got exactly the same information in his possession now that he had before, the only difference being he has to make a calculation now, whereas before he did not have to make a calculation?

Mr. Darby: The book is in evidence.

A. Haven't you got the book in evidence?

The Court: Answer the question.

A. I would like to see tha rate book to see if they are the same, but I would say generally——

The Court: I take it you know something about the business of this Association and its methods, and possess the means of giving us the information.

A. Well he has practically the same, except of course he had to add one to the other.

The Court: In other words, instead of having a four, he has two and two.

Mr. Darby: Well, that is not the only difference, your Honor.
The Court: That may be.
Mr. Darby: But that is so with respect to the rate.

A. I would like to say that, your Honor, other things have been eliminated from the rate book.
. The papers you hand me were all sent out from my office.

(Said papers marked Gov. Ex. No. 38 and 38 A to 38 K inclusive and received in evidence.)

Letters shown me dated February 14th, 1922, April 29th, 1922, October 30th, 1922 and November 23rd, 1922, were sent out by me.

[fol. 213] (Said letters marked Gov. Ex. 39 and 39 A to 39 D inclusive received in evidence.)

(Witness temporarily withdrawn).

GEORGE W. MASON, being first duly sworn, testified as follows:

(Direct examination by Mr. Fowler:)

I live at Rhinelander, Wisconsin, and am in the lumber business. I do not manufacture maple flooring at the present time nor have I manufactured any since October 1st, 1919. During 1919 I manufactured approximately 2,000,000 feet and about the same amount during 1918. The name of my Company is the Mason-Donaldson Lumber Company. It does not belong to this association.

(Cross-examination by Mr. Johnston:)

My company was a member of the Maple Flooring Manufacturers Association at one time. We withdrew when we quit manufacturing maple flooring in 1919. We were then operating a factory. We were operating a factory that we had under lease and when the lease expired we gave up the factory. We continued in the lumber business and are still producing maple lumber. We do not job or buy from other manufacturers of maple flooring, except a very small part. We do not manufacture any maple flooring. We have bought a very little from other manufacturers and resold it.

(Redirect examination by Mr. Fowler:)

The Robbins Flooring Company of Rhinelander, Wisconsin, own the mill which we formerly had under lease. I think the Robbins Flooring Company produces about 2,000,000 feet of maple flooring a year.

[fol. 214] (Recross-examination by Mr. Johnston:)

I do not think the plant in question could produce more than two and a half million feet. There were two machines. I think

that the most that we ever got out of the two machines was about 8,000 feet per day.

JAMES A. MURDOCK, being first duly sworn, testified as follows:

(Direct examination by Mr. Fowler:)

I am the manager of the Dwight Lumber Company. To a limited extent we manufacture maple flooring and have done so for about 25 years. My company is not a member of this Association. During the last six years my company has produced about 3,000,000 feet of maple flooring. The amount produced would fluctuate between 175,000 to 400,000 feet per year. During 1922 we produced 411,405 feet of maple and birch. In 1921 we produced 173,000 feet. My estimate for the year 1920 is 175,000 feet. For 1919 my estimate would be 400,000 feet; for 1918, about 250,000 feet. Up to September 1st, 1923, we produced about 85,000 feet.

(Cross-examination by Mr. Johnston:)

At the present time we have three machines. The daily capacity of each machine is about 4,000 feet. We only run the machines occasionally. It would be possible for us to operate them constantly if the demand was large enough or the price was adequate to justify such operation throughout the entire year. We buy rough maple lumber, also make mouldings, interior trim, veneers, etc. Most of our maple flooring is sold in Detroit. We sell our flooring to contractors and come into competition with the retailers or local yards at Detroit.

[fol. 215] GEORGE W. KEEHN resumed the stand for further direct examination by Mr. Fowler.

The document you hand me appears to be a photostatic copy of a part of one of the freight rate books that was used in 1921.

(Document marked Gov. Ex. No. 34-A to 34-P, and received in evidence.)

The documents you show me, dated May 15th, 1916, July 1, 1916, December 15, 1916, etc., appear to have been parts of different rate books.

(Said documents marked Gov. Ex. 31-A to 31-R, and received in evidence.)

The document you hand me is a reprint from the rate book of May 22, 1913.

(Said document marked Gov. Ex. 30-F and received in evidence.)

The documents you hand me look like statistical reports and other data issued by different associations.

(Said documents were marked Gov. Ex. 40, 40-A to 40, 5-R and received in evidence.)

The documents which you hand me appear to be data sent out by different associations from time to time.

(Said documents marked Gov. Ex. 41, 41-A to 41-2Y and Gov. Ex. 42 and 42-A to 42-C, and received in evidence.)

The documents you hand me appear to be weekly reports issued by the association in existence during 1921.

(Said documents marked Gov. Ex. No. 43, 43-A to 43-6N, and received in evidence.)

In regard to these reports, the Association has prepared blank forms for reporting, and it furnishes each one of the members with the necessary forms.

Q. As I understand, each member is required to report to the Secretary every week. Is he?

[fol. 216] A. He is supposed to report to the Secretary, but he isn't required to do so. As a matter of fact, he doesn't report every week—every member doesn't.

Q. Sometimes they will neglect to?

A. Sometimes they do report and sometimes they don't. There is no penalty of any kind for not reporting.

[fol. 217] Q. Suppose he does not report, are you quiet about it?

A. Sometimes we ask him to send in his report so that our statistics may be more complete.

Q. Don't you always ask him?

A. Not invariably. We frequently do, but not always.

I could give more instances when I did not inquire than when I did. There are dozens of times when we never wrote to members for their missing reports. Any way, each member is supposed to make a report each week as provided for in the Articles of Association when he joins the Association. We request the members to send in their reports at the close of business at the end of the week.

Q. Don't they understand without any request to send it in at the end of the week?

A. Sometimes they neglect to do it.

Q. But they understand that they are to send it in at the end of the week?

A. Certainly, it is so provided in the Articles of Association.

Q. You mean at the end of the week, on Saturday?

A. At the end of the week on Saturday. If they send it by the following Monday so that we can get it by Tuesday or Wednesday.

Q. The custom is and the regulation is for them to send it in at the end of the week?

A. It is not a regulation, it is a request that they do so.

It is generally understood that the members will send in their reports at the close of the week. That is, the report of sales made during that particular week?

[fol. 218] Q. I hand you a blank form, state whether or not that is one that is used by the member.

A. That is a monthly report of sales, it is not a weekly report of sales. This says Report of Average Prices Realized.

[fol. 219] The Court: I take it you are talking about the present practices?

A. That is correct, your Honor. The present practices of the Association. This blank form is a sales report for the week ending Saturday, so and so. Then following is a complete report of all sales made by us this week of all kinds of maple, beech and birch flooring. That gives the date, the quantity, the thickness and face, the grade, the wood, delivered price sold at, average freight rate to destination and the rate of commission paid if any. Then we say "Please mail this report every Saturday. If you made no sale during the week please mail this report form with the notation 'No sale.'" That is sent out to the members to be filled out and by them sent to us so that we can compile it and send the tabulations to all the members of the Association.

Q. If they comply with the Articles of Association they send it in?

A. Yes.

Q. Do they send you any other information at the end of the week but that? Is that the only report they make weekly?

A. Yes that is the only report they make weekly. I am speaking of the present Association.

(Blank form marked Government Exhibit 44 and received in evidence.)

A member also makes a monthly report of average prices realized f. o. b. flooring plant after deducting freight for 13/16" x 2¼" face, clear No. 1 and factory maple flooring, standard grades and lengths, [fol. 220] sold by us during the month of ——. That provides for the number of feet, delivered price sold at, the amount extended, and the freight to destination. Applying to the clear grade, the No. 1 grade and the factory grade, those are added up showing the gross amount, then less freight from our flooring plant to destination so much, then the net amount, then the net per 1,000 feet of each grade, clear, No. 1, and factory. That report is sent in to us by the different members of the Association but all of them don't make the report at all times.

Q. Does that report show each particular sale?

A. No, it just shows—it might show each particular sale or it might be an aggregate of the sales. The report that we send out to the members doesn't show the details.

Each particular sale is reported in the weekly reports and it may not be reported in the monthly report because this report only applies to the standard grades and lengths, while the other product is not reported. This only refers to the 13/16 x 2¼" face maple flooring and does not apply to the beech and birch and the other stuff.

Q. Why is it limited to that particular variety?

A. That is the major part of the product. I imagine it represents about 70% of the maple product and the other would be so volu-

minous it would be almost impossible to compile the stuff in a practical way.

(The monthly report Blank form marked Government Exhibit 45 and received in evidence.)

The Court: Do those weekly reports specify not only the dates of sales, the amount, but also the name of the purchaser?

[fol. 221] A. No, not the name of the purchaser nor the destination of the shipment, and at the present time it doesn't give the number of the member who made the sale.

Q. But it shows the amount of freight that was paid?

A. It shows the average freight rate.

Q. Doesn't that weekly report show the freight rate of each particular sale?

A. Each particular sale.

The Court: You say it does not designate the number of the member, but it is signed is it not, so that you know who is making the report?

A. We know who is making the report, but we do not make that detail public in our reports at the present time.

The next report is what we call a "stock report". Stock on hand. That comes from each member of the Association and is compiled and tabulated and bulletined to the members of the Association in the aggregate. This report is made at the end of each month. It is supposed to be received by us along about the 5th or 10th of the month so that we can consolidate it and send out the aggregate totals to the members of the Association, that is, maple flooring on hand at the end of the month in the clear, the No. 1 grade, and the factory grade. Then the 13/16" x 1½", face, 2" face, 2¼" face, 3¼" face, 1-1/16" all widths, 1-5/16" all widths, ⅜" all widths, ½" all widths, 13/16" x 2¼" and up, jointed, other kinds, totals. Then below that are the maple unfilled orders on hand covering the same [fol. 222] items in the same manner. The same form is used in regard to beech flooring and the same report is made in regard to birch flooring.

(Blank forms marked Government Exhibits 46, 46-A and 46-B and received in evidence.)

Q. Those reports on production and amounts on hand show exactly the quantity that each member has at the end of the month?

A. To us but not to the other members of the Association.

The report you refer to has nothing whatever to do with production. It shows the stocks on hand and the unfilled orders on hand—not production. We have a separate report for production.

This is a report of production and new orders booked for month of ——. That shows production clear, No. 1 and factory, maple, beech and birch flooring and the total. Then below the new orders booked during the month—preceding month. This report is usually made about the 5th of the month following, new orders booked for maple, beech and birch flooring in feet and the total.

(Blank form marked Government Exhibit 47 and received in evidence.)

This blank report form is a report of shipments of maple, beech and birch flooring for month of —— showing total quantity shipped of maple, beech and birch, and report is usually made along about the 5th or 10th of the month covering the preceding month's shipments. That report is sent in monthly.

(Blank form marked Government Exhibit 48 and received in evidence.)

Q. Now are those all the reports that are made by the members to the Secretary?

[fol. 223] A. I think those are practically all except once in a while we have the reports during a period of months, you know, as you read from what you call the "forecasts".

Q. You mean that a member will report time to time the forecasts of his business?

A. Not the forecasts of his business, but I think you called it forecasts in talking about it. For example, we have a report from a statistician for the month of October, using that as an illustration. Say we might have a meeting on the 20th of November; then we might ask a member to send his report of how business is running during the month of November regarding shipments, production and new orders, also stock, 13/16" x 2¼" clear, No. 1 and factory, which would mean stock on hand, not unfilled orders. Then we would know what business had been done up to the 20th of the month and there is a comparison shown on those sheets there and in the reports of the minutes of meetings which you read. We would estimate what the total volume would be for the month of November, assuming other members' business would run about the same proportion as the others.

We would send that information out to the members in the minutes of the meetings or in a separate letter, probably in the minutes of the meetings.

Q. How often are those forecasts sent out?

A. Generally preceding the meeting, but not generally before the month. It is simply an estimate of what the business indicates the total will be for the month.

Q. Now does that include all the reports that are made by the member to your Association except such talks as he might make to the meeting?

[fol. 224] A. I think that is all we do now except what I said before.

Everything we do now is governed by the Articles of Association. Our reports are clearly defined, we do not go beyond them.

I think we are carrying on a trade association and furnishing statistical information, and that we would have to have all this. I think there are many other things we might ask the members to send us.

Q. When you get that weekly report from all the members——

A. Not all.

Q. Or such that do report——

A. That is right.

Q. What do you do with it?

A. We tabulate it and send the totals to the members of the Association. Sometimes we send it to all the members, Mr. Fowler, and sometimes only to members who make the report. I have one here.

Q. Now, with reference to the members' reports showing the sales and prices, etc., don't you send out to each member a report showing each particular sale?

A. Yes sir. Only on the weekly sales report we do—we list each item as it has been reported to us.

In some cases there are a whole lot of little bit of sales, like 500 or 1,000 feet or 300 feet. We assemble them together and say "so many feet in thirty-seven small sales" without showing the prices at all. It would be too voluminous, you know, it would cover sheet after sheet.

[fol. 225] The Court: Who makes up these reports that you call statistical reports? Yourself or some committee of the Association?

A. We make them up in our office from data furnished us by members of the Association.

The Court: You mean yourself and your office force?

A. Yes, my office force. The members send these reports to us, then we copy them under this weekly sales report and then we transmit a copy to all the members of the Association, but usually we send them only to the ones who made the weekly sales report. Then at the bottom of each weekly sales report we have a summary of what the average prices realized were during that week, which we send to the lumber trade papers, the Department of Commerce, the Bureau of Census and to the Federal Reserve Bank and to anyone else who wants them or requests that we send them.

The Court: That is the summary?

A. That is the summary, yes.

The Court: If I understand you correctly, the members of the Association make these monthly and weekly reports?

A. Yes, sir.

The Court: Which cover sales and production and new orders and orders unfilled, stocks on hand, and matters of that kind?

A. Yes sir.

The Court: From these reports you—when I say you I mean you and your office force—prepare reports which are sent to the members?

[fol. 226] A. Yes sir.

The Court: Which in turn show the stocks on hand and unfilled orders, the production during the period covered by the report?

A. Yes sir.

The Court: And the same matters that are contained in the reports of the members to you, except that they are compiled——

A. Compiled in total——

The Court: And without giving names?

A. Yes.

The Court: Of the concerns?

A. Yes, at the present time.

The Court: Then you have committees. One of the committees is the Committee on Survey of Costs?

A. Yes sir.

The Court: Another is a Committee on Transportation. I don't know that that is the name of the committee dealing with traffic matters.

A. We have a Committee on Grades and we have a Committee on Advertising at the present time. We have no traffic committee, but we have a Committee on Canadian Flooring Tariff.

The Court: Your freight rates are compiled into a book and that is distributed?

A. Yes sir.

The Court: And that compilation is in a way a permanent compilation, isn't it, unless there may be changes in the rates of freight? [fol. 227] A. It is made from time to time by Casey & Leonard, Inc., Traffic Service people at Chicago. They make it for the Association from freight tariffs.

The Court: Very well, but you do have a Committee that you call Survey of Costs.

A. Yes, Committee on Costs Survey. They have nothing to do with these reports.

The Court: That means cost of production?

A. As explained yesterday the cost of rough maple lumber on the open market from whatever source we can obtain the information. Then we collect from members of the Association data regarding manufacturing and marketing costs each quarter.

The Court: Yes.

A. But these statistics——

The Court: What I am getting at is what your plan is at the present time, and as I understand it that fairly outlines it, is that correct?

A. Yes. These statistics are not in the control of any Committee, are not analyzed by any Committee; simply sent in by the members and tabulated and the total sent out to the members of the Association. I am speaking now of the monthly report.

Now the weekly reports are weekly reports of sales that give the date sold, quantity and description, delivered price sold at, the average freight rate and the commission paid, if any. Then if there are a great lot of small sales, say for example, 31,000 feet in forty-one small sales, it would be very foolish to list all those. Down [fol. 228] at the bottom is: Average of sales week ending November 3, 1923; average delivered prices 13/16" x 2¼" face, clear, No. 1 and factory, maple flooring, standard grades and lengths and average or average freight at destination, and average cost of freight and average of prices realized, then f. o. b. flooring mill basis; then we give our manufacturing trade papers the final figures, the average of the week ending such a date, of clear, No. 1 and factory of maple flooring.

The Court: Then every member of this Association at stated times has a report showing the sales that are made by the members of the Association, showing the prices realized upon the sales, showing the freight rate, showing the net price of every sale of any magnitude that is made by any member of the Association?

A. That comes out in the monthly sales report or the monthly report of average prices realized for all the sales of a member less the freight.

The Court: Perhaps I misunderstood you, but I understand you make weekly reports?

A. Yes, we make weekly reports of sales and those weekly reports show the sales——

The Court: Show the sales——

A. And the prices——

The Court: Realized?

A. Yes.

The Court: The freight paid?

A. The average freight rate.

The Court: It gives all the data that any member needs to have in order to ascertain exactly what price has been paid upon any par- [fol. 229] ticular sale, not the name of the member of the Association who made the sale, but upon any particular sale that is of any magnitude?

A. Yes.

The Court: And then in the monthly reports you summarize that?

A. We give the averages.

The Court: Or give the averages, now isn't that it?

A. It does not show the destination of the shipments or the territory in which the flooring is sold.

Q. No, but it does give the freight?

A. It gives the average freight rate?

[fol. 230] The paper you hand me designated "Maple Flooring Manufacturers Association Record of Completed Transactions; Report of sales made during the week ended July 21, 1923," is a report that was sent out by the Association.

(Said document marked Gov. Ex. 49 and received in evidence.)

That is the report we are sending out at the present time. It hasn't the numbers of the different members on it. Since this lawsuit was begun we have omitted putting the number of the member on the report. We were using the numbers before.

[fol. 231] Is that the only difference between the report now and before the beginning of the lawsuit?

A. Well the summary at the bottom might have been added since then. No, I think not. I think it is practically the same.

Q. But that does show every sale that was made by every member of the association.

A. Who makes the report.

Q. I know, showing the quantity and the character of the lumber.

A. Yes.

Q. And the price of the lumber and the average freight rate on the sale and the commission paid.

A. Yes, sir.

Q. Now is there a monthly report that is made by you to the members?

A. Yes, sir.

Q. How many monthly reports are there? Just one?

A. There is quite a number of them.

Q. I wish you would explain first was there a monthly report relating to the price, showing the sales and price realized?

A. Would it be all right if I gave them in order, taking them down for September, 1923, as an example?

A. That will be all right.

[fol. 232] Taking the report of September, 1923, for example, this is what we call a Barometer Sheet. Stock conditions and Barometer for September, 1923; stock condition and per cent sold of maple, beech and birch, Clear, No. 1, factory, all three; on September 1st, 1923, September 30, 1923, and September 30, 1922, compared; then maple, the same comparison; then maple 2¼ inch face, the same comparison, on account of its being such a large proportion of the maple flooring product. Then down below these are the percentages; in the table above it shows the per cent sold and stocks on hand. Then that is compared with a month ago and compared with a year ago, of maple, beech and birch and maple, 2¼ face with points up and points down, showing the trend down of supply and demand, and orders. Down below we have what we call a M. F. M. A. Barometer for September 1923, and in that Barometer the report in total of the same 21 members for the month this year and the month a year ago which are compared and references to these fundamental conditions in the industry. Stocks on hand September 30, 1923, compared with stocks on hand September 30, 1922, in total. Then the decrease or increase as the case may be, and then a percentage of decrease or increase as the case may be.

Then we have the unfilled orders of September 30, 1923, compared with the unfilled orders of September 30, 1922, in thousands [fol. 233] of feet totaled, the decrease or increase as the case may be in feet and also in percentages; then the shipments for September 1923 in totals or thousands of feet, and shipments for September 1922, and the decrease or increase as the case may be in feet and in percentages.

Production the same way, and new orders booked the same way. Then we have the average values of 13-16 x 2¼ face Clear, No. and factory maple flooring, f. o. b. Michigan and Wisconsin mills, which is computed on a weighted average, the clear being figured as 50 per cent, No. 1 35 per cent and factory as 15 per cent. That shows the average for September, 1923 in this case and for September, 1922; then the increase or decrease as the case may be. Then these are charted in the form of a barometer or shaft. We take September 22, as a measure and in this particular one before me this shaft

indicates that September, 1922 is 3⅛ inches tall or 50-16ths inches, so consequently every sixteenth of an inch represents two per cent.

Now if we come in the first column, for example, September 1922, of stocks on hand, 23,417,000 feet, and at 56 feet—pardon me, that is represented by 50-16ths of an inch, now the September stocks on hand show a decrease of 15 per cent, and that would equal about 85 per cent, so this shaft here would be about 42-16ths, showing the relative thing, and all the way through the same thing occurs. September, 1923 was taken as a measure in all cases, representing 100 per cent, then the heighths of these different shafts, each 16th representing two per cent.

[fol. 234] "Q. And the last shaft is average values?

A. Average values, yes, that show an increase of 4.6 per cent, showing it was a very trifle higher that the September 1922 measure.

Q. Now that is sent out at the end of the month?

A. Sent out usually the middle of the following month. In this particular case sent out October 20, 1923.

Q. Dealing with the transactions of the previous month?

A. During the previous month.

Q. Do you send out to the members any other information?

A. Yes, on the next sheet we have maple, beech and birch flooring statistics in M feet, September 1923, 1922, compared. Stocks on hand September 30, 1923, and 1922; unfilled orders the same, shipments for the months of September; production for the months of September; new orders for the month of September, and stock changes in September 1923 and in 1922.

Those statistics are arranged at the present time in geographical groups, so that no member of the association may know which other member has the stock on hand or how much he shipped or what his production was or what his new orders were. The aggregate of the stocks on hand of Eastern and Lower Michigan members, there are four members in Eastern Lower Michigan, shows 4,236,000 as illustrated, this year, 4,882,000 last year; unfil-ed orders, 5,298,000 this year; 6,062,000 last year; shipments 2,613 this year, 3,215 last year; production 2,875 this year, 3,244 last year; and new orders, 1,457 this year, September, and 3,315 last year and so on; showing that stocks on hand decreased 16,000 this month, or I should say [fol. 235] September, 1923, and 491,000 in 1922. The same method is used for the Western and lower Michigan mills in which there are six members located. Upper Michigan mills, in which there are four members located, and Wisconsin mills, in which there are four members located. Then Group 5 we call Chicago, St. Paul and Tupper Lake mills, three of them, that shows their total, and it is all added up, the 21 mills for example, 19,794,000 stocks on hand September, 1923; 23,417,000 a year ago, a decrease of 3,623,000, or 15½ per cent. The unfilled orders shows a total of 17,671,000 one year ago, 21,467,000—pardon me, 17,671 September 30, of this year, 21,467,000 a year ago, a decrease of 3,796,000 or 17.7 per cent; the shipments this September 9,933, last September, 12,301,000, a decrease of 2,368,000 or 19 per cent; the production 10,422,000

this year, 11,957,000 last September, a decrease of 1,575,000 or 12.8 per cent; new orders, September, this year, 8,603,000, last year, 11,404,000, decrease of 2,800,000, or 24.6 per cent; then the stock changes are carried down showing the net result as 242,000 increase as against 466,000 decrease a year ago. Then that is compared with the previous month at the bottom. September, 1923, is compared with August, 1923, showing the increase or decrease as the case may be.

Q. Now this was sent out,—you also sent out a report of Range of Average Prices Realized, do you not?

A. Yes, sir.

Q. Just explain what that shows without going into detail.

A. All right.

[fol. 236] Q. We don't care about the figures.

A. The range of average prices realized, that is f. o. b. Michigan and Wisconsin flooring mills for a given month, September in this particular case, for new orders booked during that month for 13-16 x 2¼ Clear, No. 1 and Factory Maple Flooring, Standard Grades and Lengths, after deducting freight.

Q. That is divided into the same groups?

A. Yes, into the same groups and shows the range of prices from the high to the low, or from the low to the high I should say, Clear, No. 1 and Factory.

Q. Now before I overlook it, how many members of the Association do business or are located in Michigan?

A. Pardon me, I will find that. In Eastern Lower Michigan, four mills; in Western Lower Michigan, 6 mills; in Upper Michigan there are four mills so that makes fourteen of them that do business in Michigan.

Q. Are there mills in Wisconsin?

A. Four of them in Wisconsin, and three of them in Chicago, St. Paul and Tupper Lake, New York, making 21 at the present time.

Q. Do you not send out other reports?

A. Are you through with this exhibit?

Q. What is that?

A. I might say that this range of average prices realized does not include reports of Chicago, St. Paul and Tupper Lake, because to put their statistics in you would identify the members making those sales. There is no identification here of any member, so we couldn't [fol. 237] put the other people in a group, because we would have to say Tupper Lake and having only one member there we would disclose his identity.

Q. So you just leave him out?

A. We just leave him out.

Q. But he gets all the information about the other fellows?

A. He gets those sheets of paper; each member of the Association is informed about the trend of the market.

Q. Now explain about the remaining reports that you send out to various members.

A. Here is a report which we call Miscellaneous. Reports, using September 1923 as an illustration. We show shipments in Septem-

ber, 1923, maple, beech, birch and the total by 21 mills; similar data for 1922, same 21 mills, then we show the decrease or increase as the case may be in thousands of feet and also our percentages; then we show the production by grades.

Q. Same woods.

A. Maple, beech and birch, Clear, No. 1 and factory; then all three together, for example the production in September 1923 was 43 per cent clear, 35 per cent No. 1 and 22 per cent factory on the maple flooring; in the year 1922 it was 46 per cent, 37 per cent and 17 per cent; then we have a seven year average as a matter of comparison, showing 47, 35 and 18 respectively. Then below that are the average prices realized f. o. b. Michigan and Wisconsin mills, for 13-16 x 2¼ face maple flooring, September 1913, 1923, 1922 and 1920 compared, using Clear as 50 per cent, No. 1, 35, and factory 15 per cent, and making up the average of the production, weighted [fol. 238] average, according to the estimated production, then we use September 1913 as 100 per cent as the base, which is the year the Government uses in compiling its statistics. In the year 1913 we find that——

Q. I don't care what you find; it will show.

A. Yes, it will show.

Q. It will show for itself.

A. Yes. It also shows a peak year index number and different Septembers on an index number. That is that.

Now the next report is a consolidation of the stocks on hand and unfilled orders on hand of maple, beech and birch flooring on September 30, 1923, as an illustration, and that is a complete tabulation of the reports that are sent to us by the different members of the Association, and gives the quantities in the aggregate but no individual figures respecting the items in the hands of any members of the Association. That shows the totals of Clear and the total of No. 1 and the total factory, you know, all added up and the per cent sold; then down below the maple, beech and birch unfilled orders are given, one set underneath the other for convenience and comparison. That shows the relation of supply and demand for the different items.

The next report of the maple flooring, ending September 30, 1923, which is similar to the other, no use going into that. This individual item is of maple flooring, however, because that represents about ninety per cent of the production, and the percentages sold of clear, No. 1 and factory and in all three grades, set forth; also the percentages sold of each of 13-16 x 2 inch; 13-16 x 2¼ inch; separately, and 1 inch x 1-16th separately, and the quantities are in thousands of feet, but cost relations are expressed in percentages. [fol. 239] For example the factory here on September 30, 544,000 feet on hand, 2,059,000 feet sold, making the proportion sold as we call it of 37.8 per cent. Now that carries through all the way through in reference to those items and shows our total stocks on hand of maple flooring were practically 16,000,000 and unfilled orders 16½ million.

Now we come to the next, Maple Flooring Surplus stocks September 30, 1923, how many surplus stocks there are at the different

mills, how they are classified, but not as individual mills, simply as to the geographical location of these surplus stocks. That would be useful to any member of the Association if he wished to purchase any flooring from any member, he could find out where it was located by correspondence to our members in that particular group, so that there is an exchange of business among the members.

In this statement there are no items listed in surplus stock unless the stock on hand exceeds the unfilled orders by about 100,000 feet; we assume a member should carry certain stock on hand anyway, would naturally carry a surplus stock, and we do not call it a surplus unless he has stock on hand of at least 100,000 feet in excess of his unfilled orders.

Then at the bottom there we show how many surpluses there are in comparison with a year ago.

Now the next page is a report of beech flooring on hand, birch flooring on hand, similar to the maple flooring on hand, with the exception that the percentages sold are not gone through with any detail, simply gives the totals on the right hand side of each column. The percentages of Clear, No. 1 and factory of beech, separately, and of birch, separately, but not as individual items.

Then the last sheet is a record of receipt of September 1923 re-
[fol. 240] ports, maple, beech and birch flooring. That is simply a copy of the tabulation in our office as to when the reports are received. For instance, some report very early in the month, and some report very late in the month, but there is no penalty for failing to report, being tardy or late or anything else.

Q. And those that you have mentioned compose the full set of reports that you send out monthly?

A. Yes, sir; yes, monthly, at the present time."

Mr. Fowler: The Government will file this as Exhibit 50.

(Document referred to marked Government Exhibit 50 and received in evidence.)

"Q. Now have we covered the entire reporting system of the members to the association and the association back to the members?

A. I think we have, yes, at the present time."

[fol. 241] Q. Now Mr. Keehn, going on to another matter, you held meetings?

A. Yes.

Q. How often were those meetings held?

A. During the past year I think they were held about monthly, there may have been months they were not held. In former years they were held quarterly and semi-annually and annually.

Q. When did you begin holding those meetings monthly?

A. I would say from memory some time late in 1921 or during the year 1922.

Q. Well, it was after the hardwood decision in the Court below?

A. After the hardwood decision?

Q. In the Court below

A. As I said the other day, we suspended our statistics in April

1920, then afterwards when the hardwood decision was rendered in the Supreme Court, I think it was December, 1921, then we got the opinion from our Attorney, in regard to the statistics——

Q. I am not asking that.

A. Pardon me, this leads up to it; and we held meetings.

Q. It is a circuitous track. Any way, those meetings began to be held monthly after the decision in the Hardwood Lumber Company case.

A. Not in every case monthly, but I would say in a general way monthly.

Q. Before that they had been held quarterly?

A. There were sometimes special meetings, and semi-annual meetings and annual meetings.

The Court: Haven't you the records here that show the proceedings of these meetings?

A. We have many of them, but not any of the old ones.

Q. Did you keep minutes of all the meetings?

A. We kept minutes of all meetings but didn't keep all minutes of all meetings.

[fol. 242] Q. What did you do with the minutes that you haven't got?

A. That we have got or haven't got?

Q. Haven't got?

A. They go back for a long period of time, and we don't keep all those things.

Q. Have you got all minutes for the last two years?

A. I think probably we have.

[fol. 243] The Court: It does not make the slightest difference; it would seem that we might have these things so it would avoid labor. If you have the record book here you can tell within five minutes; it won't take you much more than a minute.

Mr. Darby: We have no record book; they are kept on these sheets. The Government has already introduced them in evidence, and they are here and marked. I can give your Honor the Exhibit number; they put the entire year 1922 in.

A. You have all the year 1922, I don't know of any that are missing in 1922.

The Court: Gentlemen, there is a way to confuse this matter, in this case, and there is a way to clarify it, and it is a simple way.

Mr. Johnston: It does not seem to me, your Honor, where the Government has already introduced the minutes for this year, and they have the statistics in, that we need to do anything further.

The Court: This man knows better than any other man in the world as to what conditions existed, and can tell us without our having to spend weeks, likely enough, to dig it up from this great mass of testimony. It can be summarized and he can tell us, as I say, within five minutes; you say sometimes you held monthly meetings, sometimes you did not. I want to know how many meetings you

held in 1922, and what the dates of them were, and if you have the record here you can tell us in five minutes.

Mr. Darby (to witness): Here are the exhibits.

A. Those are the old ones, those aren't '22.

A. Here are the minutes of meetings we have given to the Department of Justice, those were given to Mr. Frank.

[fol. 244] The first meeting in 1922 was held January 12th. Other meetings were held during that year on February 25th, March 9th, March 29th, April 20th, May 17th, June 21st, July 19th, August 16th, October 24th, November 15th and December 19th.

We held meetings subsequent to that and are holding them now.

We had no stenographer present at the meetings and didn't undertake to take down just what was said and done.

Q. You just made a memorandum of some things?

A. Made a memorandum of all things that were talked about in these meetings and wrote them up afterwards.

Q. Do you mean to swear that your minutes of those meetings show everything that was talked about?

A. By the Association as an Association meeting, with the exception of the details of the defense of this suit. That was not written out.

Q. Well, I believe you swore the other day that you didn't have, or didn't record the action of the meeting with reference to a discontinuing of that allotment?

A. No we didn't record that. That was in 1920.

Q. If you omitted that why were you so particular about putting other matters that were of very little importance——

A. We have been very particular in our meetings since the decision in the Memphis case and in the American Linseed Oil Case to follow the advice of our attorneys in discussing things at the meetings and we put in our minutes of the meetings just what was [fol. 245] transacted in the meeting. I am speaking now of 1922—I am not speaking of the old days.

Q. In those meetings what did you discuss?

A. Well, discussed trade conditions generally, as reflected by statistical information; they discussed the market prices of rough maple flooring or lumber; they discussed manufacturing and market conditions; they sometimes discussed labor conditions; they would devote a large amount of time to discussing the advertising campaign which the Association has had under way during the last year and a half or two years; spent considerable time on Grade Committee work, also on the petition presented to President Harding when he was alive about doing something on the duty on Canadian flooring; all those things were fully outlined in the minutes of the meeting.

Q. Did you ever discuss the price of maple flooring?

A. We do not discuss the price of maple flooring at the present time.

Q. Never mention it?

Mr. Darby: What do you mean, future prices or past prices?

Mr. Fowler: I am examining the witness, not you.

A. We do not discuss the future prices to be charged. There is no reason to discuss past prices because they are contained in the weekly sales report which the members have before they come to the meetings.

Q. You never mention the prices of flooring at all?

A. Not as an Association discussion.

[fol. 246] Q. What about the individuals that stand around?

A. I don't know what they talk about. They may talk about a hundred different things. I am speaking about the Association discussions—what the Association discusses.

Q. That is when they assemble around there and do not get up publicly to make speeches to each other?

A. They do not talk about the price of flooring they are going to charge.

Q. In those speeches?

A. Or in any speeches. As to what they are talking about among themselves I am not in a position to know that.

Q. You don't keep a record of what they talk about among themselves?

A. Those are personal conversations. Why shouldn't a man talk about anything he chooses to?

They met every month and discussed the particular matters outlined in our minutes of the meetings. They were written up in the minutes of the meetings. They usually meet at the Congress Hotel. Sometimes about 11 o'clock and staying in session until about 12:30 or 1 o'clock, then have lunch and get together again about half past 1 or 2 o'clock and many of them go to the ball game, and that is the end of the meeting. It usually breaks up about three o'clock.

Q. Don't go to ball games in January.

A. Our sessions in the summer.

Q. Usually have a good lunch?

A. Always have a good lunch and have difficulty in holding them together after 2 o'clock and a very large amount of time is spent [fol.247] in discussing advertising programs. We are spending a large amount of money for advertising now and our minutes are full of it.

Q. And you get together once a month to talk about advertising?

A. Well, I have mentioned other things besides advertising.

Q. You take lunch with them?

A. Yes.

Q. Do you keep a record of what is said and done there?

A. No. Sometimes they talk about what theatre to go to in the evening. It is a social affair.

Q. Don't talk about what——

A. I couldn't state what is said at lunch; I sit at one end of the table and they sit at the other.

[fol. 248] (A mass of miscellaneous documents, marked Government's Exhibits 51, 51-A to 51-WW, and received in evidence.)

The documents you hand me were either sent out by me or were received by me.

(Said documents marked Gov. Ex. 52, 52A to 52 GGG and received in evidence.)

The sheet of January 22, 1916, shows the numbers of the members of the association then in existence. The numbers have not been changed since. The statement of May 25, 1922, gives the membership numbers of the members of the defendant association, with a notation on it that the Wisconsin Land & Lumber Company never signed the Articles of Association and were uncertain as to whether or not they would join, also a further notation that as a matter of fact all the signatures to the new Articles of Association were given upon condition that all the members of the old association, including the Wisconsin Land & Lumber Company, would join the new association. That however was waived.

(Paper referred to was marked Gov. Ex. 53 and 53A and received in evidence.)

The chart you hand me designated "Production of Maple and Oak flooring, monthly average 1919 to 1922," was prepared by the William H. Rankin Company, our advertising agents. I do not know the source of their information. They got it up in order to encourage us to extend our advertising campaign and for the purpose of showing that the oak flooring people were getting our business away from us. The William H. Rankin Company are well known advertising agents and they place all our advertisements. We never give the William H. Rankin Company any data for the preparation of said chart. They may have got the data from the Survey of Current Business, issued by the Department of Commerce and the Bureau [fol. 249] of Census. We sent copies of this chart to members of the association to get them to proceed with the advertising campaign. It was an argument of William H. Rankin—not an argument of the association.

(Said chart, marked Gov. Ex. Extra 54, received in evidence.)

An examination of the Survey of Current Business issued by the Department of Commerce for the month of August, 1922 leads me to believe that the William H. Rankin Company gat the data for the chart above mentioned from the said above source. The Department of Commerce got its data from us.

The flooring manufactured by the members of the association is shipped by them into practically all the states of the United States. [fol. 250] Some of the flooring is also exported. All the different members are engaged in interstate commerce.

(Witness temporarily withdrawn.)

THOMAS FOREMAN, being first duly sworn, testified as follows:

(Direct examination by Mr. Fowler:)

I am conected with the Thomas Foreman Company of Detroit, which is in the lumber business. The factory is located at Detroit. At times we manufacture maple flooring and have been manufacturing it more or less since 1912. We do not keep a record of the amount of flooring manufactured. I have here the amount that has been credited to the manufacture of maple flooring in dollars and cents for different years. I have not the amount in feet. In 1918 the maple flooring account was credited with $97,196; in 1919, $69,703; in 1920, $264,890; in 1921, $209,031; in 1922, $132,231. I should think that the prices may have averaged during those periods $80 to $90 a thousand, and according to my best judgment, in 1918 we manufactured about 900,000 feet; in 1919, 50,000 feet; in 1920 about 2,000,000 feet; in 1921, 1,700,000 feet; in 1922, 1,200,000 feet. These are only rough approximations, you understand. We have been manufacturing in 1923 about as we did in 1922. We don't belong to the defendant association. I think that it was in 1918 or 1919 that we ceased to be members of the Maple Flooring Manufacturers Association.

[fol. 251] Cross-examination by Mr. Darby:)

We have in our plant at Detroit three fast-feed machines with a daily capacity of about 35,000 feet or about 9,000,000 feet annually. I have been in the flooring business since 1890. We do not produce maple flooring continuously, we produce oak flooring as well. The fluctuations in the amount of maple flooring produced are due to the possibility of profit. When there is more money in oak flooring we produce oak. When we can make more money on maple flooring we produce it. We keep close track of our cost at all times and we shift from one flooring to the other. Both oak flooring and maple flooring are made on the same machines. We have occasion to purchase maple flooring and we do so when we can make more money by buying it than we can by manufacturing it. We purchase from any of the manufacturers in Michigan, but largely from Kerry & Hanson Flooring Company at Grayling. We dispose of most of our flooring in Detroit in less than carload lots. Competition in the sale of flooring exists in Detroit.

[fol. 252] Q. You were once a member of an Association called the Maple Flooring Manufacturers Association?

A. Yes, sir.

Q. How long were you a member of an Association by that name?

A. From the time of its formation until we retired in 1918 or 1919, I have forgotten just which.

Q. When was it formed or when did you first become connected with it, in what year?

A. I think it was 1898.

Q. And you continued to be a member of various Associations that succeeded the first one up until 1918 and 1919?

A. Yes, sir.

Q. I wish you would tell the Court just what happened while you were a member of those different Associations, if there was any uniform or fixed price or if you made any efforts at that time to establish the price, why state it, give the Court your entire knowledge along those different subjects.

A. Why, early in the history of it we attempted to fix price but it was a dead failure.

Q. Why?

A. We couldn't hold together, all the time somebody breaking the price, we got disgusted with it.

Q. What did you do under those circumstances?

A. Just ignore it and sell our stuff the best we could.

Q. How long did those conditions continue?

A. Not very long on that fixed price, I think not more than a year, perhaps a year and a half.

Q. What year was that, please?

A. Oh, I would say along perhaps 1903 or 4, way back, an early date.

Q. You were a member of some Association when there was a Minimum Price Plan agreement?

A. Yes, sir.

Q. State what happened during that time, that was in 1916 or [fol. 253] 1917, 1918, or 1919?

A. Perhaps, yes, I think so.

Q. State what the conditions were at that time with respect to uniformity of prices.

A. About similar to the fixed price, this was a recommendation as to the price we should obtain under market conditions as to supply and demand but we were never controlled in any way at all, we all went and sold our stuff as we were amind to.

Q. State whether you were during those years constantly selling flooring yourself.

A. Manufacturing and selling, yes, sir.

Q. Did you find that there was any uniform price at that time?

A. Only to a certain extent.

Q. You received reports from the Association at that time, the Secretary of the Association?

A. Yes, sir.

Q. Those reports, state whether or not they show a variation in prices or one price or uniformity or substantial uniformity.

A. No, showed a variation.

Q. Was any demand ever made on you for any fines or penalties for your refusing to sell at any price?

A. Never at all.

Q. Do you know that any demands were made on any one else?

A. I think not.

Q. By the Association?

A. I never heard of it.

Examination by Mr. Fowler:

Q. Did you say that you belong to the Association that agreed on fixed prices?

A. Way back, we undertook to agree on a fixed price, yes.

Q. You did really agree?

A. Yes, sir.

[fol. 254] Q. But some of them would jump the agreement?

A. Yes, sir.

Q. How did you find that out?

A. Because we would get it through our customers that they could buy cheaper from our competitor.

Q. Back in that day and time you had no way to check up on a fellow except through your customer?

A. Not that I remember of.

Q. You had no reporting system?

A. No, sir, not that I remember of.

Q. Were not required to report weekly all the sales he had made and the prices he had gotten, anything like that, back there, back there?

A. Not that I remember at that time.

Q. Just sat down and just agreed we will all sell at a certain price?

A. Yes, sir.

Q. But they wouldn't keep the agreement?

A. That is right, sir.

Q. Did you belong to them when they began to ask you to report and let them know what you were doing?

A. Yes, sir.

Q. You did report for a time?

A. Yes, sir.

Q. After that you agreed on this Minimum Price Plan, did you?

A. I don't remember any agreement on that. It was put into effect as a good business policy.

Q. That was agreed under the Articles of Association, wasn't it?

A. Whatever that record shows would cover that.

Q. Were you familiar with the Articles of Association?

A. Yes, sir, always.

Q. It provided that there was going to be a penalty imposed on you if you didn't—anyway it shows what it was, you did work under that for some time, didn't you?

[fol. 255] A. Why yes, as a business proposition, yes.

Q. Three or four years to your own knowledge, didn't you?

A. Yes, sir, I think so.

Q. I believe you left before the Minimum Price Basis went into effect?

A. Yes, sir.

Q. You have not belonged to them since?

A. No, sir.

[fol. 256] (Recross-examination by Mr. Darby:)

I am familiar with the grading rules of the Maple Flooring Manufacturers Association. We manufacture our flooring strictly according to those rules. They are standard and we could not sell flooring if we didn't. Architects specify flooring to be made under those rules. Standardization of maple flooring has been of great benfit to the public as well as to the yard men and wholesalers. It gives them something to stand on. The quality of flooring is tested by reference to those rules. It is a benefit to the dealer because he can carry the product through three or four different mills or a dozen different mills and all of the different floorings can be used on the same job. That condition did not exist in early days. My flooring will match up now with the flooring of other manufacturers. That is because I was formerly a member of the association and have continued to manufacture my flooring in the same way.

[fol. 257] Examination by Mr. Fowler:

Q. You give a number of advantages from this standardization. I will state this—if there had never been anything more of this than mere standardization there would have been no law suit, we are not criticizing this standardization.

Mr. Johnston: In the petition you do criticise it.

Mr. Fowler: I am going to criticise it right now just incidentally. In addition to those benefits you have been telling about, it has one other benefit and that it is an easy matter for each member in examining those reports to determine at once how much every other member is getting for his lumber, doesn't it?

A. I don't know as I quite get the idea, sir.

Q. Before you quit the Association, every week the Secretary was sending to you a statement, a report showing what sales had been made by every other member, wasn't he—didn't you get those reports?

A. I don't remember that there was specific sales made by other members. The whole has been reported, the total sales.

[fol. 258] Since I quit the association I have had no correspondence with the members, except when I wanted to buy flooring. We have had no connection whatever with the association or the individual members.

FRANK A. BELL, being duly sworn, testified as follows:

I am Secretary of the Consolidated Fuel & Lumber Company which for a few years prior to about the middle of 1913 manufactured maple flooring. It has manufactured no maple flooring since then.

R. F. HOOKER, being sworn, testified as follows:

(Direct examination by Mr. Fowler:)

I live at Grand Rapids and am in the retail lumber business. We do not manufacture maple flooring and never manufactured any.

(Cross-examination by Mr. Darby:)

We buy maple flooring from various manufacturers. We have bought from Nichols & Cox, J. W. Wells Lumber Company, Mitchell Bros., Cobbs & Mitchell, Wisconsin Land & Lumber Company, Kerry & Hanson Company, Cummer-Diggins Company, Bigelow [fol. 259] Cooper Company, West Michigan Flooring Company. In buying flooring we send out inquiries to several different manufacturers. We buy less than half a million feet a year in both carload and less than carload lots. We address inquiries to several different manufacturers in order that we may buy to best advantage. There is always a variation in the quotations made by different manufacturers on one inquiry. I don't recall that I ever found all of them quoting the same price. At all times there has been a variation between prices quoted on the same inquiry by the different manufacturers above mentioned. This variation fluctuates. We buy other lumber products as well as maple flooring. At times the variation in prices of maple flooring was as large as the variation in prices of oak flooring or other lumber products. We have bought flooring from Horner of Reed City and Ward Bros. of Big Rapids. Sometimes the prices of Ward Bros., as compared with the prices of the other manufacturers above mentioned, were lower and sometimes higher. I believe the standardization of maple flooring is a good thing. We know exactly what we are going to get when we send out an inquiry and place an order. It is our policy to discount our bills as soon as the cars are unloaded and found satisfactory. We get a cash discount of 2%. We never have had any trouble in getting flooring on these terms.

Stipulation by defendants that the W. E. Williams Company of Traverse City, Michigan, is no longer in business and does not now manufacture any maple flooring.

Stipulation by the plaintiff and the defendants that statements received from the Robbins Flooring Company by plaintiff and by [fol. 260] defendants may be introduced in evidence. A statement of by said company, addressed to the Government, shows that the Robbins Flooring Company was not operating in 1918. In 1919 it manufactured 623,216 feet; in 1920, 2,798,956 feet; in 1921, 2,749,001 feet; in 1922, 5,540,200 feet; and that said company does not manufacture beech and but very little birch, which is included in the above figures along with the maple, and that in the opinion of said company a good average basis is 35,000 per month or 4,200,000 a year.

(The statement in question was marked Gov. Ex. 54 and received in evidence.)

Stipulation by defendants that Henry Stevens of Waters, Michigan, has been out of business for 10 years and no longer manufactures maple flooring.

Stipulation by plaintiff and defendants that the affidavit of W. E. Curtis might be introduced in evidence and that letters received by the plaintiff and the defendants from manufacturers, with respect to capacity and production, might also be received in evidence.

Mr. Fowler: Mr. Curtis says that he is president of the Curtis and Yale Company and for a considerable time has been connected with said Company, which is an Iowa Corporation engaged in the manufacture of doors, windows and interior finish at Wausau, Wisconsin.

That for some few years prior to the year 1913 a separate plant in Wausau, Wisconsin, was owned and operated by said company in which hardwood flooring was manufactured.

That on or about the first of the year 1913 the manufacture of [fol. 261] hardwood flooring was discontinued in said plant, and after lying idle for a number of months, that entire plant and its equipment was sold, and the plant has since been owned and operated by other parties in an etirely different line of manufacture.

Further that since the sale of said separate stock, flooring plant, the manufacture of hardwood flooring in quantities has not been undertaken at any of its several plants, and such sales of hardwood flooring as have been made by said Company in its distributing business have been filled with stock purchased largely from a hardwood flooring producer whose plant is located at Gladstone, Michigan.

Further, and finally, that on November 1, 1923, in answer to an inquiry from the Federal Department of Justice, dated October 29, 1923, a statement was made to the effect that no stock hardwood flooring was made by said company in any of the years 1918 to 1922 inclusive, and that such manufacture had been discontinued several years prior to 1918, and said unofficial statement made at that time is now confirmed and included in this affidavit. Signed W. E. Curtis.

(Said affidavit was marked Gov. Ex. 55 and received in evidence.)

The report entitled "Department of Commerce and Labor, Bureau of the Census, Forest Products, etc., "marked Gov. Ex. 56, and other Governmental publications marked respectively Gov. Ex. 56-A, 56-B, 56-C 56-D, 56-E 56-F, 56-G, 56-H and received in evidence.

The depositions of Hr. Franklin H. Smith and W. D. Brush were introduced and read in evidence. (See pages 129 and 137, infra.)

[fol. 262] C. W. HUGHES, being first duly sworn, testified as follows:

(Direct examination by Mr. Fowler:)

I am a special agent of the Bureau of Investigation of the Department of Justice and have been in the said department since

March 7, 1918. I have been connected with the investigation of the Maple Flooring Manufacturers Association and have been working on this case since August. I have prepared a statement based upon Government publications and statistics of the Maple Flooring Manufacturers Association.

(Said statement was marked Gov. Ex. 57 and 57-A and received in evidence.)

GEORGE W. KEEHN resumed the stand

(Cross-examination by Mr. Johnston:)

Government Ex. No. 1 was submitted to the Department of Justice. They were the Articles of Association of 1913. The Articles of Association of 1913, were followed by Articles of Association bearing date 1916, (Gov. Ex. No. 2) and are substantially the same as Gov. Ex. No. 1, with the exception of certain modifications about which I have previously testified. The association operated under the articles of 1913 up to December 31, 1915. A new association was formed beginning January 1, 1916 with in some respects a different membership. The new association then proceeded to operate under the articles which have been introduced as Gov. Ex. No. 2, and continued thereunder until January 1st, 1919, when a new association was formed, the articles of which were dated January 1st, 1919, and have been introduced in evidence as Gov. Ex. No. 3.
[fol. 263] During the life of these three associations, which have been referred to and identified by these separate articles of association, there was an allotment plan put into operation. It was in actual operation from January 1, 1913 to December 31, 1915, under the first association. Then it was extended into a new association January 1, 1916 and ran to January 1, 1919. Then it was extended under different groups of members in each particular case or period from January 1, 1919 to July 1, 1919, then a new association was formed. That extension from January 1, 1919 to July 1, 1919 was under the articles of association dated January 1, 1919, which have been offered in evidence as government exhibit 3.
[fol. 264] The articles providing for the organization of an association beginning with July 1st, 1919, and extending to July 1st, 1922, provided for an allotment plan, but that association was terminated as of December 31, 1921. Those articles have been introduced as Gov. Ex. No. 4. Certain features of those articles were terminated on March 31, 1920. These features were terminated because of the decision in the lower court regarding the Memphis case, and upon the advice of our attorney we suspended all our statistical work in April or May, 1920, for a period of four months. The opinion of our attorney is dated April 26, 1920, and copies of it were sent to members of the association.

(Said opinion marked defendant's Ex. A and introduced in evidence.)

At the general meeting of the association, held on May 19, 1920, it was determined to follow the advice of Mr. Newman and the collection and distribution of all statistics among the members of the association were suspended and were not resumed again until August, 1920. The minutes of the meeting of May 19, 1920, covered that action as they have been introduced in evidence by the Government. The allotment feature had been previously discontinued during March, 1920. The minutes of the meeting of May 19, 1920, have been introduced as Gov. Ex. No. 15-M. Following the action taken by the members of the association at the meeting of May 19, 1920, we suspended the compilation and sending out of all statistical information until August 7, 1920. Shortly prior to the receipt of Mr. Newman's opinion the association, on March 31, 1920, suspended the operation of the so-called allotment plan. I think this was done pursuant to Mr. Newman's advice. Article 14 of the articles last [fol. 265] above mentioned was abandoned on March 31, 1920, and was never thereafter put into force or effect, either by the association then existing or by any subsequent association. No allotment features were ever applied to any shipments subsequent to April 1, 1920. Article 17 of the articles last above mentioned was also discontinued on March 31, 1920, and was never thereafter put into force or effect by the then existing or any subsequent association. Article 18 of the articles last above mentioned was also discontinued or abandoned from March 31, 1920, and was never thereafter put into force or effect by the then existing or any subsequent association. None of the allotment features of the then existing or previous associations were ever resumed after March 31, 1920.

[fol. 266] During the period that these four articles of association which have been referred to by me were in force there was also in force or at least there was an agreement containing a provision for the carrying out of the minimum price plan. That is the minimum price plan dated July 1, 1915, introduced in evidence as government exhibit 11. That plan was entered into about July 1, 1916.

Q. How long did that continue in effect?

A. Well, this particular plan says July 1, 1916 to November 1, 1917.

Q. Was that plan or agreement in force during that period?

A. It was never enforced.

Q. When you said in your direct examination that it was never enforced will you explain just what you mean by that? What was done by the association then existing under this minimum price plan, government exhibit 11, if anything?

—. Some of the statistical data and lists of surplus stock, etc. were submitted to the association, but no penalties or fines or assessments of any kind were ever made upon or claimed for or ever paid into the general fund or the treasury of the association or were demanded by the association. In other words, the members continued on and so far as my judgment and opinion goes they sold their flooring at whatever prices they pleased.

I had an opportunity to observe the prices the members were selling their flooring at this period from statistical data I received

from them and according to my observation the prices during all that time varied and we assembled considerable statistical data showing average prices realized, f. o. b. flooring mills and at different markets in the United States which will surely substantiate that statement. I might also add that no criticism was ever made by the officers of the association regarding the prices at which any member sold its flooring, and so far as I know no members of the association criticised other members of the association regarding the prices at which they sold their flooring or called them on the carpet as the [fol. 267] saying is. I certainly never did it as secretary of the association.

The Court: That doesn't answer the question, at least as I understood it. The question was this: Was there a general observance of the minimum price plan by the members of the association. In other words, did the members of the association generally refrain from selling below the minimum price?

A. According to my observation they did not.

Q. And that is what you meant Mr. Keehn in answer to Judge Fowler's inquiry as to whether or not this agreement was ever in force?

A. Yes. Of course, I used the term "enforced" and perhaps Judge Fowler said "in force."

Q. The agreement was signed and in operation?

A. And submitted to the government and held there pending a long time before the Federal Trade Commission. I had quite a considerable correspondence with the Federal Trade Commission in connection with this minimum price plan.

(Said correspondence, marked Defendant's Ex. B and B-1, received in evidence.)

[fol. 268] We never received any further communications from the Federal Trade Commission with respect to this plan.

Q. And so far as you know the Commission did not act upon the plan or the approval or disapproval of it?

A. Pardon me. I am going to see if there is further correspondence with them. (Looking through papers.) I do not find any further reply from them in reference to this plan of July 1, 1916.

It is my recollection that this minimum price plan of July 1, 1916, government exhibit 11, came to an end in November 1917, but according to this letter that we read today it seems to have been extended until January 1, 1919. I wouldn't be sure whether that letter refers to the articles of association. It might have referred to the minimum price plan because later on the minimum price plan was reprinted under date of January 1, 1919, running to July 1, 1919. That was the same plan, government exhibit 11, but a reprint of the same, together with the petition. It was not sent to the Trade Commission. I think it was given to Mr. McKeague when he was in Chicago.

Q. What was the status during that period from January 1919, on, with respect to the operation of this minimum price plan?

A. Mr. Johnston, there seems to have been an extension of some kind made in there, you know, between 1917 and January 1919.

Q. Well, during that period was there any change in the situation as you have described it in answer to my previous questions with respect to the operation or effect of this plan?

A. No sir.

Q. Was it in force in the same way that you have testified the original plan of July 1, 1916 was in force?

A. You mean "in force"?

Q. In force, yes.

A. We figured it was the same proposition all the way through.

[fol. 269] Q. Was it enforced?

A. None of the provisions in regard to penalties, etc. of any of the minimum price plans were ever enforced.

The same condition existed all the way through as will be substantiated by our statistics.

I think this extended minimum price plan sort of dragged along and was terminated some time in February 1920 or ended or disregarded and then of course it was absolutely done away with, with all these other statistics on the allotment feature, I should say in April 1920. It was never resumed. On April 1, 1920, there was a suspension of all the activities of the association and that included the minimum price plan, and the compilation and distribution of statistics of all kinds and every activity of the association. For a period of some four months, the association was dormant as far as any activities were concerned. I think it was in August 1920 when we resumed any activities on behalf of the then existing association. We then resumed the statistical activities, picking up the statistical data for the months of April, May, June and July, which were afterwards compiled and put in our records to complete our annual statistics for the year 1920. By the resumption of statistical data I mean we resumed the receipt of these reports from members as to production, stock on hand and prices received for flooring, as I have testified in some detail. We did not resume any other activity. I mean specifically the allotment feature and acts growing out of the allotment feature or the minimum price plan. We felt we had a legal right to resume the collection and distribution of those statistical data among the members of the association and we waited patiently for about four months hoping that possibly the Supreme Court might make a final ruling in the so-called Memphis case.

[fol. 270] The association which suspended its operations April 1, 1920, and resumed its operations in August, 1920, came to an end on December 31, 1921. The duration of the articles was set for three years from July, 1919, but the association was terminated on December 31, 1921 and a new association was formed January 1, 1922.

[fol. 271] Q. That is the association that adopted the articles which on their face bear the date October 1, 1921, to July 21, 1922, and which have been introduced in evidence as Government's Exhibit 5?

A. These articles were never adopted, no, sir.

Q. Well, will you tell us just what did happen to those articles which you hold in your hand and which are Exhibit 5?

A. This was the proposed plan of reorganization, the allotment feature of the old articles of association, and it was thought that it could be formulated, dating from October 1, 1921 to July 1, 1922, but nothing ever came of it and the whole thing was dropped; because certain members of the association refused to enter into the plan. In other words, it was a proposed plan, and a plan that never operated in any way whatever.

A. Did you ever operate any of the allotment features under this proposed plan or any of the other features?

A. The plan itself never became a valid plan of any kind.

Q. And the articles of association weren't——

A. Well those articles of association were never adopted, or no statistical data or anything was ever done, because that never became operative.

Q. Then what articles were adopted for the association which succeeded the one which we have been discussing as having been formed, which was operating for a portion of the time under Exhibit 4?

A. Well allow me to see it please. Articles of Association bearing date January 1, 1922 to January 1, 1925.

Q. That is the present association?

A. That is the present association, but its organization was not fully consummated and officers elected until March 29, 1922. It was in the process of formation during that time.

Q. Now that I may be perfectly clear upon this subject, Mr. Keehn, from the time that you resumed statistical operations under the plan then in force some time in August, 1920, up to January 1, 1922, or until these articles of January 1, 1922, Exhibit 8, became [fol. 272] effective, did the Association, Maple Flooring Manufacturers Association or its members, engage in any activities other than the collection and dissemination of statistics?

A. You say up to 1922?

Q. Up to the adoption of these articles of January 1, 1922.

A. We should have to make some explanation in regard to the proposed minimum price basis which was brought up January 6, 1921.

Q. I remember that price basis. Now aside from that one exception, concerning which I am about to make inquiry, did the association engage in any other activities.

A. Other than statistical?

Q. Yes.

A. No, assuming that you mean allotment feature and minimum price plan or basis. Of course we had grading rules activities and advertising and other things like that.

Q. You had the ordinary grading rules and inspection rules and so on.

A. Yes.

Q. Now you have said that there is one exception, and that is so far

as the minimum price basis, so called, dated January 6, 1921, is concerned.

A. Yes.

Q. I call your attention Mr. Keehn to the minutes of the meeting of January 6, 1921, which has been introduced as Government's Exhibit 15-P, in which it is stated as follows: After referring to a committee and their report "the committee then made its report and the plan as formulated to be known as the minimum price basis was read and fully discussed by the meeting, and on motion was accepted. It was ordered that the minimum price basis as accepted be made a part of the minutes of the meeting and that copies of the same be sent to each member of the association." Now that was the minimum price basis.

A. Basis; yes, sir.

[fol. 273] Q. Which you refer to?

A. Yes, sir.

Q. And this date of January 6, 1921, was the date of its formal adoption?

A. We don't call it adoption, we call it acceptance; if there is any distinction between the two words I don't know.

Q. By approval of the members.

A. They accepted it but didn't actually adopt it.

Q. Looking at this Exhibit 13, will you point out in that exhibit whether or not it is provided, and where, that this plan before becoming effective and operative, was to be submitted to and receive the approval of the Federal Trade Commission?

A. In the last paragraph of Article 5 it states "It is understood that the minimum price basis shall be submitted to and filed with the Federal Trade Commission for its approval and that in the event of the Commission's disapproval the minimum price basis shall be null and void." Now I think if I read the minutes of the meeting of February 25, 1921, together with the correspondence with the Federal Trade Commission and the Department of Justice and what was done, it would clear up the stiuation.

Q. I just wanted to come to that. I want to ask first was the plan submitted to the Federal Trade Commission pursuant to that article which you have just read?

A. Yes, it was.

Q. Have you the correspondence in relation to that submission, and the action, if any, taken by the Federal Trade Commission, pursuant to your request?

A. Yes, sir; we have all of that.

Q. Will you give it to me?

[fol. 274] (Correspondence above mentioned marked defendant's Exs. C-1 to C-11, inclusive, and received in evidence.)

Immediately upon the receipt of Mr. Neberker's letter, dated February 4, 1921, my office advised all members of the association and a general meeting was held on February 25, 1921. According to the provisions of the so-called minimum price basis, the said basis auto-

matically became null and void. Upon the receipt of Mr. Nebeker's letter it was dropped. My recollection is that immediately upon receipt of Mr. Nebeker's letter no comparisons were made regarding the minimum price basis and the prices at which flooring was sold by the different members. I think a few of these comparisons were made in the early reports. According to my recollection we did not take steps to put the minimum price basis into practical operation, though we may have collected some data and have sent out a table of values, which I think we did on January 6, 1921. These data were compiled and sent out at the same time that the minimum price basis was submitted to the Department of Justice and Federal Trade Commission, which I think we did January 6, 1921, but after February 4, 1921, the minimum price basis was completely abandoned. Every detail of it was abandoned upon receipt of Mr. Nebeker's letter. Resolutions adopted at the general meeting of the Maple Flooring Manufacturers Association held at the Hotel La Salle, Chicago, February 25, 1921, declaring said minimum price basis null and void, providing that neither the association or its members should operate under the said minimum price basis, have been strictly followed in every respect. There never was in operation a minimum price plan or a minimum price basis after February 4 or [fol. 275] 6, 1921. Prior to the adoption of the Articles of Association, dated January 1, 1922, which have been introduced in evidence as Gov. Ex. No. 8, the same association that suspended its operations on April 1, 1920, and resumed them in August of that year was in existence. The Articles of Association, dated January 1, 1922, were formulated prior to March 1922 but it took until then to get them finally adopted.

The membership fee fund provided by Article 13 of the Articles of Association last above mentioned was for the purpose of providing assets for the work of the association. For example, we collect our advertising expenses and our general running expenses at the end of each quarter. In case any member of the association did not pay his advertising assessment or his expense fund assessment for the quarter, we would have the membership fee fund on hand. The association is required to enter into financial obligations for its offices and clerical help and must have assets to depend upon. The membership fee fund is not used in any way for the purpose of collecting fines or penalties or anything like that, or for the purpose of securing [fol. 276] prompt reports. There are no fines or penalties of any character provided for in the Articles of Association. No fines or penalties have ever been imposed or collected. I might say also that we have this fund partly as an asset in case any member of the association should refuse to pay the cost of re-inspection, where his flooring was found not to be up to grade, we would also have something to fall back on. For example, we guarantee to the public that our grades are standardized and that the flooring sold by members of the association is up to grade. If a member of the association should ship a considerable quantity of flooring and the purchaser should complain that it was not up to grade and a re-inspection was made that sustained the purchaser and the member refused to pay the re-

inspection cost, we would have nothing to fall back upon, in the absence of the membership fee fund, particularly if the member happened to be in arrears on his advertising fund assessment. No occasion has ever arisen to resort to this fund because of the failure of a member to pay the cost of re-inspection.

The association has an official inspector and also a field representative who has been employed by the different associations for a great many years. This inspector makes frequent trips to the flooring mills to see that the flooring is kept up to the standards to satisfy the association. If any purchaser complains that the quality of the flooring is not up to standard grade we send this inspector or some other inspector to re-inspect the flooring and if there is a variation of more than 5% of it below the standard grade, then an adjustment is [fols. 277 & 278] made with the purchaser. That applies to any shipment in the United States from any member of the association. In order to provide for the general expenses of the association we make an assessment of 25 cents per thousand on the shipments of each quarter. We started our originally with an advertising fund of 10 cents per thousand on shipments during each quarter and that assessment was afterwards raised to 25 cents per thousand feet of flooring shipped, that is, 25 cents per thousand feet shipped by each individual member of the association. There is some effort now being made to increase the advertising assessment to 40 cents per thousand, but it has not yet been agreed on. This increase was suggested on account of the competition of oak flooring and other flooring materials. It seems necessary to expend more money in advertising in order to hold our places in the market. We raise funds from the members in proportion to their volume of business. The advertising fund, of course, is spent for advertising maple flooring and also covers the field representative work. For example, we recently set Mr. Robertson to California to investigate the competition of Philippine mahogany. This flooring is known as Begac and Orion. We have been informed that these floorings were coming in from the Philippines and were supplanting maple and beech for school houses and other business in California. Mr. Robertson does considerable field work during the year. The general expense fund is used for maintaining the work for the association. Our shipments for the year 1922 were 135,000,000 [fol. 279] feet, 25 cents a thousand for expenses would be $38,000 and the advertising would be $38,000 more. We spend the advertising found as we go along. In fact, in 1922 we expended altogether for advertising in the neighborhood of $48,000. In the first half of 1923 our advertising expenses would be in the neighborhood of $20,000 or $25,000. The general expense fund takes care of the salaries of the Secretary, employees, telephone, telegraph bills, expenses of members attending meetings, stationery supplis, printing, legal expenses, etc. We collect only sufficient money to cover actual cost of operation. The assessments are not intended to build up any fund. There are no dues other than the assessments above mentioned. The membership fee fund is invested in Liberty Bonds instead of being deposited in the bank or Trust Company, as provided in the Articles of Association.

The membership fee fund, together with the assessments above mentioned, are the only moneys we collect or have, except that at the present time we have what we call a "Legal Defense Fund," which was created for the purpose of paying expenses of this litigation. Article 14 of the present Articles of Association covers the ascertainment of the cost of manufacture. Paragraph F of said article has been eliminated. In determining average costs there is no element of profit whatsoever, according to my theory of accounting and business practice. The references made in the various exhibits to the additions for profit are to the minimum price plan or basis, the operation of which ceased some considerable time before the adoption of present Articles of Association.

[fol. 280] Q. Those additions of profit are not made, and have never been made, under the present Association, have they?

A. No, sir; not as a profit feature.

Q. And there are no profits added in to these items of cost as determined under Article XIV?

A. No, everything has been done strictly according to Article XIV.

Mr. Fowler: He said, "not as a profit feature." What does he mean by that? Let him explain?

Q. Just what do you mean by that?

A. Of course, I recall that the Government charges in its petition that this 5% as a reasonable allowance for manufacturing hazard, is substituted as a profit. We claim that it is not substituted as a profit, but it is a reasonable allowance for the hazarads of a manufacturing operation.

Q. Will you explain a little more in detail that addition of 5%—which, by the way, is not made today?

A. No, it is not made today.

[fol. 281] This item of 5% is to provide for contingencies in unforeseen hazards in manufacture. In the manufacturing of flooring there are frequent interruptions, sometimes strikes, sometimes lock-outs and sometimes shut-downs. It also very frequently happens that there is a decline in the market price of the raw material before the flooring can be processed and marketed. Then it also frequently happens that there may be a marked decline in the price of flooring before it can be marketed. In talking with different flooring and lumber operators, it was thought that an allowance of 5% to cover this hazard was a reasonable one when spread over a period of years. The rest of our cost survey, where we speak about interest on capital invested, average cost expenses, allowance for depreciation, are justified by the prospectus of H. S. Graves of the Forest Survey in 1913 regarding the sale of timber in Idaho in the Peace River Valley. He lists certain items of interest and depreciation and assumes that the lumber business, on account of its very hazardous nature, is entitled to a profit of 12% on sales. His statements are referred to in our petition to the Federal Trade Commission. We received a copy of the Graves report in 1913, addrssed to the Maple Flooring Manufacturers Association, signed by Mr. Graves, in which these items were enumerated.

[fol. 282] The Court: Do you include in that 5% the hazard of bad accounts?

A. There is no hazard of bad accounts in our manufacturing and marketing costs. We do not allow for that. There is a hazard of bad accounts, and that is——

The Court: I asked if it was intended to include that?

A. It included all contingencies and hazards incidental to manufacturing operations, and of course, our manufacturing and marketing costs do not provide for bad debts.

[fol. 283] The 5% provided for in Article 14, together with some other provisions of the articles of agreement, introduced in evidence as Gov. Ex. 8, have been changed or modified. This modification was made in July, 1923, and notice of it was sent in a circular letter to the members in August, 1923. These are the papers relating to the changes in question.

(Said paper marked Defendants' Ex. E and received in evidence.)

Through inadvertence there was no Defendants' Ex. D.

The resolution contained in the minutes of the meeting held July 19, 1923, entirely eliminates from Article 14 that provision of the articles of January 1, 1922 which provided that in addition to other actual marketing and manufacturing costs which I have described in some detail, was to be added 5% to cover unforeseen hazards. On and after July 19, 1923, that addition of 5% was not used in the preparation of our average costs made from time to time and that 5% is not now included in the average costs prepared by me and on behalf of the association, and it is not used or considered.

Q. Now will you turn to this government exhibit 35 and point out what portions thereof pursuant to the statement contained in the letter of August 2, 1923, which I have just read, have been eliminated from the rate book and are now eliminated therefrom.

A. The title has been changed somewhat. The paragraph on page 2 underneath the word "key" has been eliminated. That says, to ascertain delivered costs at an unlisted point allow 25 cents for each one cent difference in the rate of freight between the nearst listed point and the unlisted point from point of shipment. Then follows a list of the states in alphabetical order and a list of the towns in the various states and these towns and sheets were printed from time to time to conform with any changes that may be made in the freight tariffs.

Q. Has the form of that data been changed in the present book?

A. The form of it has not been changed.

Q. Such changes as have been made are merely to bring it up to date.

A. To bring it up to date, to revise it and bring it up to date.

Q. Will you now proceed to the next point in the rate book where there is a change or eliminated of any matter.

[fol. 284] A. The so-called differential sheet has been eliminated entirely from the rate book.

Q. How is that designated?

A. The subject is differentials, one page is headed from Aver-

age Cost Chart of maple 13/16 inch D & M May 31, 1922; Average Cost of beech 13/16 D & M, all faces. That is a paragraph with matter underneath it.

The next paragraph Average Cost of Birch 13/16 inch D & M, all faces with the differentials underneath it. Average cost of wide faces D & M. Average cost of thick flooring D & M. Average cost of jointed floorings. Then the next page is differentials, Average Cost, Special grades showing the white clear maple and the red clear beech and the red clear birch. Then follows on 13/16 inch thick. Then differentials in respect to those special grades on the 3/8 inch thickness. Then the average cost of extra sorts, clear maple, beech or birch, 13/16 thick etc., under 22 inches long in the clear grade and under 16 inches long in the number one grade and under 16 inches long in the—it is all in the number one grade. That has been eliminated.

Then on the next page are the Terms of Sale: 60 days net or 2% discount—etc., which we need not read in full perhaps. That has been entirely eliminated. This differential sheet is dated May 31, 1922.

Q. Then as I understand you there has been eliminated and does not now appear in the rate books issued by the Association to its members any statements as to so-called differentials or any statements as to terms of sale?

—. ——.

Q. All of that data is out of the rate book?

A. Yes.

Q. And is not distributed to the members of the Association in any other form?

A. No, sir.

Q. Or in any other way?

A. No, sir.

The Court: Let me ask a question: Have there been any considerable changes in these differentials, so-called, or in the terms of sale, over a period say of two or three years?

A. There may have been changes in the differentials from time to time depending upon the market cost of the raw material, etc. Of course the terms of sale some members use whatever terms they please, there has been no hard and fast rules with reference to terms of sale that the members have been obliged to observe. The terms of sale have varied greatly depending upon which market you sell in. Very frequently the buyer insists on his own terms of sale and a manufacturer cannot enforce his terms of sale.

[fol. 285] The Court: For instance, the first differential in this sheet before me is the average cost of beech, 13/16ths dressed and matched, all faces?

A. Yes.

The Court: And clear, that is clear beech $10 less than maple?

A. Yes.

The Court: Has that been the differential substantially?

A. Not at all times. It depends upon the supply and demand of these different floorings, to what a man's stock conditions are, and

the cost of it too. Beech lumber ordinarily costs in the market less than maple lumber and consequently the cost of the beech flooring would not be as much as the cost of the maple flooring.

The Court: I understand, but has the difference been substantially the same over a considerable period of time?

A. I would say yes in a general way.

The Court: And the same would be true as to birch?

A. Sometimes birch flooring brings more than maple, sometimes it sells for less than maple, that depends upon the supply and demand and the stock conditions of the members selling the product. A good many of them don't manufacture beech flooring and a good many of them don't manufacture birch flooring and some manufacture only maple flooring.

The Court: The next that I find is the Average Cost of wide faces. Has there been any substantial change in the differences between prices of the 2¼—which I understand to be standard?

A. Yes.

The Court: And the wider?

A. That might vary from time to time for the same reasons.

The Court: Has it?

A. I think it has.

The Court: Substantially varied?

A. I can look that up and make a comparative statement of the costs during a period of time of those different things.

The Court: The next item is the average cost of thick flooring, as I understand it, the standard is 13/16th-?

A. 13/16ths.

The Court: Has there been any change, substantial change in the differences between the price of 13/16ths flooring and say 17/16ths? [fol. 286] A. There would be differences back and forth, the 13/16th inch flooring is manufactured from four quarter maple lumber and the inch and 16th maple flooring is manufactured from five quarter thick maple lumber.

The Court: The difference is caused then by the extra material which is used?

A. The market cost of the five quarter lumber is generally considerably higher than the four quarter lumber. On some markets it might be ten dollars, on others eight dollars, on others five dollars, of course that cost would all be regulated by supply and demand. Some of them manufacture thick flooring, many of them don't manufacture it at all. The cost would vary you know with the different conditions. The principal cost I would say——

The Court: That difference would be almost a matter of computation, wouldn't it?

A. A matter of computation, yes, sir. I would say the principal difference would be caused by the difference in the market value of five quarter maple lumber and four quarter maple lumber rough stock. The same thing would apply to those special grades of white clear maple and red clear beech and red clear birch.

The Court: Are jointed floorings as a rule higher in price than dressed and matched?

A. Sometimes it is and sometimes it is not. I think sometimes it brings about the same price and sometimes it brings more.

The Court: Very well. One question more: The terms of sale, have they varied materially over a considerable period of time? Isn't the usual term 60 days net, or 2% for cash?

A. I think that has been the general custom in the lumber industry, 60, 2 off ten, sometimes 60, 2 off fifteen.

The Court: It prevails in all branches of the lumber industry, doesn't it?

A. I think in a general way it does. You know some buyers in [fol. 287] the eastern market, for example, will not follow such terms. They insist upon the discount 5 days after arrival of car or two days after arrival of car. The same is true with respect to shipments to California. Purchasers out there also insist upon the discount so many days after arrival of car. My observation has been that manufacturers are compelled to concede to the terms of buyers in different markets, according to the customs in force there. These different customs have always prevailed in different parts of the United States.

[fol. 288] The differentials and the terms of sales, which were formerly on colored sheets in the freight rate books, are no longer contained in such books and are no longer sent to members in any form. The delivered cost charts have been entirely eliminated from the freight rate book. The freight rate book now issued by the association contains the freight rates from Cadillac, Michigan, to points all over the country and the average cost chart of 13/16" maple flooring, F. O. B. cars at flooring mill, according to compilations of average costs that are made from time to time. The freight rate book also contains average cost of 3/8" beech or maple, F. O. B. cars flooring mills, and the average cost of freight, which is a table showing what the cost of freight would be on 13/16", and also on 3/8" flooring on certain rates of freight and on certain weights. For example, 13/16", 1½" x 2" and 2⅜" face weighs about 2,000 pounds and the rate of 20 cents would indicate that the cost of the freight would be $4.00 a thousand. The 13/16" x 3¼" weighs 2,250 pounds and the cost of freight on that would be $4.50 a thousand. 3/8" flooring weights 1,000 pounds so that the cost of that on a 20 cent rate would be $2.00. This table appears in the back of the book. The grading rules also may appear from time to time in these or different books. The purpose of the table or chart, with respect to ascertaining the cost of freight, was in order to enable a member to find out what the cost of freight would be on any given rate of freight from point of shipment to point of destination. That is a mere matter of computa-

[fol. 289] tion and could be left out. The average cost which appears in the rate book is the average cost of flooring about which I have heretofore testified. This average cost is based upon test runs. For example, our present average cost of maple flooring, F. O. B. cars at the flooring mills, are based upon five test runs which were made by different members of this association since its organization. These average costs are determined from time to time whenever there are changes in the cost of rough maple lumber, F. O. B. cars

at flooring mills, and also whenever there are changes in the average manufacturing and marketing costs. We might issue one every two or three months or every three or four months, or oftener if there are violent fluctuations in the cost of rough maple lumber. I have here a rate book which will illustrate just what we are doing today.

(Said rate book marked Ex. F and the data that had been eliminated from said book marked Ex. F-1, and said exhibits were received in evidence.)

I have here weekly sales reports made prior to as well as subsequent to my letter of August 2, 1923, addressed to members.

(Said sales reports marked defendant's Exhibits G and G-1, dated respectively July 13, 1923, and November 9, 1923, and were received in evidence.)

This report is dated July 13, 1923, Record of Completed Transaction. Report of Sales made during the week ended July 7, 1923. That gives the date of sale, the quantity sold, the description of the flooring, the delivered price, the average freight rate, the commissions and the identifying number of the mill reporting.
[fol. 290] And it also shows total sales made by each individual member who made this report. That is tabulated and goes along all the way down. Then the total reported by the 16 members who made the report is given as 892,004 feet on this particular one. Then the average of sales for the week ended in this case July 7, 1923, is given. The averages of the delivered prices for 13/16ths by 2¼ inch face clear, number one and factory maple flooring, standard grades and length is shown in the clear grade, number one grade and the factory grade. Then the averages of average freight rates is also shown. Then the average cost of the freight is also shown. Then the averages of prices realized F. O. B. flooring mill basis is shown. In this case it was $105.74 for Clear. $93.50 for number one, and $49.50 for Factory. Then the total sales of 13/16ths by 2¼ inch face maple flooring is shown, in this case 192 M clear; 149 M feet of number one and 78 M of factory. A total of 419 M. This is the report of completed transactions dated November 9, 1923.

Report of Sales made during the week ended November 3, 1923. In this case we give the date, the quantity, the description, the delivered price, the average freight rate and the commissions. The identifying numbers are omitted and there is no total to show how much any one member of the Association shipped. Then the movement of the stock is indicated in this report by the total quantity of sales made by the members whose factories are located in Eastern [fol. 291] Lower Michigan. In this particular week they sold 716.797 feet of flooring.

"The Court: You had a chart here the other day that showed the number of those mills.

A. Yes, that is, the members that reported, perhaps all the members did not report. There are four mills located in Eastern Lower

Michigan, no one knows which mill sold the goods or how many feet of flooring each mill sold or anything at all about it.

Q. Does it show whether all of the group reported or not?

A. Yes, it may show in the later point. In this particular case it says no report from number 37, 23 and 22; all the members in Eastern Lower Michigan reported because none of those identifying numbers indicate a mill in Eastern Lower Michigan.

Then we come on to Western Lower Michigan, the same thing is repeated, dates, etc., then a footing is made showing 489,322 feet was sold by the mills in Western Lower Michigan, that constitutes six mills. One mill in that group did not report that week. There is no way of identifying which sales were made by which member or the quantity any member sold or where he begins and where he leaves off. Then in the next group the same thing is repeated, upper Michigan mills, 616,000 feet sold. In Upper Michigan there are four mills and all the members in that district reported.

The next group shows Wisconsin mills. Their reports are 115,800 feet for that week. And all the mills in that group reported [fol. 292] with the exception of one member.

Now the miscellaneous mills, we just run those in together because that represents Chicago, St. Paul and upper lake mills, could not arrange those by individual group because that would indicate which mill sold the goods and what the price was and all about it.

The bottom of the sheet we show the average of sales for the week ended November 3, 1923.

13/16ths x 2¼ inch face clear, number one and factory, maple flooring, standard grades and lengths; averages of delivered prices $98.62 for clear; $87.57 for number one and $52.58 for factory.

The averages of the average freight rate was 29 cents for clear, 26 cents for number one and 32 cents for factory.

The average cost of freight was 5.80 on the clear, 5.20 on the number one and $6.40 on the factory. The factory appears to have moved to more distant points.

Averages of prices realized F. O. B. flooring mill basis was $92.82 for clear, $82.37 for number one and $46.18 for factory.

As compared with prices on July 7, 1923, of $105.74 for clear, $93.50 for number one and $49.60 for factory, showing a decline in the market has taken place since that time.

The movement of the stock for this particular week is also shown, 13/16th x 2¼ inch face maple flooring, the clear is 620,000, the number one 416,000, the factory 260,000, the total 1,296,000. In [fol. 293] this particular week of November 3 there is 2,118,000 feet sold by the 19 members who reported.

Q. To summarize: the differences between the report of completed transactions as made prior to the 19th of July, 1923 under the Articles of January 1, 1922, and the reports of completed transactions made subsequent to July, 1923, are what? How can you state that briefly?

A. Just as indicated in the resolution.

Q. The elimination of the identifying numbers?

A. Yes, everything provided for in the resolution and our letter to the members addressed on August 2nd or 3rd having been fully complied with.

Q. And the information is not transmitted to members in any other form?

A. Not disclosed to the members or transmitted to them in any other form whatever.

Q. Access is not given by you to the members of the Association—your files and records would show the reports of the individual members?

A. Never, that has never been done, never been requested by any member of the Association. Of course a member can see his own reports if he wants to, but nobody has ever asked for them."

Changes were also made in the form of monthly reports which the association has sent to members subsequent to July 19, 1923. I haven't any more copies of such reports. I have samples of monthly [fol. 294] reports made both before and after July 19, 1923.

(Three samples of monthly reports marked defendant's Exhibits H, H-1 and H-2, respectively, and received in evidence.)

The report for June, 1923, was made out July 13th, 1923, before this action was taken at the general meeting of the Association, etc.

The report for June, 1923, was made out July 13th, 1923, before this action was taken at the general meeting of the Association on July 19, 1923. Now the reports for July, 1923, and for September, 1923, are made out in accordance with the changes made at the July 19, 1923, meeting. What we say about July would also apply to the month of September. We need not go into those details. The Barometer sheet, as we call it, meaning stock conditions and Barometer for June, 1923, compared with the same month a year ago on both sheets is exactly in the same form as to principle. In the report for June, 1923, the maple, beech and birch flooring statistics in thousands of feet for the month of June, 1923 and 1922 are compared. This gives a list of the names and the numbers of the members of the Association, it shows their individual stocks on hand, on June 30, 1923, and 1922. The same as to their individual unfilled orders. It shows their total shipments individually for June, their production the same, and the new orders the same and the [fol. 295] individual stock changes, increases and decreases in June, 1923 and 1922. So from this report any member of the Association would be in a position to know exactly how much flooring, how much unfilled orders, how much shipments, production, and new orders was of every other member of the Association during the month of June in question. Then the totals are given at the bottom. Then a comparison is made with the previous month, etc. This page has been eliminated entirely from reports subsequent to July 19, 1923.

The second page of that report is a new report, shows maple, beech and birch flooring statistics in M feet, June 1923—1922 compared, showing the stocks on hand, the unfilled orders on hand, the shipments, the production, the new orders and the stock changes during

the month of July, 1923 and 1922 by totals in geographical groups. It shows how much stock on hand, how many unfilled orders, the members in Eastern Lower Michigan held, the same applies to the Western Lower Michigan mills, upper Michigan mills and Wisconsin mills and Chicago, St. Paul and Upper Lake mills, and the total stocks on hand were given for the 21 mills. That shows you increase or decrease from last year with the percentage. The unfilled orders are handled in the same way. The shipments are shown in total by geographical groups and by the total number of mills in the Association. The production the same way. The new orders the same way and the stock changes the same way. So under this form of report it is impossible for any member of the Association no [fol. 296] matter where his mill is located longer to have this individual intimate knowledge of members business.

"Q. Are there any other changes in the monthly report?

A. In the old form of report we made what is known as record of average prices realized F. O. B. flooring mills in June, 1923, for new orders booked, for 13/16th by 2¼ inch face clear, number one and factory maple flooring, standard grades and lengths after deducting freight.

That shows the mills in Eastern Lower Michigan who made the report and the ones in the Western Lower Michigan and the ones in Lower Michigan and Wisconsin as a group and Upper Michigan and Wisconsin. Then it showed Michigan and Wisconsin together average, then Tupper Lake, N. Y. mill, then St. Paul mill and Chicago mill. In this tabulation or statement rather it gives the identifying membership numbers of each member of the Association. It shows exactly what the member realized during the month of June on all sales made during that month for these grades of flooring after deducting freight. For example, it shows No. 2 got $107.41, for clear; $101.05 for number one and $58.00 for factory. Of that number 33 got $105.70 for clear; $95.62 for number one and $51.00 for factory.

Now we come down to the next group and it shows the same principle all the way through, so we need not read that. Then all Lower Michigan mills are put together in one group and the average is [fol. 297] taken. Group D shows it in the same way and the average is taken, and average is taken for all of them in Michigan and Wisconsin.

Q. That you are talking about was the June statement?

A. For June, that sheet has been entirely eliminated from the report in respect to the identifying number—perhaps I should say that the identifying numbers have been eliminated. In this report the identifying numbers are eliminated but I will give what it says and then that will explain what it is; range of average prices realized F. O. B. Michigan, Wisconsin flooring mills in 1923; for new orders booked for 13/16 x 2¼ inch clear, number one and factory maple flooring, standard grades and lengths after deducting freight. That shows a range of prices in July for clear, number one and factory by the mills who reported from Eastern Lower Michigan classi-

fied by us as Group 1, the identifying numbers are omitted and the sales are recorded according to the range you know, not by any secret system of 2, 3, 4, 5 or anything like that, by groups, group 2. Western Lower Michigan mills, 5 members report that month and it shows the range there for the clear, number one and factory. Then Group 3, which is Upper Michigan, four members report that month and it shows the range of prices. Group 4 Wisconsin mills two members report, with the range of prices, everything from low to high, just the range. All Michigan, Wisconsin mills are averaged, it is an arithmetic average or simple average. This report was [fol. 298] received from 14 members, one member reported no sale because he had no stock on hand I think.

Q. You give the identifying number there?

A. Yes, perhaps we should not do that. Then we say, no reports from Nos. 49, 23 and 45. Reports of numbers 48, 22 and 51 omitted to avoid disclosing their identity, we could not put them in a geographical report without disclosing their identity.

Q. Are there any other changes?

A. The next group of reports which we call Miscellaneous Reports are carried on in the same way, no identifying numbers on them anyway. We have shortened up this reduction because it got to be so cumbersome it wasn't worth while. The lower part of the report we changed somewhat to reduce the clerical work and because some of that intermediate stuff was not of any particular value. The average prices realized f. o. b. Michigan and Wisconsin mills for 13/16ths by 2¼ inch face maple flooring in the old form we took 1916, 1917, 1918, 1920, 1921 and 1922 June of each year, and we used June 1916 as a hundred per cent. This time we take July of the years 1913, 1923, 1922 and the year 1920 and we use July 1913 as a hundred percent having gone back to 1913 because that is the basis of a hundred percent as used by the Government. It so happens in flooring we could use 1916 as well as 1913 because they were practically the same both years. This was to shorten up the form.

The next report is exactly the same form, that is called maple, [fol. 299] beech and birch flooring on hand at the end of the month whichever it may be. It shows clear, number one and factory of all three woods, it shows the thicknesses and faces. Then below is shown the maple, beech and birch, unfilled orders on hand at the end of the same month and that includes all maple, beech and birch flooring, that is the same form.

The next form is maple flooring on hand at the end of the month where the maple flooring is considered by itself; that is in the same form except we show the percentages sold of 13/16ths inch and a half face, two inch face, two and a quarter face, three and a quarter face and inch and 16th all widths. That form, we are reporting that the same as we did before except there may be a few changes. What I mean to say the maple flooring report is a little bit different than the consolidation of the maple, beech and birch. The maple, beech and birth, at the right hand side, we show the per cent sold of the clear, the number one and the factory. We do the same also on the maple.

Now the next report under the old form surplus maple flooring, June 30th, 1923. That showed the surplus in the clear, number one and factory and the identifying numbers of the member who had these surpluses.

The Court: That is all over and above 100,000 feet?

A. Yes, items are listed as surplus and the stocks on hand exceed [fol. 300] unfilled orders by a hundred thousand feet. That shows which members had them, the size and grade, etc. and then we compare with a year ago, the quantities I think are given too, the quantities on hand by each individual member and the amount unsold by each individual member. All of that has been eliminated and we now show the maple flooring stocks as to how many mills have stocks in any particular group but not which mill it is. Then we compare that with a year ago in total but not by individuals. There are no identifying numbers of any kind on this report now to show who has the stock. It shows where it is located as to primary market as you might say, primary producing market. Then we give below a list of the mills constituting different groups. I might say that this listing, this memorandum of stocks often facilitates the interchange of business among the members of the Association. Heretofore he would write to some individual member and find out how much and what he would sell it for. Now, he would have to write to every member of the group to find out who had this stock. Under the old plan might save writing to 20 or 21 members of the Association. Now the beech flooring on hand and the birch flooring on hand, that is the same principle as heretofore. 21 members of the Association manufacture maple flooring and then there is 12 of the members who manufacture beech flooring, 15 of the members who manufacture birch flooring, some manufacture one wood, some two [fol. 301] woods and some all three woods, etc. Then on the last sheet we continue the same as we did before to give the date of the receipt of the reports.

Q. What is the object of that compilation?

A. Well, it doesn't mean anything in particular, it just shows who is tardy, who might be thought to get them to make their reports more promptly. They are supposed to make these reports on or before the 5th of the following month, sometimes they drag along and I always carry them until the middle of the month or even later. We simply make a record of it so people will know what may have caused the delay or something like that.

Q. No penalty is enforced?

A. No, no penalty of any kind enforced for not reporting promptly, no criticisms made for not reporting promptly. We frequently urge them to send in their reports more promptly so we can keep our office work up and get our statistics out more promptly.

Q. Have you completed the comparison then?

A. I think everything is covered here and what applies to the month of July applies to the month of September. That left here June, July and September."

The quarterly report would be just the consolidation of the three

preceding monthly reports in total compared with this year and the year before. We have the quarterly surveys of manufacturing and [fol. 302] marketing costs. They do not contain any identifying numbers. They simply show averages. The tabulation that we showed Judge Sessions, however, contains identifying numbers, but such a tabulation would be kept in my office. Only the averages are reported to the members of the association. Tabulation showed to Judge Sessions is not open or available to members.

The Court: In your last sheet of your monthly reports you give the identifying numbers of the mills which have failed to report; and going back to the report of unfilled orders and stock on hand, you say "Western Lower Michigan, reports" so and so, and then coming over to this last sheet you say number so and so maybe has not made any report as to stocks on hand. Of course, that enables the member to whom this report is sent to at once eliminate number so and so, who has failed to make a report, if he wants to make inquiry as to who has the stock on hand?

A. Well, the monthly stock reports, your Honor, are made by every member of the Association; in the weekly sales report we know which member did not report his sales for that week. In the record of "Average Prices Realized per month" we know which member did not report his sales for the month; but on the stocks and unfilled orders, shipment and production and new orders booked, every member of the Association makes those reports in full, so there is no way for any member to figure out how much stock any one member has, because it is all there in the aggregate.

[fol. 303] The Court: Now, if a member wants to ascertain where there are stocks on hand, in substance, the difference between the old and the new method is, that he has got to make a further inquiry, of say four mills instead of one?

A. You mean, in reference to surplus stocks?

The Court: Yes, in reference to surplus stocks.

A. Yes, he would inquire of four mills.

The Court: Under the old system he could locate the surplus stock at once, because you give the identifying numbers and the amounts of stock on hand.

A. Suppose a member wished to buy fifty thousand feet of 13/16ths x 2¼ Maple flooring, if he looked in the old sheet he could tell which member had this surplus stock on hand, and he could write to the member. Now, if he wants to buy thirteen-sixteenths x 1¼ No. 1, if he finds that is located in a particular district, he would write to that district. If there was no one listed there, he would have to write to the other members of the Association, it is simply to facilitate the exchange of business.

The Court: I don't quite follow that. I don't quite follow the last part of your answer.

A. In which respect?

The Court: You say, if there is no one listed there?

A. If there is no surplus stock indicated on the surplus stock report.

The Court: Take Eastern lower Michigan, he would know there would be no use to write to those?

[fol. 304] A. Yes, sir.

The Court: That group would be eliminated?

A. Yes.

The Court: If there were reported surplus stocks in Western lower Michigan, he may have to write six letters instead of one?

A. Yes.

The Court: In order to locate that stock. In other words your system is not as complete as it used to be?

A. It doesn't show who has any surplus stocks; it doesn't reveal the identity of any manufacturer as to who has surplus stocks.

Mr. Johnston:

Q. In other words, Mr. Keehn, if a member is to ascertain the facts with respect to stocks on hand, prices realized, or other data, indi-dually as to any member, he must obtain that by going directly to the member himself—it is not disclosed by the Association?

A. That is correct.

Q. Whether that member is willing to disclose those facts to the other member is a matter which rests with him entirely?

A. That is a personal matter between themselves entirely.

Q. But there is no understanding or agreement in the Association between the members, as members of the Association, that such data [fol. 305] will be interchanged upon request by any member?

A. No sir; we do not exchange any individual data in any form or manner between different members of the Association, or among any of the members of the Association. Whatever information any member may know about individual stock conditions of the other members, the only way he can obtain it is by correspondence direct with the member. All reports are now sent out without any comments, analysis or interpretation of any kind. We consulted our attorneys about these different matters some time after the Supreme Court handed down this decision in the so-called Memphis case and they advised us as to how the activities of the Association should be conducted and we have strictly followed their advice in every respect. The statements are now sent out simply as statistical data and without comment, analysis or interpretation for each member to analyze and interpret for himself and draw his own conclusions. A copy of the opinion of our attorney is attached to the minutes of the meeting, January 12, 1922."

(Said minutes marked defendant's Ex. I and received in evidence.)

[fol. 306] Q. Now, referring to the first paragraph of that conclusion in Mr. Newman's opinion of January 11, 1922, since the organization of the present Association, that of January 1, 1922, have you as Secretary of the Association, or has the Association sent out to its members recommendations or forecasts as to the market prices or market conditions?

A. Not as to market prices, but sometimes as to the results of the

month's business, as is shown by what the Government calls "Forecasts." We explained that in our previous testimony, where certain data is collected regarding stocks, production, new business for twenty days in the month, and then the estimate is made as to what the business may be, the remaining ten days of the month, and that is compared with the totals of the preceding month. But, there have been no individual figures given. That appears in the minutes of the various meetings.

Q. What are those entitled?

A. It is an estimate of how the business for one month may compare with the business of the preceding month, based upon the data furnished by the members who may report it. If you will pardon me, you will find July 19th, 1923, and that will tell the story.

Q. That is what we want exactly.

A. That is in a previous exhibit; you have that exhibit already in.

Q. That is the one already in?

A. Yes.

The Court: There have been several of those exhibits. As I remember the testimony, it was this. For instance, if a meeting of the Association was to be held on the 25th day of November and the notice was sent out on the 18th day of November, the data accumulated from the reports of members up to the 18th or 15th, whatever the date might be, would be given, and the statement would be made that the indications are that if production holds up during the balance of the month, the month of November will compare with the month of October, or the month of November of last year in the following manner:

A. Not as to last year; just for the preceding month.

The Court: That may be.

Q. That is the matter that you refer to.

A. Yes, sir.

Q. Now since the organization of the present Association has anything else been sent out to the members of this Association?

A. According to my recollection, we make no comments or interpretations, or forecasts regarding the future in the industry, except as outlined here, what we term classification, etc. The reports speak for themselves. I don't know whether you consider the tabulations [fol. 307] of statistics according to grades and faces, a classification or not.

Q. Of course the statistics those are the classification?

A. The statistics themselves speak for themselves.

Q. What I am referring to particularly, is, any interpretation matter going along with or at about the same time with the statistics, either weekly or monthly statistics go out?

A. No, sir.

Q. In which you say to the members "these show so and so" and "indicate so and so for the future, anything of that character?

A. No, sir.

Q. Under the present Association?

A. Under the present Association.

The allotment plans previously mentioned related solely to shipments and had nothing whatever to do with production. The classification of statistics contained in Mr. Newman's letter of January 11th, 1922, embraces all the statistics that we sent out.

"Q. Will you start back at a period somewhat earlier than the 1922 Association and tell us exactly what you have done with reference to the publication of the statistics compiled by you as Secretary of the Association, and with the furnishing of such statistics to public bodies?

A. I might say that in April, 1921, we received a request from the Federal Reserve Bank of Chicago for statistical data of various kinds regarding the Maple Flooring industry, and we have a letter here from them, and also a copy of our reply and memorandum regarding the data which was sent to them at that time. It is a very short letter and if there is no objection I can read it.

[fol. 308] Q. You may read it.

A.—

'Federal Reserve Bank of Chicago, 79 West Monroe Street

April 6th, 1921.

Maple Flooring Manufacturers Association, 30 North La Salle Street, Chicago, Ill.

GENTLEMEN:

Will you kindly let us know what statistical information you might be able to furnish us regarding production shipments, and orders received in the flooring industry?

We should like to obtain authoritative information as to the activity in this industry—what changes have taken place since the previous month; since last year; and since normal or pre-war times.

Are there any factors especially affecting the market at the present time?

Very truly yours, W. A. Heath, Chairman, By Frank M. Huston.'

On April 30, 1921, we wrote to the Federal Reserve Bank, Chicago, 79 West Monroe Street, as follows:

'Replying to yours of the 6th, we are very glad to give you the statistical information you request regarding production, shipments and orders received in the Maple Flooring industry, and are enclosing herewith the following data:

1. Average stocks on hand during each year from 1912 to 1920 inclusive.

Average unfilled orders during same period.

The total shipments, production and new business booked in each year during the same period.

2. Reports comparing our statistics during the years 1920-1919.

You will note that in 1919 stocks on hand, which were 28 millions on January 1st, decreased to less than 8 millions at December 31, 1919, whereas in 1920 the stocks on hand increased from 8 millions to over 32 millions on December 31st.

Unfilled orders which were 8 millions on January 1, 1919 increased to 52½ millions on October 1, 1919, since when they have dwindled to about 5½ millions on December 31, 1920.

[fol. 309] During the last half of 1920 compared with the last half of 1919, shipments decreased 50%, while production decreased only about 12%, which, of course, accounts for the large increase in the stocks on hand.

New business booked during the last half of 1920 was only 25% of the new orders taken during the last half of 1919.

3. Statistical reports showing stocks on hand on April 1, 1921, and total shipments of Maple, Beech and Birch (each wood separately) in March 1921 and 1920, also statement showing the production by grades (of each wood) in March, 1921, and during each year from 1911 to 1920 inclusive.

4. Statement showing comparison for February and March, 1921, of stocks and orders on March 1st and April 1st, and of shipments production and new business booked during the months of February and March, 1921; also a statement comparing first quarter, 1920-1921, showing average stocks on hand, average unfilled orders and total shipments, production and new business booked during that period.

You will note that during the first quarter of 1920 unfilled orders averaged over five times the stocks on hand, but in 1921 this condition has been reversed and the stocks on hand have averaged more than 5½ times the unfilled orders.

The Maple Flooring industry is in a deplorable condition at the present time and over one-third of the mills have been closed down since the first of the year, because of the meager demand for flooring and the very high costs of production compared with values obtainable on the present depressed market. The mills that are running are operating far below normal capacity. Should you desire statistics from us from time to time showing current conditions in our industry, we shall be glad to furnish them for your information.'

Then follows a tabulation showing each, the average of stocks on hand, average unfilled orders, from 1912 to 1920 inclusive from the mills reporting, and the quantities in M feet. Then we give a statement of shipments, production, and new business booked, the totals from 1912 to 1920 inclusive, the number of mills reporting each year, the number of thousands of feet, all the way through. Then there is a statement showing stocks on hand, unfilled orders, shipments, production, new business, and the shipments of each wood, etc. for 1920 and 1919, by months, and then the comparative [fol. 310] stock conditions for the year. Then surpluses in Maple flooring stocks; production by grades. Then Maple, Beech and Birch

flooring on hand April 1, 1921. Then a quarterly report showing the data given, referred to in the statement.

I think we have continued to give all the statistical data above mentioned to the Federal Reserve Bank every month. At times we have given them more than they originally requested. We have given them stock conditions and barometer of Maple, Beech and Birch flooring on hand; maple flooring on hand, and other reports I think we sent them. I think we have sent them almost a complete set of all reports and are doing so now. I believe we also send them the weekly report of sales.

"Q. With what other public body did you take up the question of filing or submitting the data prepared by the Association?

A. I was in Washington in April of 1922 soon after the organization of this new Association to attend that Trade Conference which was held there under the auspices of Secretary Hoover of the Department of Commerce, and while I was there I called upon the Bureau of the Census to talk with them in regard to what statistical data they would like to have to use in their Survey of Current Business. So, I took the complete set of all the statistical reports of all kinds, including prices, etc., to show to them, so they could select which ones they wished to receive to use in their statistical work. I called upon a Mr. Lane there who was an Assistant to Dr. Serviss and I think now, he is in charge of this work, Dr. Serviss I think having gone to some other department of the Government, and he indicated what he would like to have and what he would not like to have."

[fol. 311] "Q. Will you tell us what part of the statistical data that part of the government indicated they would accept for their uses?

A. Well, on the barometer sheet they said they wanted only statistics which would reflect basic conditions in the industry; they did not want a lot of detail because it would be too voluminous; so we indicated on the barometer sheet he would like to have stocks on hand, the unfilled orders, the shipments, the production, and the new orders; also the average price realized f. o. b. cars at Flooring mill plants on 13/16 x 2 1/4" Clear, No. 1, and Factory Maple Flooring. So he crossed off from here what he did not want and left the balance on this sheet. Then he also requested us to give him old statistics dating back, so they might form an index number, so they could keep track of it in the future. So we gave him what we call the barometer for the year 1921. Then we gave him a statement of M. F. M. A. stocks 1921-1920 compared, showing the totals for those two years, which he said he would like to have. Then I have a notation here "no reports like this desired by Department of Commerce, Census Bureau; talked with Mr. Lane, Assistant to Dr. Serviss, April 13, 1922", initialed by me, and we put a blue circle on every report that we submitted that he did not want to have. He did not want individual statistics as to Maple, Beech and Birch flooring on hand, as to the individual membership.

He did not care for the miscellaneous reports showing production by grades and shipments by weights, etc.

He did not care for the average prices realized during the pre-

ceding month. He said there seemed to be a question of policy involved between the Department of Justice and the Department of Commerce regarding the collection of these statistics, in a letter—he doesn't say so though he said it seemed to be a question of [fol. 312] policy that was involved; the rest is my own inference.

The Maple, Beech and Birch flooring on hand February 28th, 1922, tabulated by grades, faces, etc., he did not care for that; he simply wanted the total.

The same applies to Maple Flooring on hand by grades, faces and thickness.

The same applies to the Birch flooring and the Beech flooring.

The surpluses of Maple Flooring stocks on hand—this report is dated February 28th, 1922—he did not care for that.

The Maple Flooring surpluses in thousandths of feet, he did not want that.

The record of receipts, the February 1922 report showing when the members made a report, he did not want that.

The comparative stock conditions for the years 1921 and 1920, showing the percentage sold of each item on hand during the year by month; he did not care for that.

Individual statistics for the years 1921 and 1920, showing stocks on hand and the identifying numbers of the members of the Association, and where the statistics came from, and so forth; he did not care for that.

Trend of current net values, based on average of Michigan and Wisconsin mills for years 1921, 1920 and 1919, and the contrast below of the current net value and of the stock conditions, he did not care for that.

Surpluses in maple flooring stocks, production by grades by years, he did not care for that.

Record of completed transactions, being the reports of sales made during the week ending May 1, 1922, in the form in which it was [fol. 313] made at that time—a copy of it is here—he said he did not care for that, because it would be too voluminous, people would not have time to read it in his department, to say nothing of using it.

Since then we have compiled a vast amount of statistical data for the Department of Commerce, and we have spent hours, days and weeks compiling these statistics in order to enable them to arrive at an index number to use in their Survey of Current Business. We have taken the statistics, going way back for a long period of time.

Then they wanted us, if we could, to give statistics of identical members for a certain period of time. So we compiled that, going back as far as we could, in order to enable them to obtain a relative basis to use.

Then we have also, at their request, gathered considerable data regarding the normal capacity of the flooring plants in the Association, which we will probably bring in later on.

Then since then we have sent them all the statistical data they are willing to receive. As a matter of fact, we sent them more than

they were willing to receive; they didn't want it and they simply threw it away.

We have here the Survey of Current Business for the month of August, 1922, in which it makes references to our data. Of course we take this magazine regularly, and we have a great many of them in the office, and there have been a good many comments regarding maple flooring data and so forth. Sometimes we have made notations on four or five or six pages where maple flooring is referred to. This one I have is for August 1922, and refers to it on pages 1582 and 1583.

Q. That is what was used by the Department in making its surveys of business?

[fol. 314] A. Here, for example, is a whole column headed, "Maple Flooring for 1919, monthly average," of all these different fundamental factors, they take the 1920 average, the 1921 monthly average; then they give the production and the shipments and the stock on hand and the orders booked and unfilled, orders at the end of the month beginning with May, 1920, which was about as far back as we could go to get an identical group of members or manufacturers whose statistics were continuous during that time; that is, from May, 1920, to December, 1921, and January to June, 1922. They give us an index number taking the monthly as 100 per cent. That appears on page 82. Now the statistics we give them from time to time are published in these issues of Current Business, and we can obtain them.

Q. Is that a monthly publication?

A. Yes, published every month; it is called Survey of Current Business, and published by the Department of Commerce, Bureau of the Census.

Q. What use, do you know, has the Federal Reserve Bank made of your data? Have they made a survey of business conditions?

A. I don't know whether they have or not; we do not receive the publications of the Federal Reserve Bank. They promised to send them to us if we wanted them, but I think we never followed them up. We send them the statistical data every month, however, quite complete.

Q. Do you know the general scope of the distribution of this Survey of Current Business which is published by the Bureau of the Census—compiled by the Bureau of the Census?

A. I have no doubt but it has a nation-wide circulation: I imagine all business houses and commercial organizations and so forth, must subscribe to it. However, I couldn't tell you that. It is recognized as an authority on business conditions, and as I understand it, the [fol. 315] statistics are very highly regarded.

Q. Now in addition to the Bureau of the Census and the Federal Reserve Bank to what other source has your data been going and since what time?

A. After we returned from Washington we took this matter up at the meeting of the Association, and they instructed me to follow the advice of our attorneys and give to the lumber trade papers such data as might be useful to the public and might be desired by the

public, and we took as the foundation of the data which we gave to the lumber trade papers, the statistical data which the Department of Commerce, Bureau of the Census, elected to use, feeling that inasmuch as the Department of Commerce, Bureau of the Census, is functioning for the benefit of the public, that whatever it thought was adequate for the public to have, should be satisfactory; so we simply followed that outline, except that we have gone further and we give them, the lumber trade papers, reports of average prices realized each week, beginning on May 18th, 1922. We wrote a letter to the various lumber trade papers, and here is a sample of the letter:

"American Lumberman, Manhattan Building, Chicago, Illinois

The Maple Flooring Manufacturers Association gathers the following statistics relating to basic conditions in the industry:

1. Total stocks on hand at the end of each month.
2. Total unfilled orders at the end of each month.
3. Total shipments during each month.
4. Total production during each month.
5. Total new orders booked during each month.
6. Average prices realized F. O. B. cars at Michigan and Wisconsin flooring mills during each month for 13-16 x 2¼" Face Clear [fol. 316] No. 1, and Factory Maple Flooring.

These statistics are portrayed in the form of a barometer, and are filed with the Department of Commerce, Bureau of the Census, Washington, D. C. and believing that you may wish to publish them for the information of the public, we shall be glad to send them to you regularly about the middle of the month. We are enclosing the barometer for the month of April, 1922. Yours very truly, Maple Flooring Manufacturers Association, George W. Keehn, Secretary."

Q. To what other trade papers did you send that communication?
A. Here is a mailing list of this statistical data.
Q. Yes, read it.

"Department of Commerce, Bureau of the Census, Washington, D. C. Federal Reserve Bank of Chicago. Statistical Department, Chicago. American Lumberman, Manhattan Building, Chicago.

They recently requested data regarding the Maple Flooring Industry and we sent it to them. They said they would like to have the information a little in advance of when they might need it for publishing in the lumber trade papers, as a survey of current business. We mail it out, however, all at the same time to everybody.

" 'Lumber', St. Louis, Missouri;
Chicago Journal of Commerce, Chicago;
Hardwood Record, Chicago;
Lumber World Review, Chicago;
Lumber and Veneer Consumer, Chicago;
Southern Lumberman, Nashville, Tenn.;

National Lumber Manufacturers Association, Washington; S. W. Strauss and Company, Chicago."

We also send them weekly reports in this form: Maple Flooring Manufacturers Association. Maple Flooring Wholesale prices. Sales [fol. 317] by Michigan-Wisconsin Flooring Mills 13/16 x 2¼ maple flooring, average values F. O. B. cars flooring mills during the week ended so and so.

We give clear, Number 1 and Factory, and that is published in the lumber trade papers, the Chicago Journal of Commerce and others. We also send them from time to time quarterly reports showing statistical conditions, and semi-annual reports.

We send only a summary of the weekly reports to the publications above mentioned. We have never refused to furnish any data requested by the trade papers or any one else. The trade papers published the statistics we sent them. The trade papers above mentioned are generally recognized trade publications, having a very wide circulation, and I presume they are taken by every one in the lumber trade and by buyers of lumber products. About 90 or 95 per cent of all the flooring produced by members of the Association is sold through retail and wholesale lumber dealers who take the trade journals above mentioned. I have a list of the data that have been given to the Department of Justice and the Federal Trade Commission at various times.

(Said document marked dfts'. Ex. J. and received in evidence.)

The Association has an Advertising Committee, Committee on Costs Surveys, Grades Committee, Committee on Canadian Flooring Tariff, and then in 1922, soon after I returned from the Trade Association conference at Washington, the Statistical Committee was appointed to cooperate with the Department of Commerce with reference to any statistics or any work that the Department of Commerce might wish to take up with the industry.

Q. I mean those committees other than the one on cost surveys, their duties are clearly enough indicated.

A. Yes.

Q. The grading committee relating to grades; the advertising committee, relating to advertising; the statistical committee, relating to the statistics and their distribution, other than those committees, coming to the committee on cost surveys, I would like to know exactly what that committee does. I mean, how does it function under the present articles of association.

[fol. 318] A. Well the committee functions just exactly in accordance with Article 14 of the Articles of Association. It is very clearly set forth and defined in there how these surveys of costs are to be made and their work is done in accordance with that article.

The members of the Committee on Cost Surveys ascertained from all sources available the market value of rough maple flooring lumber as established from time to time by sales on the open market. There are 8 members on the Committee on Cost Surveys, but they are very seldom all there. They have not held separate meetings,

except only once. They generally come to the Congress Hotel about the time the association meetings are held and they get their information as best they can.

The Court: Of course, we understand how they get their information as to market prices and the value of maple lumber. Where do they get their data as to other matters that go in to make up the average cost?

A. The data submitted to the members of this committee regarding manufacturing and marketing costs is compiled by me from information which I receive from members of the association and the average is given to the Committee on Cost Surveys regarding the average cost of manufacturing and marketing flooring during a given quarter.

The Court: What services do these members of this committee perform separately and distinctly from the services that you perform?

A. Why, they advise me as to what the average cost is of the rough maple flooring lumber delivered f. o. b. cars at the flooring plants, based upon purchases which they have themselves made in the open market or which other members of the Association inform them that they have made on the open market, or of sales which they may learn of through the lumber trade papers or anyone else who may have sold lumber, rough maple lumber, or purchased rough maple lumber. That is all they do.

The Court: So that when you get to the bottom of this thing they furnish you some additional information.

A. Regarding the cost.

The Court: Derived from outside sources and you combine that information with the information which you have received from individual members of this association in making your reports.

A. Yes, sir.

That is the sole function of this committee and it does not go beyond that scope. It does not analyze or interpret its findings.

Q. Now counsel in questioning you with reference to this present committee, referred in his question to this being the successor of the market conditions committee. Does this Committee on Cost [fol. 319] Surveys make any forecast reports or findings as to market conditions, either present or future?

A. None whatever.

Q. Other of course than the market prices of rough lumber that we have gone into. Or does it make any forecasts of any character?

A. This Committee does not in any way discuss the prices of flooring or make any forecast in regard to the price of flooring. They do discuss the price of rough maple lumber, the cost of manufacturing and marketing flooring and they might give some information regarding what information they have as to the available supply of rough maple lumber out of which they manufacture maple flooring.

Q. Since January 1, 1922, has this committee or any other committee of the Association issued the bulletins or letters, some of which have been introduced here for earlier years, as giving general or discussing general market conditions and making observations as to the future or immediate future of the industry?

A. No, sir.

Q. Have any such reports been issued from any source in the Association since January 1922?

A. No, not from the Association offices, or from anyone connected with it.

Q. Or from anyone connected with the Association?

A. No, sir.

Q. So far as it has come to your knowledge.

A. So far as I know about.

[fol. 320] There is not now and has never been under the present articles of association or since January, 1922, any registration of special representatives or brokers. There is not now and has never been since January 1st, 1922, any exchange of quotations among members of the present Association. This Association has never done anything of that kind and this is not a part of its work. I understand that different members of the Association issue their price lists from time to time. None of those price lists are ever filed with the Association. Neither do the members of the Association exchange price lists so far as I know. They do not do so through the Association. The Market Conditions Committee went out of existence in the summer or fall of 1921. That committee and its operations did not extend into the new association.

Q. Now referring to the earlier correspondence, reports and I think it is all in the correspondence perhaps, reference is made from time to time to prices of some particular grade of maple flooring being a concession of so many dollars from list.

A. Yes.

Q. What was that reference to?

A. In publishing these tables of values based upon average cost, they were worked out on the basis of test runs, and the cost of manufacturing and marketing flooring, and in some cases this proposed profits of ten percent on sales was included to illustrate what prices should be realized for flooring if it was sold based upon those fundamental elements, and then in order to avoid reprinting these tables of values, frequently, the differences were covered by these concession sheets or differential sheets.

Q. Now those concessions sheets or differential sheets are no longer and have not since 1922, have they, January, 1922, been issued?

A. No, they are not issued at all. Nothing has been issued different from what has been in the rate book and these average cost charts and so forth.

Q. And that practice therefore of issuing a sheet or statement showing concessions from the so-called lists does not obtain under the present Association?

A. Not at all.

[fol. 321] No information received by me from members except that disclosed in the regular statistical reports is divulged by me to other members. There is a membership fee fund of $200 per matcher. That is in the nature of a guaranty fund to insure payment by members of their obligations to the Association, if any-

thing should happen. I think that fund at the present time amounts to $17,000 *or* $18,000. About 90 per cent of the fund is invested in Liberty Bonds. The total yearly expenditures of the Association do not amount to more than a quarter of one per cent or three-tenths of one per cent of the value of the flooring sold by the members.

In a vast majority of cases lumber products and maple flooring are sold at delivered prices, because the buyer insists upon knowing the cost of the flooring, we will say in this instance, delivered at destination. Therefore the flooring manufacturers will quote him the delivered price on the flooring, and when this purchaser receives the flooring he deducts from the invoice for the flooring which is sold to him at the delivered price, the actual freight paid from the point of origin to destination of the shipment. Then he remits the balance to the manufacturer. In other words, if a lumber dealer at Nashville, Tennessee, buys a carload of flooring and it is shipped [fol. 322] from Saginaw, Michigan, that lumber dealer deducts the actual freight that he pays to the railroad company on this car of flooring from Saginaw, Michigan, to Nashville, Tennessee, and remits the balance to the shipper. I think that about 90 or 95 per cent of the flooring produced is sold at delivered prices. The actual freight is paid by the customer from points of origin to point of destination, the customer deducting the freight paid by him from the invoice price of the flooring.

Q. In examining you with reference to the minutes or to the meetings of the Association, what was done at those meetings. Mr. Fowler intimated that perhaps the members of the Association met together, and before organizing into the meeting, discussed the prices of lumber, and then formally organized and discussed purely routine matters.

A. Well the members never did anything of that kind.

Q. Has any such subterfuge ever been adopted in this Association?

A. I was about to say that that would be simply a subterfuge and we have never done anything of that kind.

Q. Have you, Mr. Keehn, since January 1, 1922, since the organization of this Association, observed the injunction which you said Mr. Newman gave to you and the members of the Association, that you are not as an Association meeting, or when they met together, call them association meetings, you are not to discuss the price of maple flooring, or prices to be asked or charged for maple flooring?

A. We have never discussed the prices to be charged or asked for maple flooring. We of course have the weekly reports of sales and monthly report, and which are past transactions, and sometimes as those reports were distributed at the meeting they looked them over.

Referring to letters which have been introduced by the Government, some of them dated in 1921 and three in 1922, said letters having been exchanged between manufacturers who were members of the Association and outsiders, wherein northern group or north-

ern mills are mentioned, I can state that the activities of the so-called northern group or northern mills were never brought to my attention as secretary of the Association. I had nothing whatever to do with such matters and I had no personal knowledge of them.

[fol. 323] Q. And was the activity of that so-called Northern Group ever authorized, approved or countenanced by the Association?

A. Never.

Q. Or by you as Secretary?

A. The Association had no knowledge of it as an Association.

Q. And none of the matters which are referred to in these letters were brought to the attention of the Association or your attention?

A. They were never mentioned or discussed at any meeting of the Association and were never mentioned or discussed with any, by any members of this so-called group. As a matter of fact I was out of the court room when the letters were read and I don't know who the so-called group is, you know, who constitutes the group.

Q. Did this association, the Maple Flooring Association, ever hold meetings at Marquette or Milwaukee or Escanaba or any other point than Chicago?

A. Never; the only place of meeting of our Association has been Chicago, except I think about ten years ago we had one or two meetings, mid-summer meetings, at Mackinac Island.

Q. Did you ever have a meeting at Marinette, Wisconsin?

A. Never.

Q. Does the Association, the present Association, or have they met, any of the past associations, have regional meetings or sectional meetings of the Association?

A. No, that has never been done.

Q. At any time?

A. At any time, either past or present.

Q. Did you ever hear of a Marinette basis? Or a Marinette arrangement?

A. Never; no, sir.

Q. Now there is also included, Mr. Keehn, in this group of correspondence, correspondence I think passing between four or five mills that seen to be the manufacturers of one and one-sixteenth inch flooring. Did the activities of that particular group of flooring manufacturers ever come to your attention?

A. No sir. They are never discussed at any meetings of the association, I might say Mr. Johnson that on March 26, 1923, I received from J. W. Wells Lumber Company a copy of the correspondence which the Department of Justice got out of their files, so I must admit it has come to my attention since 1923.

Q. That is since the preparation for this trial by the Government and suit was started.

[fol. 324] A. Yes, sir.

Q. But understand, my question refers to any time prior to the time that this suit was started.

A. On both of those cases, Mr. Johnston, I have no recollection or knowledge of any of those things having been mentioned to me, and they never were discussed in any Association meetings.

Q. Did the Association, or you as Secretary, or the directors or trustees of the Association, ever authorize any activities on behalf of this small group manufacturing the one and one-sixteenth inch flooring?

A. No, sir.

Q. Or countenance any such activities by any separate group within the Association?

A. No, sir.

Q. And the activities of such a group was never brought to the attention of you or to the attention of the association until during the course of the preparation of this trial?

A. Yes. The Association, Mr. Johnston, as an Association, never had anything to do with those matters, and I as Secretary of the Association never had anything to do with them.

Q. Mr. Keehn, there is mentioned in some of these letters passing between separate manufacturers that they have made a price which they have guaranteed against decline for a certain period Is there any such arrangement as a guaranty against decline provided for by your Association or included in your activities in any way?

A. None whatever.

Q. If the manufacturers make such arrangement in quoting to customers, that is something entirely individual with the manufacturer?

A. It is an individual policy or whatever he chooses to do.

Q. It is something which is not considered or acted upon in any way by the Association.

A. Not by the Association.

[fol. 325] In some of the letters introduced by the Government reference is made to prices for extra shorts and the movement of that product. Neither I as secretary of the Association nor the Association ever knew of any such matters. We have no objection to eliminating from our reports all reference to the particular members failing to report and we will eliminate such references hereafter. We will omit the numbers of members who do not report, but simply state that two or three or four members have not reported without giving their numbers. We will also omit the surplus stock statement and data of reports received. With respect to the average cost as disclosed by test runs made by different members, only the total is shown. The individual figures of the different members are not. In other words only the average is shown and not the individual results of each member.

(Direct examination by Mr. Fowler:)

Q. I don't think I understand exactly when this reporting system was begun and how it developed.

When did you first begin requiring the members to make reports of their daily sales to the Association?

A. I don't recall that either, Judge Fowler, it may have been some time in 1920, but I would not be positive about that.

Q. Before that time they had not been making those daily.

A. The weekly reports of sales?

Q. I mean weekly reports of sales.

A. The weekly reports of sales. The form of the Association work changed a good deal during all these years, and I can't tell when those weekly reports were started and when stopped.

Q. Did you secure an opinion from your attorney with reference to the legality of the minimum price plan?

A. I think we did but not in writing.

Q. They advised that it was legal?

A. They advised us to submit it to the Federal Trade Commission and the Department of Justice, which we did.

[fol. 326] Q. Did they advise you that it was legal?

A. It was their opinion, as I recollect it now, that it was not an unreasonable restraint of trade.

Q. And you also secured their opinion with reference to the minimum price basis.

A. Yes, sir.

Q. And they advised you that that was not illegal.

A. In all these transactions, Mr. Fowler, we have consulted our attorneys from time to time, and we tried to be guided by their opinion, and I presume their opinion has changed as the Sherman Anti-Trust Act has been interpreted by decisions of the Supreme Court.

Q. In regard to these differentials which have been eliminated from that rate book, you send out every month a report showing the difference in price or the difference in prices of the several grades of 13-16th 2¼ don't you?

A. Yes, sir; Clear, No. 1, and Factory.

Q. So far as these differentials are concerned, all the member has got to do is just to turn to the report and it is set forth there.

A. He can see what different members are selling these different grades at and the difference the different members make between the prices on different grades.

Q. And that constitutes eighty per cent of the entire business.

A. I imagine it constitutes about 70 per cent of the entire business but that would not make any difference.

Q. I thought you stated it to be about eighty.

A. Not 13-16 x 2¼ face alone.

Q. You think that is 70?

A. Might be 70, or might be 80, Mr. Fowler, I couldn't be certain; it varies according to the class of stock they run into flooring as to what they get out of it.

Q. Again, in regard to those rate books, have you recently issued any rate book, since July 1923?

A. I think we have.

Q. Haven't you just advised your members to tear those up?

A. That is copyrighted you know; no we print new data but don't reprint the rate book; we only reprint the rate book when the freight rate changes, so we send out average cost charts from time to time; we have one going out now dated November 10, 1923.

[fol. 327] Q. You undertook to testify that the members of your Association didn't talk about anything else but just those particular things that are mentioned. How do you know what they talk about?

A. I don't know, I can only tell you what I hear them talk about.

Q. All you mean to say is that you didn't hear them talking about anything.

A. Yes. I can only testify you know as to what they talked about when they had the meetings. I can't tell you what they——

Q. What they talked among themselves, of course you don't have any idea?

A. I can't say unless I was listening.

Q. As a matter of fact you say you didn't know about this correspondence between the Wells Company and these other fellows.

A. I didn't know about it until I told you, this March 26th stuff.

Q. You didn't know correspondence was going on between any members.

A. It does not come to my office.

Q. But these association prices that are mentioned in this Wells correspondence were the prices of your association though, were they not?

A. Well that is a question. I don't know whether they were or not.

Q. Well you didn't know of any other association that the Wells Company belonged to did you?

A. No, no other flooring association, no.

[fol. 328] (Correspondence and other documents marked Gov. Ex. 58, 58-A, 59, 59-A, 60, 60-A to 60-P, 61, 61-A, 62, 62-A to 62-N, 63, 63-A to 63-G, and 64, and received in evidence.)

(Certain specimens of allotment statements prior to 1922 were marked Gov. Ex. 65, 65-A to 65-3L, and received in evidence.)

I think approximately half of the members of the defendant association, possibly a few more, produce their own rough lumber out of which maple flooring is manufactured. I have a complete tabulation of that which our attorneys will introduce as a part of our defense.

(Condensed Financial Statement, July-December, 1922, was identified by the witness, marked Gov. Ex. 66, and received in evidence.)

[fol. 329] Deposition of Warren D. Brush, Taken Pursuant to Stipulation, at Washington, D. C., on November 23, 1923

Warren D. Brush, being duly sworn, testified as follows:

(Direct examination by Mr. Thompson:)

I am a forester. My work is technical work in forest products and my title is Scientific Assistant, Forest Service. My work covers

the uses of various woods in industry and the amounts of different kinds of wood used for different classes of products, as well as statistical and other work relating to uses of woods. I have been in the forest service for 15 years. I have made a study of wood using industries in the State of Michigan. That was in 1920. That study was to collect statistics for uses of woods in the states for all different purposes, by kinds and by classes of uses. That study included the uses of the maple lumber. That study is the basis of an official publication now in the course of preparation and will be issued later. In order to obtain the statistics to be used in said report, schedules were sent out to all firms in the state manufacturing wooden products, on which the amounts of different kinds of lumber used were to be filled in. Where the information was incomplete, it was filled out by a personal visit. I think that the figures obtained are complete and just as accurate as it is possible to make them.

From the study that I made I have drawn off certain figures as to the uses of maple lumber by factories in the State of Michigan.

[fol. 330] "Q. What was the total amount of maple lumber used by factories in the State of Michigan during the year 1920?

Mr. Johnston: Let me enter an objection on behalf of the defendants to the statistics for the year 1920, as being statistics antedating the existence of the Association sought to be dissolved, which was organized on January 1, 1922. And by agreement may this objection apply to other questions relating to that, without repeating and unnecessarily clogging up the record?

Mr. Thompson: Yes, I understand that that objection applies to all.

A. The total amount of maple lumber used by factories in Michigan in 1920, under these statistics, is 286,363,000 board feet."

Of the amount above given, there were 232,425,000 board feet grown in Michigan. There were 178,477,000 board feet of maple lumber used in Michigan in planing mill products. Maple flooring is included in the classification of planing mill products.

The statistics of the amount of maple lumber used in other industries in the State of Michigan are as follows:

Motor vehicles, 63,339,000; furniture, including chairs—chairs are given in another table, but I can combine the two here—11,966,000 board feet; sash, doors and blinds,—I put that in as being somewhat similar to the planing mill products, it is a small amount—133,000 board feet, musical instruments, 2,486,000 board feet; handles, 5,075,000 board feet; sporting and athletic goods, 2,081,000 [fol. 331] board feet; agricultural implements, 1,324,000 board feet; carriages and wagons, 5,015,000 board feet; professional and scientific instruments, 1,900,000 board feet; boxes and crates, 9,795,000 board feet. And there are quite a number of other classes which I didn't include, of small amounts less than a million board feet. There would be quite a number of them and I didn't include those statistics.

The figures above given include all the principal classes of uses to which maple lumber is put. It is very difficult to determine the

percentage of maple lumber going into planing mill products that goes into maple flooring. It would be a very large amount, probably something like 90 or 95%, which would go into flooring. In my study figures were not obtained for the amount of maple lumber going into flooring alone. Flooring was reported on and was included with other items of other planing mill products. From my study and familiarity with the industry and the uses of lumber, I am satisfied that the estimate of 90 or 95% is reasonably accurate. I would say that it is a conservative estimate.

From my work in the forest service, I am familiar with lumber conditions throughout the country only in a general way. Of course, I am familiar with the general conditions throughout the country as a whole and throughout certain large sections. The Lake States are one of the great centers of maple lumber production, and to a minor extent the southern hardwood region, and also [fol. 332] New England. That would be shown by our lumber production statistics, I think.

There are several different kinds of maple. There are two commercial kinds, hard maple and soft maple. From a commercial standpoint, the hard maple is, as the name implies, very hard and will stand a great deal of wear. The soft maple is softer and is not so durable under conditions involving considerable wear. Hard maple is very largely used in the manufacture of maple flooring. Soft maple would by no means make so satisfactory a flooring as the hard maple. Flooring made of soft maple lumber would not be able to compete successfully with flooring made of hard maple. Hard and soft maple grow together more or less, but as a general rule I would say that the two together would not grow in commercial stands in large quantities. I am not altogether qualified to pass upon this matter, but my opinion is as I have stated. The Lake States contain the principal hard maple stands in this country, namely Michigan, and to a less extent probably Wisconsin.

I don't know whether I could answer your question of which kind of maple predominates in the other maple producing centers I have mentioned. I know that the soft maple is very important in New England, probably more important than the hard maple. As to other sections, I am not familiar enough with them to make any definite statement.

(Cross-examination by Mr. Johnston:)

I made the study of the lumber industry in the State of Michigan myself. I went to Michigan for that purpose. I did the making [fol. 333] out of the schedules in Washington, but there was considerable field or follow-up work done in Michigan. The schedules or questionnaires were sent to all manufacturers of wood products in the State of Michigan. We got our lists of manufacturers from a great many sources; we got them from publications that we had put out; we got them from various directories put out by lumber associations, and all these lists were carefully checked over. Publications containing lists of persons engaged in all forms of wood-

working are the Blue Book, the National Lumber Manufacturers' Association and the Red Book. Those lists were very carefully checked up in every town. If no answer was received to the inquiry that we sent out, we made a personal visit and ultimately got data from all persons to whom inquiries were sent out, provided they were still in business. This questionnaire, among other things, covered the use to which the particular industry was putting lumber. There was not in the questionnaire a special inquiry as to the manufacture of flooring. It was an inquiry as to what use they made of each wood. In the questionnaire there was a space for the products manufactured and also a space for the species and each firm put down the product that was manufactured opposite each species of wood used; also the quantity of each species of the wood which was used for any particular purpose.

From the information received from all sources, we made up a schedule classifying various uses in accordance with said informa-[fol. 334] tion. We did not make up a separate schedule as to flooring. I think we could have done this, but we did not feel it necessary to do so. Under the general heading, "planing mill products," we included house finish—exterior finish such as weather-boarding—interior finish such as base boards—and all such products that come out of the planing mill and are not reworked into various other products.

"Q. Now, have you made any computation, by going through your figures, to determine the proportion of the class, which you have designated "planing mill products," which is represented by maple flooring, or is that just an estimate that you made?

A. That is an estimate.

Q. You have not taken the figures and figured it out for any one mill or any group of mills?

A. No sir.

Michigan mills make quite a great deal of interior finish, but I am quite sure that this is not made of maple. The study was completed, or all office work was completed, in 1922. I have gone over the figures since that time, including the figures relating to maple lumber, but I have not made any special tabulation of the maple flooring figures. In getting out the questionnaire, we did not make a classification of the kinds of maple flooring that were made by the various manufacturers with respect to grade. My study also included beech and birch lumber. Beech and birch are classified under planing mill products and other heads.

Q. And would you say that the same estimate which you have made as to maple flooring—namely, that about 90% of the lumber [fol. 335] which you have classified as used for planing mill products was for maple flooring—would apply to beech and birch?

A. No sir, I would not.

Q. Would you say that a larger percentage of beech and birch was used for other planing mill products than for flooring?

A. Yes, sir.

Q. Your study did not extend into the State of Wisconsin, did it?

A. No, that study did not, except that it applied to woods, maple and other species, which were grown in Wisconsin and manufactured in Michigan; that is the only extent.

Q. Yes, but that represented only a small part?

A. Yes sir.

Q. Did your study indicate where the lumber came from that was not grown in the State of Michigan?

A. No.

Q. So that you could not say that all of that that came into the State of Michigan was grown in Wisconsin?

A. No, but just from general knowledge I would say that a very large part of it was grown in Wisconsin.

Q. Do you know anything about the maple lumber industry in Canada?

A. No, I do not.

Q. Are you familiar with the fact that there is produced in Canada a very large quantity of maple lumber?

A. I know that they produce a considerable amount; I don't know how much.

[fol. 336] Q. And that they also produce from that maple lumber, maple flooring?

A. I know they do.

Q. Which comes into this country in considerable quantities?

A. Yes, I know they do produce considerable amounts.

Q. Now, the maple lumber which is produced in the New England States, that is the hard maple lumber, is for commercial purposes and of the same quality as the hard maple lumber produced in Michigan and Wisconsin, is it not?

A. Yes, what would be produced in New England would be for the same purposes.

Q. Do you know how many mills there are in the State of Vermont and New Hampshire which are producing maple flooring?

A. No sir, I do not.

Q. Hard maple flooring, of course, I mean.

A. No, I do not.

Q. There is no such thing as soft maple flooring, is there?

A. I don't think there is, no; it would be very inferior.

Q. Now, there is produced, is there not, a considerable amount of maple flooring in West Virginia?

A. Yes.

Q. That is hard maple, and it would be produced of identically the same quality as the Michigan and Wisconsin maple?

A. Yes."

[fol. 337] DEPOSITION OF FRANKLIN H. SMITH, TAKEN PURSUANT TO STIPULATION, AT WASHINGTON, D. C., ON NOVEMBER 23, 1923.

FRANKLIN H. SMITH, being duly sworn, testified as follows:

(Direct examination by Mr. Thompson:)

I am in charge of the Lumber Commodity Division of the United States Tariff Commission, and have held that position just a little over a year. Immediately prior to that I was Assistant Secretary and Statistician for the National Lumber Manufacturers Association. I held that position for about eighteen months. I went with the Association in March of 1920. I was with the United States Forest Service from, I think, March, 1908 until March, 1920, with the exception of about eighteen months, when I was with the Department of Commerce. When I was with the Forest Service, my title was that of Statistician and had to do with the compilation of statistics among the wood using industries, also of forest products, and largely with the utilization of wood in its various forms, such as studies of wood using industries from various states.

As Assistant to the Secretary of the ational Lumber Manufacturers Association I had the running of the office, what you might call an executive position. In addition to that, there was a bit of economic and statistical work done. In its statistical work the Association compiled and published weekly and monthly statistics of the production of lumber throughout the United States as reported by member mills of various Associations.

[fol. 338] The National Lumber Manufacturers Association is composed of associations, or what we term the "regional associations." There were no individual memberships.

"Q. Will you please pick out the several regional associations and in connection with each give us its name and the territory it covers and the kinds of woods which are produced in that territory and which come under the statistics of that regional association?

A. Without regard to their relative importance or relative quantity production, or any other arrangement except that that comes to me, would be the Southern Pine Association, with headquarters at New Orleans, the members of which produce almost exclusively southern pine, which embraces both long leaf and short leaf pine; that association issues and sends to the National Association weekly production figures for its members, together with stocks and unfilled orders. Did you wish me to state the approximate territory covered by each association?

Q. Yes.

A. The Southern Pine Association members are located, of course, in the southern pine producing belt, which is Texas, Louisiana, Mississippi, Alabama, Florida, and I think they have a few members in Georgia since they maintain a branch office at Jacksonville. The next association I think of is Georgia-Florida Sawmill Association, with headquarters at Jacksonville, whose members also produce long

leaf pine principally and who report the same character of statistics to the National Association; the membership is confined [fol. 339] to Georgia and Florida, and possibly one or two members in Alabama and possibly one or two in South Carolina. The next association is the North Carolina Pine Association, at Norfolk, Virginia, whose members produce loblolly or short leaf pine in North and South Carolina and Georgia. Getting further west, we find the Northern Pine Manufacturers Association with headquarters at Minneapolis, embracing eight or ten white pine producers in Minnesota and the Northern Peninsula of Michigan. Also the Northern Hemlock and Hardwood Manufacturers Association, at Oshkosh, Wisconsin, whose members produce in the way of soft woods hemlock principally, a very small amount of white pine and quite a large proportion of the hard woods of that region; the membership is found in both Wisconsin and Michigan. There is also the Michigan Hardwood Manufacturers Association, at Cadillac, Michigan, whose members produce hemlock and hardwoods: there is a bit of overlapping in the membership as between the Northern Hemlock Association and the Michigan Association. There is some question in my mind as to whether you would have me testify to another association which has come in to the National Association since my leaving there.

Q. No, I think we want just those that you were directly connected with in your position with the National Association.

A. The next association would be that of the Western Pine Manufacturers Association, Portland, Oregon, producing chiefly western yellow pine, the membership of which is found in Oregon, that is western Oregon, and a few members in eastern Oregon, eastern Washington and western Idaho and western Montana. There is also the West Coast Lumbermen's Association whose members are located in [fol. 340] Washington and Oregon, producing chiefly Douglas fir with also spruce, hemlock, cedar. There is also the Redwood Manufacturers Association, whose members produce chiefly redwood in California. There is also the California White and Sugar Pine Association, with headquarters in San Francisco, producing white or sugar pine and western yellow pine, with mills located in California and, I think, one mill in Nevada or close to the border line. Those associations that I have mentioned are the ones which are the organizations affiliated with the National Lumber Manufacturers Association, with the exception of one which has come in since I have been connected there.

Q. Was the Southern Cypress Association affiliated with the National Lumber Manufacturers Association?

A. Yes; I neglected to mention the Southern Cypress Manufacturers Association, of New Orleans, producing cypress in Louisiana and Florida.

Q. Did these other associations which you have mentioned make similar reports to the National Association?

A. One of them does. that is one that I have not—let me see if I understood you correctly.

Q. You testified in reference to the Southern Pine and Georgia-Florida Associations that they made certain reports to the National Association.

A. Yes.

Q. But you did not cover that with reference to the other Associations. Did they all make those reports?

[fol. 341] A. Yes; they all reported to the Association.

Q. Did I understand you to say that there was one other association that was not a member that made reports to the National?

A. Yes.

Q. What was that?

A. That is the Hardwood Manufacturers Institute, of Chicago. There is still one other major association which is not a member of the National Association.

Q. What is the association?

A. That is the National Hardwood Lumber Association, also of Chicago. However, the membership is largely of wholesalers and distributors.

Q. Not all manufacturers?

A. No; it has in its ranks a number of manufacturers, but I think that the bulk of its membership is of distributors.

Q. Do you know what producing territory is covered by the Hardwood Manufacturers Institute?

A. Largely the Mississippi Valley. That, however, would—it includes in its membership mills in Texas, Alabama, Arkansas, Tennessee, Kentucky; getting over into the Appalachian field, West Virginia; and I think there are one or two mills in both Wisconsin and Michigan which are members of that organization.

Q. Which of these regions produce maple lumber?

A. The bulk of the maple is produced in the northern—in the Lake States region; that is the region that is covered by the Michigan Hardwood Manufacturers Association and by the Northern Hemlock and Hardwood Manufacturers Association.

[fol. 342] Q. State specifically what States do you refer to as the "Lake States"?

A. More particularly—well, Michigan and Wisconsin.

Q. In what other regions is maple lumber found?

A. Maple is found in the northeastern States—that is, Maine, New Hampshire, Vermont, New York, Pennsylvania, and is also produced in West Virginia. I might say that it is produced—practically every hard wood producing State cuts some, since it is a well distributed species.

Q. Is there more than one kind of maple?

A. There are both the hard and so-called soft maple.

Q. Are those two kinds found together in the same stands?

A. Only to a slight extent.

Q. In what regions is hard maple predominantly found?

A. Largely in the Lake States, in Michigan and Wisconsin.

Q. From your experience and studies in the Forest Service and while with the National Lumber Manufacturers Association, have

you any way of estimating the approximate percentage of the hard and soft maple found in Michigan and Wisconsin?

Mr. Johnston: I object to an estimate not based upon actual figures but merely upon the witness' general knowledge of the subject, as being incompetent, not the best evidence.

Mr. Thompson: I will pass that question for a few minutes.

Q. In your work in the Forest Service, were you connected with the compilation of figures of the production of lumber in various sections of the country?

A. Yes.

Q. And in that connection did you become familiar with the production and with the stands of timber in the various sections?

[fol. 343] A. Yes.

Q. In reporting the stands of maple and production of maple lumber, is any differentiation made between the hard and the soft maple?

A. Not in the production figures, no.

Q. But in the figures of standing timber?

A. Yes, there is a distinction made.

Q. Where are those figures recorded?

A. The figures on production are covered by the annual publications of the Forest Service and also of the Census Bureau continuously for each year since 1904. The stands figures—there has never been any one publication in which you can find the data to which you refer. There are various publications in which the stands of various regions or various States or of various species have been touched upon.

Q. Have you been familiar, during your work in the Forest Service and with the National Lumber Manufacturers Association, with those figures?

A. Very largely with the production figures.

Q. Returning to the first question, did you state whether you had been able to approximately estimate the relative percentages of the hard and soft maple produced in the several regions?

Mr. Johnston: You are asking whether he had been able to estimate?

Mr. Thompson: Yes.

A. Yes, I can approximate—give an approximation of the production.

Q. What would your estimate be of those relative percentages [fol. 344] for the Lake States region?

Mr. Johnston: I renew my objection for the reasons previously stated, and for the additional reason that it appears there are publications from which these figures may be obtained.

A. I should say that in Michigan and Wisconsin, 95% to 98% of the maple cut was hard maple.

Q. And what is your estimate of those relative proportions in the New England States?

Mr. Johnston: I make the same objection.

A. I should think that 75% of the maple cut in the northeastern States was of the soft variety.

Q. And with reference to the other regions in which maple is found?

Mr. Johnston: I make the same objection.

A. In West Virginia and the adjoining States, so far as apply to the Appalachian region, possibly 60% hard and 40% soft.

Q. And are there any other maple producing regions?

A. Maple is produced in the Mississippi Valley, in fact all of the hardwood producing States, but only in minor or limited quantities.

Q. Are you able to make any estimates of the relative proportions of hard and soft maple produced in these other States?

Mr. Johnston: I make the same objection.

A. Of the total quantity?

Q. Yes.

A. I should think it would be about 75% soft and 25% hard.

Q. Have you ever made a study of wood using industries in the State of Wisconsin?

[fol. 345] A. I have.

Q. When was that?

A. In 1909 or 1910.

Q. In that connection, did you make a study of the uses to which maple lumber is put?

A. I did.

Q. What are the principal uses for that lumber?

Mr. Johnston: That is objected to upon the ground that the study antedates the organization and existence of the defendant Maple Flooring Manufacturers Association and, further, it is too remote in point of time to be competent, material or relevant to the issues involved in this case.

A. I should say that the bulk of—or not the bulk, say a large per cent of the maple produced in Michigan and Wisconsin goes into flooring.

Q. What are the other principal uses for that lumber?

Mr. Johnston: It is understood my objection applies to all of this inquiry as to his report in 1909 and 1910?

Mr. Thompson: Yes.

A. It is produced in the usual lumber form, complete lumber form, and used for various purposes, particularly along the lines of laundry machinery, vehicle manufacture, lawn furniture, toys, lasts, furniture, sleighs, various other purposes for which a hard, strong, wear resisting lumber is usable.

Q. In making your study, did you make a separate classification of maple flooring as a user of maple lumber, or did you put that in under planing mill products?

[fol. 346] A. The statistics covered only the utilization of lumber in the planing mills.

Q. Can you state what percentage of the maple lumber used in planing mills is used to produce maple flooring?

Mr. Johnston: That is objected to for the reasons previously stated, and for the further reason that it calls for an estimate or guess, not based upon data presented.

A. Probably 90% of the maple utilized by the planing mills was for the production of flooring.

Q. In your work with the Forest Service and with the National Lumber Manufacturers Association, have you kept closely enough in touch with conditions to be able to state whether that percentage, or approximately that percentage, would still hold good?

A. I think that it would.

Q. You think the same percentage would hold good at the present time?

A. Yes.

Q. Which of the two species of maple that you have mentioned is suited to manufacture maple flooring?

A. Hard maple, because of its hardness of texture and wear resisting qualities.

Q. Is soft maple used, too, for the manufacture of maple flooring at all?

A. If it is so used, it would be used only in isolated cases.

Q. Where is the maple flooring industry in this country centered?

A. In Michigan.

Mr. Thompson: I think that is all.

[fol. 347] Cross-examination.

By Mr. Johnston:

Q. Mr. Smith, you say you are now with the Tariff Commission?

A. Yes, sir, the Tariff Commission.

Q. In charge of the Lumber——

A. Lumber Commodity Division.

Q. Yes. Now, while you were with the National Lumber Manufacturers Association, were all of these various associations which you have named members of that Association?

A. Yes; with that exception which I named at the last; that is, the Hardwood Manufacturers Institute and the National Hardwood Lumber Association.

Q. Are they members now?

A. No; the Hardwood Institute is.

Q. It is a member now?

A. It is a member now.

Q. Now, you named eleven associations, I believe. Does each of those associations furnish to the National Lumber Manufacturers Association weekly a statement of their production?

A. Cut and shipments is what is made.

Q. Cut of lumber and shipments of lumber?
A. And also orders on hand.
Q. Unfilled orders?
A. Unfilled orders.
Q. And stocks on hand?
A. Stocks on hand and stocks—let me correct that; stocks on hand are not furnished with the same regularity nor by all of the associations.
[fol. 348] Q. But they furnish their cut and shipments?
A. Cut and shipments.
Q. And is that done weekly?
A. That is done weekly by telegram.
Q. And are those figures then made available to the members of the National Lumber Manufacturers Association?
A. They are printed and sent to the affiliated associations for distribution to their members, and at the same time given to the press.
Q. How soon after this data is received by the National Lumber Manufacturers Association is it distributed to its members, the affiliated association?
A. In approximately 24 hours.
Q. That is done as soon as it can be complied?
A. As quickly as it can be complied and printed.
Q. And when they receive from member associations the data with respect to stocks on hand or any other data, that is likewise compiled?
A. Yes.
Q. And relayed back to the members for distribution in turn to their membership?
A. Yes.
Q. Has the Maple Flooring Manufacturers Association ever been a member of the National Lumber Manufacturers Association?
A. Not to my knowledge.
Q. Have you from time to time, or did you from time to time, while you were Assistant Secretary of the National Association receive the statistics of the Maple Flooring Manufacturers Association?
[fol. 349] A. No. My thought is that they published no statistics.
Q. Did you ever make inquiry to ascertain whether those statistics were available, or were you interested in obtaining statistics outside of your members' statistics?
A. Not officially.
Q. That is, it was not part of the duties of the National Lumber Manufacturers Association to collect lumber statistics outside of the statistics furnished by its constituent members?
A. No.
Q. Did the information furnished the National Association by its members contain the prices charged for the lumber, or various grades of lumber, which were being sold?
A. No; the National Association has never attempted to compile prices. We did upon one or two special occasions, particularly

during the flurry when lumber reached its peak price, attempt to ascertain prices for comparative purposes, but not as a practice.

Q. The production figures to which you refer are all in terms of board feet?

A. Yes.

Q. And not in terms of dollars and cents?

A. No; board feet.

Q. Now, you say that the maple lumber, that is the hard wood maple, is produced principally in Wisconsin and Michigan?

A. Yes, sir.

Q. There are Government statistics, are there not, which show the annual cut of maple lumber in various sections of the United States?

A. Yes, by States.

Q. By States. And those statistics are prepared by what branch of the Government service?

[fol. 350] A. By the Forest Service for some years and by the Bureau of the Census for other years.

Q. Those statistics are available, are they not?

A. Since 1904 annually.

Q. Yes. And do you know how they are compiled, I mean from what source the information is obtained upon which those departments base their statistics?

A. From the individual mills, by a questionnaire or form.

Q. Yes, which they send out in order to get the information?

A. Which they send out, yes.

Q. Are you familiar with the fact that in addition to the hard maple produced in the northeastern States of Maine, New Hampshire, Vermont, New York and Pennsylvania, a considerable quantity of hard maple is produced in Canada which finds its way, either in the form of rough maple lumber or in the form of finished flooring, maple flooring, into this country?

A. I know very little about the production of Canadian lumber.

Q. In connection with your work with the Tariff Commission, has that subject come to your attention?

A. May I be excused from answering any question which has to do with knowledge acquired by me since my connection with the Tariff Commission?

Q. Well, I only want to know the general fact, whether you know of maple lumber or maple flooring coming into this country from Canada. I think that is a matter of common knowledge to those engaged in the trade.

A. I think it is, but I——

[fol. 351] Q. I am not asking for any specific figures.

A. No, but I would rather now answer the question.

Q. All right. Now, in addition to the hard maple which is produced in the northeastern States, there is considerable hard maple lumber produced in the West Virginia district, is there not?

A. Yes.

Q. The number of mills producing hard maple in that section of the country are on the increase, are they not?

A. I think not.

Q. Is not that a region which is more recently developed?

A. Well, West Virginia is pretty well cut out, both of its spruce and of its hard woods.

Q. Are you aware of the distribution of the flooring mills that are manufacturing maple flooring, hard maple flooring?

A. Only in a general way. I have no——

Q. Do you know, for instance, the number of such flooring mills in the United States?

A. I do not know the number.

Q. Do you know the number in the northeastern States of Maine, New Hampshire and Vermont, particularly?

A. There are no flooring mills in that section.

Q. There are none manufacturing flooring?

A. No. There are some—there is a bit manufactured by the planing mills, but not what we would call a flooring mill plant.

Q. Do you know whether that flooring is sold to a considerable extent, for instance, in the Boston market in competition with flooring from other sections of the country?

A. No.

Q. Has that ever been brought to your attention?

A. I have investigated that, yes.

[fol. 352] Q. Do you know the percentage of flooring from those northeastern States, particularly from New Hampshire and Vermont, that comes into the Boston market in competition with flooring from other sections of the country?

A. I should say it was very small.

Q. Would you say that it was as much as 30% of the flooring that is sold in the Boston market?

A. No.

Q. Now, you made a study of the wood using industries in the State of Wisconsin in 1909 and 1910?

A. 1909 or 1910.

Q. Or 1910?

A. Yes.

Q. That was made for the Forest Service?

A. That was made for the Forest Service.

Q. Is that embodied in a report?

A. Yes.

Q. Is that report printed?

A. Yes.

Q. In what publication?

A. It was a cooperative study carried on with the State of Wisconsin and I think was published by Wisconsin.

Q. This is the publication, which is headed "Study of the Wisconsin Wood Using Industries?"

A. That is the one.

Q. "By Franklin H. Smith?"

A. That is the one.

Q. That publication contains the results of your investigation in 1909 and 1910?

A. It does.

Q. In that publication, do you segregate the flooring industry from the other wood using industries?

A. No.

Q. And do you state in that report the number of board feet used annually of hard maple by the flooring industries of the State of Wisconsin?

[fol. 353] A. Not by the flooring industries, no sir.

Q. Do you give any figures in this study as to the proportion of the planing mill products, so classified, which is taken up by maple flooring—I mean, do you make in this study a division of the various planing mill uses which you have classified under one head, as I understand it, of "planing mills"?

A. No; just the planing mill products were grouped, but it does not show separately what those products were.

Q. That is what I am getting at. Then, as I understand it, you are basing your testimony, that in your opinion 90% of the hard maple, which is grouped under the use designated as "planing mills," was used for the production of maple flooring, upon your general recollection?

A. Not only upon my general recollection, but also upon my general knowledge of the uses of wood.

Q. Well, what I am getting at is this, Mr. Smith: If in your study in 1909 and 1910 you made no separation of the amount of hard wood used for maple flooring, or maple used for maple flooring, from the amount of hard maple used for other planing mill purposes, how are you able now to state the proportions?

A. Well, knowing the qualities of maple and of other woods, birch and beech and a bit of oak which is found in that region and their adaptability for certain purposes. For instance, the planing mills turn out certain products largely finished for interior finish.

Q. I understand.

A. (Continuing:) The other woods are much better adapted for those purposes than is maple. In other words, we would never [fol. 354] find a wash board of maple; we would find it of the other woods.

Q. Well, I understand your process of reasoning, Mr. Smith, but what I am getting at is: Did you, or anybody else under your direction, ever make any compilation of figures upon which you are basing your testimony?

A. No.

Q. (Continuing:) Of 90%?

A. No.

Q. In other words, it is your general impression from your knowledge of the industries and your knowledge of woods in general?

A. That is correct.

Q. Now, the manufacturers of maple flooring in the State of Wisconsin would naturally keep a pretty accurate record of the amount in board feet of hard maple lumber that they used in a year, would they not?

A. The manufacturers of——
Q. The manufacturers of flooring.
A. Quite, yes.
Q. It is from that source that you originally obtained your information in making your study in 1909 and 1910, from the manufacturers themselves?
A. Yes, sir.
Q. So that the figures which the manufacturers have of their actual use of maple lumber for flooring purposes would be as accurate as it is possible to get at those?
A. I should think so.
Q. Have you continued or brought down to date yourself this study that you made in 1909 and 1910?
A. I did not, no sir.
Q. Has the Forest Service, or any other department of the Government, so far as you know, brought your data of 1910 down to date?
[fol. 355] A. The Forest Service, I understand, has continued its studies of the wood using industries of Wisconsin and also of Michigan and other States.
Q. You, yourself, have not done so?
A. I have not, no sir.
Q. When you say that you think the figures which you found in 1910, or the proportions which you then found to exist, apply today, you are not basing it upon any special study that you have made of the industry?
A. I am not.
Q. (Continuing:) Since 1910?
A. I am not.
Q. For aught you know, there may have been quite a change in the use of maple lumber during that period?
A. Possibly so, due to fluctuation of prices and the introduction of what might be termed more or less substitutes, cheaper woods.
Q. Were you aware of the fact that a very large percentage of maple lumber went into boxes and crates?
A. No.
Q. That was not true when you made your study in 1910?
A. It was not.
Q. And if that is true today, it indicates quite a departure in the use of maple lumber since that time?
A. Yes.
Q. There were uses of maple lumber developed during the war, were there not, with which you may have become familiar in a general way?
A. I don't know whether there were any really new uses; there were increased uses for certain maple products.
Q. That may well have affected the use since the war?
A. Possibly so.
Q. When you say that the center of the maple flooring industry [fol. 356] is in the State of Michigan, you have reference to the

fact that in the State of Michigan there grows a very large body of hard maple timber?

A. Yes.

Q. And there are in that State a considerable number, therefore, of flooring mills?

A. Yes.

Q. (Continuing:) Utilizing that timber?

A. Yes.

Q. As you would naturally expect to be the case?

A. Yes.

Q. Now, with respect to the amount, the proportionate amounts of hard and soft maple which are cut in the various fields, the data compiled by the Forest Service and by the Bureau of the Census should furnish the accurate figures upon that?

A. No, I think not, Mr. Johnston.

Q. Is that because they combine the production of hard and soft in one?

A. It is because of the necessity of combining, because we had no means—I say "we" advisedly. On the individual reports which are returned to the Forest Service, showing the production of maple lumber, the reporting concerns are not asked nor do they distinguish between the various kinds of woods which they cut. Now, that applies to maple and applies to—for instance, take southern pine; now, that covers, as we say, a multitude of sins; it is all yellow pine. In other words, we are unable to distinguish on those individual reports what is hard maple and what is soft maple, so far as the figures are concerned.

Q. Well, in classifying the uses of lumber you can determine by such classification whether the lumber is hard or soft, can you not?

A. Very largely, yes, because of the character of the wood itself.

[fol. 357] Q. The character of the wood. Now, upon what data, then, do you base this estimate of 95% of the maple cut in Michigan and Wisconsin being hard maple, on the stands of the respective fields?

A. From the stands of the respective fields and the range of species.

Q. Well, are there figures available as to the number of million feet standing of hard maple and the number of million feet standing of soft maple in these respective fields?

A. No; it is given by the approximate per cent for the several regions.

Q. Where is that given?

A. It is given in several publications.

Q. In any of the Government publications?

A. In the Government publications.

Q. What ones?

A. I am unable to say offhand, Mr. Johnston.

Q. Published by the Forest Service?

A. Published by the Bureau—yes, published by the Forest Service, the old Bureau of Forestry.

Q. You are basing these percentages, then, as I get it, of the

proportionate cuts in the various fields, upon your general knowledge of the proportion of the stands of timber in those various fields?

A. Well, in many instances I handled the individual reports on production in the different fields and frequently it was necessary to hunt up and verify the stands in the different regions; and this general knowledge and this special knowledge, acquired by digging [fol. 358] into the statistics and information available, leads me to make that statement.

Q. In your work, did you ever obtain from the Department of Commerce or from the Federal Trade Commission the data supplied to those two bureaus or departments by the Maple Flooring Manufacturers Associations as to the amounts of maple flooring manufactured by the members of that Association?

A. No sir.

Q. The rough lumber used by them?

A. No sir.

Q. Or the other data which has been from time to time furnished by the Association?

A. I don't recall having seen any data of that character.

Q. Do you recall ever having made inquiry for that data from any source?

A. I said that unofficially I have. I was not reviewing but rewriting a book for publication, "Lumber and its Uses", by R. S. Kellogg, in 1921, I think it was, when I had occasion to ask for certain figures on production of Maple flooring.

Q. That was individual work?

A. That was individual work.

Q. Outside of the Department?

A. That was unofficial and had no connection with my employment by the National Lumber Manufacturers Association.

Q. Or by any Department of the Government?

A. No.

Mr. Johnston: I think that is all.

Redirect examination.

By Mr. Thompson:

Q. Would changes in the respective amounts of maple lumber [fol. 359] going into different uses, that is such as wagons, planing mill products, and so forth, necessarily affect the percentage of such lumber used in planing mill products that goes into maple flooring?

A. I shouldn't think so.

Q. In other words, then, there might be more of the total maple lumber cut which goes into other things than planing mill products now, but that nevertheless the percentage of the planing mill products that goes into maple flooring would be approximately what you testified it was in 1910?

A. I should think that percentage would remain. There may be some changes in the manner of use by different industries, but

not so much in their products. For instance, the automobile industry has taken large quantities of hard woods in recent years for which years ago there was no sale.

Mr. Thompson: That is all.

Recross-examination.

By Mr. Johnston:

Q. Is it not true, Mr. Smith, that it is quite often the case that the price of the rough maple lumber itself is such that it is more profitable for the mill cutting that lumber to sell it in its rough lumber form than it is to process it into flooring or into any other processed form, and that when that situation arises the tendency is to sell the rough lumber without processing it?

A. I don't know as I ever heard of an instance of that kind, Mr. Johnston, because where the price of lumber has advanced the price of everything else has risen and——

Q. Well, have you followed that quite closely, Mr. Smith, by——

[fol. 360] A. I did in 1920.

Q. By following the movement of the price of the rough lumber as compared with the price of the finished product?

A. Yes; and that applies to flooring, because we had the matter up with the Department of Commerce and where they were using a base figure we were getting at both price of lumber and the price of the different products.

Q. Have you ever known a time, in your study of the situation, when the price of flooring was such, as compared with the price of the rough maple lumber, that the processing of the lumber in flooring represented a loss and not a profit—in other words, where there was no demand for the finished product and, the demand being small, the price of the product would necessarily be lower?

A. I have never known that, no sir, Mr. Johnston.

Q. Well, that is a fact, Mr. Smith, if you study the statistics.

Q. Well, it may be; I never knew it.

Mr. Johnston: That is all.

Mr. Thompson: That is all."

Thereupon the Government rested; and in addition to the exhibits introduced by the defendants by agreement of counsel for the Government and the permission of the court during the cross-examination of the Government's witness, George W. Keehn, the defendants introduced the following testimony and evidence, and the following proceedings were had:

[fol. 361] EVIDENCE OFFERED BY DEFENDANTS

WILLIAM L. SAUNDERS, being duly sworn, testified as follows:

(Direct examination by Mr. Darby:)

I live at Cadillac, Michigan, and am 65 years of age. I have been in the lumber business for 42 years at Cadillac. I am the president and general manager of Cummer-Diggins Company, which was formed in 1907. My Company manufactures all kinds of Michigan hardwood, such as hemlock, basswood, elm, birch, beech, maple, chery, rock and soft elm, and a little ash. Our annual production is about 20,000,000 feet, sixty-five per cent of which will run beech and maple—largely maple. We manufacture maple and beech flooring but no birch. The Cummer-Diggins Company, a corporation, was preceded by a partnership doing business under the firrm name and style of Cummer & Diggins. At the present time my Company has three matchers or machines for the manufacture of flooring, with an annual output of about 3½ million feet. We own our own stumpage and have practically a ten years' run, or somewhere around 200,000,000 feet, 65 per cent of which is maple and beech. This timber is located entirely in Wexford County, Michigan. The Cummer-Diggins Company has been a member of various maple flooring manufacturers Associations since 1907.

Q. Who has been the representative of the company attending those meetings since you first joined the first association in 1907, that is, the first association that you joined?

A. I attended those meetings rather regularly for a number of years. The last two or three years our sales manager has attended them much more frequently than myself. That is Mr. Colby.

I have attended occasional meetings though since 1922 up to date.

In the manufacture of maple flooring we do not use all the rough maple lumber that we produce. We grade our rough lumber going to the flooring plant according to the demands of the market from [fol. 362] time to time. We at all times sell the better grades of our lumber, namely, No. 1 Common and better. The higher grades that we sell are known as No. 1 Common, Selects and Firsts and Seconds. Firsts and Seconds are handled together. If in our sheds we have a large accumulation of factory flooring we withhold from the flooring mill a large percentage of the lower grade rought maple lumber. On the other hand, if there is a big demand for factory flooring we work up the lower grades of lumber so as to be able to a certain extent to keep our stocks in conformity with the demand. Firsts and seconds, selects and the better end of No. 1 Common rough maple lumber are not generally used in the manufacture of maple flooring by manufacturers who produce their own lumber, because it is not profitable to do so. We are always able to get a better price for that class of rough lumber on the market than we can get by working it through the flooring factory. The better grades of rough maple lumber are very largely used by manufacturers of automobiles, pianos, vehicles, etc. As a rule, the firsts and seconds will bring as

high a price on the market as clear maple flooring. In 1919 there was a marked shortage of good lumber in the market, in fact, at that time it was practically a runaway market. It was only a question of whether you had the thicknesses and grades that were required by the industries demanding such lumber. During that time we sorted out a large amount of No. 1 Common flooring stock and sold it on the market to other industries. The prices of rough maple lumber during 1919 and 1920 compared very favorably with the prices of maple flooring, although at that time there was a great [fol. 363] expansion in the building trades, and owing to a couple of serious fires that occurred in the flooring industry, I think flooring had a tendency to fluctuate a little more in value probably than the rough lumber. The first fire occurred in the dry kiln department of the Horner people, whose plant was located at Newberry. A couple of months later their mill at Reed City burned. The Horner people manufactured about 20 per cent or better of the entire output of Michigan or of the so called Association and at the time of the fires they had something like 19,000,000 feet of orders on their books. Their customers immediately attempted to get other manufacturers to supply them with flooring. I took on some of that business at prices which were to be fixed at time of shipment. These prices were to be at whatever I was then selling flooring at. When the Horner supply was cut off and their customers had to buy flooring elsewhere, it made it very difficult for many contractors to get the material for buildings already contracted for. During 1919 and 1920 the demand for flooring was very great, and it was necessary for my company to allocate almost every carload of flooring to the customer that was pressing us hardest for shipment, so that our warehouses were entirely empty. We were then running continuously and bending every effort to manufacture all we could.

[fol. 364] In determining at what prices our flooring shall be sold, I am governed very largely by the condition of my warehouse, together with information gathered in traveling around the country and learning the demand and coming in contact with lumber manufacturers throughout the country. We also receive reports that are sent to us by the secretary of the Maple Flooring Manufacturers Association.

Q. You remember, do you not, when these so-called Minimum Price Plan and Basis, were signed and later on submitted to the Department of Justice, and the time when they were signed up, do you?

A. Yes, I have a general knowledge and recollection of conditions of that kind.

Q. Do you recall any of the details of those various articles that were signed during the period of years, or do you not?

A. I do not. They were never of much interest or importance to me.

Q. Some of those articles provided for a Minimum price of flooring. State what you observed as to how those proposed plans worked out in actual operation, if they were enforced?

A. Well, in our case, we discovered almost immediately that it could not be worked in connection with our business at all.

For instance, the architects of the country very largely control the width of flooring. In some localities you cannot sell 3¼ inch face or 1½ inch face. In working up our lumber in the most economical method known in order to take care of our widths and avoid waste, we must make a certain amount of 3¼ inch and an inch and a half and two inch faces. It is necessary for us to sell such widths in the markets where they are used, regardless of price, when our surplus gets to a point where we feel that we must unload. The manufacturer has no choice as to the grades that he will produce. All three grades of flooring can be manufactured from cull lumber. We cannot, for instance, manufacture clear flooring at one time, No. 1 at another, and Factory at another. Only by sorting our rough lumber in the yards could we manufacture any par- [fol. 365] ticular widths of flooring, and that is not at all practicable, for the reason that every board slashed from a log varies in width from the previous board. Of course, we attempt to save our ma- [fol. 366] terial, hence in sawmill practice we edge on half inch basis. One board drop may edge eight inches wide, the next one by stepping in on the circle may edge nine inches wide. We who manufacture our own lumber stock those widths as much as we can, but nevertheless, we have the odd widths to handle some time. We must handle the odd widths sometime. It is not practicable to sort the lumber before it goes to the dry kiln, because in lumber practice those widths are piled all together, and you could not be changing your machines as to widths, and so on, all the time. The lumber is piled separate as to thickness. It was impracticable to maintain the so-called minimum price plans for the reason that these various widths and grades, particularly the widths, would be dumped in the markets that were using them. For instance, the Eastern market uses—and it is practically the only market that does, 3¼ inch face. I dare say when a 3¼ inch order goes out, everybody is right after it because that is one of the widths that accumulates on our hands. The 2¼ inch face is a standard article, and the architects of the country have gotten into the habit of ordering it almost exclusively, regardless of whether it is in abundance or not. Possibly 75 per cent of our production of flooring is 13/16 by 2¼ inch face. Flooring must also be stored in the warehouse and kept at as near a dry temperature as possible. We keep our flooring in steam heated storage rooms, and the flooring is carefully kept from coming in contact with the elements, and as far as possible in an even temperature. Our warehouse capacity is about 3,000,000 feet. We have separate racks devoted to grades and widths, and when my racks, say for three and a quarter or an [fol. 367] inch and a half are full or approaching that point, I say to my Sales Department, "Now, I am carrying as much of that as I can carry. We must unload that." We would take the first thing that looked like an order and endeavor to move the stock by writing to customers.

Q. What about your prices during 1910, 1915, 1911 and 1913

at the time these Minimum Price Plans were supposed to be in effect; how did you fix your prices then?

A. I fixed those almost entirely myself by the conditions of my stock.

Q. Well, did you observe these so-called Minimum Prices that were mentioned there in the book?

A. Absolutely no sir.

Q. How about the recommendations of the Market Conditions Committee as to what prices should be during that time?

A. It never had any effect on our prices.

Q. If you could get the prices you got them, and if you couldn't get them, you took what you could get.

A. Absolutely.

During all this time I observed a great variation in the prices made by different members. This variation existed almost at all times. Our company never paid any fines or penalties, neither were any ever demanded of our company. I do not know of any instance when fines or penalties were demanded of any other member of the Association, or any one else. Our company is a member of the present Maple Flooring Manufacturers Association which was formed sometime in March or April, 1922. Since the formation of the present Association, in fixing my prices, I know what my lumber will sell for on the open market. I know what it costs me to put it through the factory. If I can't get as much for my lumber by working it up into flooring I sell it on the market as rough lumber. My profits over and above my costs are regulated entirely by my ability to sell in excess of my ability to manufacture. If our stocks [fol. 368] are growing on our hands, there is naturally a tendency to quote lower prices. Our business is done entirely by quotations. We have no representative of any kind in the market. Our business [fol. 369] is done either by telephone, telegraph or letter. We keep careful account of our individual costs and check or compare them with the average costs sent out by the secretary of the Maple Flooring Manufacturers Association. We have sometimes made test runs and sent in the results to the secretary.

Q. And as a rule state whether or not your individual costs will be sometimes higher or sometimes lower than the average costs, or if they agreed; state what the fact is.

A. I think as a whole my recollection is that our own costs very frequently are in excess of some of the larger factories and the average price given us.

Q. Average cost given you?

A. Average cost given us.

Q. By the Secretary. Now let's get back to the subject of how you determine what your prices upon flooring shall be. Do you call in anyone else in order to find out what you are going to charge for your flooring, any other manufacturer, I mean?

A. Absolutely not. Our price is fixed by myself and the sales manager.

Q. I notice that the Association has distributed from time to time

some freight rate books and average costs were in there, and sometimes delivered values, etc. Have you used the figures in there as a price list at any time?

A. Not at all, never.

Q. What did you use the book for, so far as the average cost there, or the delivered values, were concerned?

A. We used that book as a rate book, both for maple flooring and for lumber, because it is more accurately compiled than the freight rates we can get from the depots in the small towns in which we are located.

Q. That is at Cadillac?

A. At Cadillac.

Q. I think I recall that in some of these books there were some data there with respect to differentials or spreads between the different faces, or between the different widths, or between Maple, Beech and Birch, etc. Did you ever follow that as mandatory or binding upon you, that you should charge those prices; or, if you did not, state how you did use the data that was in those books.

[fol. 370] A. That date was of very little benefit to any of us, particularly us, that is, in our business. Beech flooring has most always been on a lower value than maple.

Q. Why?

A. Because the rough lumber sells from ten to fifteen dollars less a thousand than the Maple lumber.

The demand for beech is very limited and is restricted to certain markets. It is more pronounced when there is a scarcity of maple. In the practical conduct of the flooring business it is impossible to observe any fixed price relations between the different widths or between the different grades or faces or thicknesses. For instance, if we have a long season of demand for 2¼" *inch* face, we will naturally run timber that is best adapted for 2¼" face. Later on, however, we must clean up our tag widths and when we get a sur-

[fol. 371] plus of these odd widths and various stuff of that kind, we attempt to sell it to the best advantage on the market. The demands for the different widths or faces or thicknesses or grades fluctuate from time to time and never move in harmony. Sometimes there will be a very big demand for factory flooring, at other times for clear, and at other times for No. 1, and inasmuch as all of them are produced at one time, it is necessary to reduce prices on some of them at times to move surplus stocks. That is one reason why no fixed price relation can be observed. The present Maple Flooring Manufacturers Association, which was organized in the early part of 1922, has never taken any formal action with respect to spreads, although there have appeared some data in the freight rate books since 1922. Our terms of sales are of long standing, I should say of more than twenty years. In the sale of our flooring I have never felt that I was bound to charge any fixed or specified price for flooring. There never was any uniform price generally observed by other members of the Association.

(Cross-examination by Mr. Fowler:)

I have been connected with the Cummer interests for 42 years. The Cummer-Diggins Company, a corporation, was formed in 1907. There was an Association in existence at that time.

Q. Did your company join that Association immediately?

A. We had been members of the association during the period of our partnership.

Q. How long?

A. Well to my recollection somewhere around 1895.

Q. And your company has been a member of these associations ever since, has it?

A. Yes, sir.

[fol. 372] Q. What other Associations have you belonged to?

A. We also have a membership in the Michigan Hardwood Manufacturers Association, the National Lumber Manufacturers Association, the National Hardwood Association, about all the associations we can get into. We do not spend a great deal of money in those associations. We spend our time but not much money. I can not answer the question how much money we are spending in these various associations right now per annum. I suppose we spend may-be from $300 to $500 a year. We have three machines for manufacturing maple flooring.

Q. You remember back in about 1905 that they agreed upon a price, didn't they?

A. No, sir.

Q. A sales price?

A. No sir; I think not; I have no recollection of ever agreeing upon a sales price.

Q. You know Mr. Foreman?

A. Very well.

Q. Didn't you belong to this Association at the same time that Mr. Foreman belonged to it?

A. I did.

Q. And you have no recollection of agreeing on a sales price?

A. No, sir.

Q. You did agree afterwards upon a Minimum Price Plan, didn't you?

A. That was tried to be worked out.

Q. Well, you agreed on it, didn't you. Didn't you?

A. We signed the Articles of Agreement.

Q. You agreed—there is the signature of Cummer-Diggins upon top there?

A. That is my signature, Judge, or a fac simile.

Q. That is, you put it there?

A. Yes, sir.

Q. Do you mean to say you didn't observe it?

A. It never became operative.

Q. Did you observe it?

A. No sir.

[fol. 373] Q. You affixed your name to it and never observed it.

Did you ever pay any attention to it? Didn't you know this provision was in there when you signed it? "Minimum Price for which Maple, Beech and Birch flooring may be sold by the members of the Association shall from time to time be established under this agreement, but such minimum prices shall not exceed an amount which will give the members an average net profit" and so on. You knew that was in there when you signed it?

A. I did.

Q. Did you intend to observe it when you signed that agreement?

A. There is nothing in that agreement that compels me to do so.

Q. Well, you agreed you would, didn't you?

A. No, sir, I did not; that is recommended.

Q. That doesn't read like a recommendation, does it? It reads like an agreement. You never gave any attention to that?

A. No, sir.

Q. Not a bit. Well, that wasn't the last one you signed, was it? You signed one January 1st, 1919, didn't you?

A. I haven't seen the copy.

Mr. Darby: We will admit he signed it.

Q. Coming down to 1921 you signed another one, didn't you? In which it is provided that "the minimum price basis for the sale of Maple, Beech and Birch flooring shall from time to time be established in accordance with Article II, but such Minimum price basis shall not exceed an amount which will give the members an average net profit in excess of 5%" and so on. You signed that, did you?

A. That is the Minimum Price?

Q. You paid no attention to it?

A. We seldom have reached the minimum price.

Q. I say, you paid no attention to it.

A. Absolutely.

Q. After your signature had been affixed to it?

A. Absolutely.

Q. You don't treat all your agreements that way, do you?

A. Beg your pardon.

Q. I say, you are not in the habit of treating all your agree-
[fol. 374] ments that way, are you?

A. At any time during the life of any of these Associations had our prices been below that price, we might have considered it, but it never being necessary it never came to our attention.

Q. That is your explanation, that you always sold above the minimum price, and hence you did not consider the minimum price?

A. That is correct.

Q. Always sold above it?

A. I think that is correct, I think our history will show it.

Q. But, if you had come to the point where you could have sold below it, then you would have considered it, would you?

A. I don't think that would ever have been paid attention to in our sales department.

Q. Now, you get all these reports that have been explained here?

A. Yes, sir.

Q. You got all that information about other people's prices, you got it up to January and you still get the information?

A. No, I don't get any information in relation to any individual prices.

Q. Don't you get the price of every sale made by every member of this association?

A. Not at the present time. We have in some of our previous arrangements.

Q. Who sales don't you get? Tell me the name of a single member of this Association whose sales you do not get.

A. We get a report of the average sales, but if I wish to know the sales of an individual member of the Association, I can't get it today.

Q. I am not talking about the name of him; I am asking you if you do not, as a matter of fact, get the individual sales of every member of this Association. I am not asking whether there are names attached to it, or not.

Mr. Darby: The question then, I submit, your Honor, is misleading, and I think it should be made clear.

The Court: No, I think not, I think the witness understands.

A. Each separate sale? We do not get the report of individual sales.

Q. If you misunderstand me, I want to find out. Don't you get a report of every sale that is made by the members of the Association? Forget the fellow's name, I am not talking about that.

A. As a whole; yes, sir.

[fol. 375] Q. Well, is it all added up together, the total amount? Don't you get the amount of each particular sale and the price of each particular sale?

Mr. Darby: We will admit for the purpose of the record——

Mr. Fowler: I am asking the witness; I want the witness to answer.

The Court: No, let the witness answer.

A. I would rather not answer that question. I would ask you to give that question to my office man who handles the correspondence, that is, all the details of the correspondence.

The Court: Perhaps you don't understand the question, Mr. Saunders. Suppose the Wells Company makes a sale of fifty thousand feet of Maple flooring of the three different grades. What counsel is asking you is, don't you get a report from your secretary that a sale, not by the Wells Company, but that a sale of fifty thousand feet has been made at a certain price?

A. I think that is correct. I wouldn't know—I thought he was trying to get from me that I knew who it was.

The Court: I think you misunderstood him.

A. Which I do not.

Q. Do you examine those reports?

A. The last couple of years not very minutely.

Q. Are you the sales manager?
A. No, sir; I am the manufacturer.
Q. I can understand then why you would not know it as well as somebody else. Were you ever a member of any of the committees of this association?
A. I have been a member of the Grading Rules Committee for a number of years.
Q. You never was on the Cost Survey Committee?
A. No, sir.
Q. Or on the Market Conditions Committee?
A. No, sir.
Q. And you don't know so much about their operations?
A. No, sir.
Q. Now, you say that you manufacture quite a lot of lumber. Of course, that don't go into maple flooring?
A. No, sir.
[fol. 376] Q. About what percentage do you say of your maple lumber is manufactured into flooring?
A. I imagine about thirty-five to forty % of my maple is manufactured into flooring.
Q. Is this gentleman that is to be on the witness stand your sales manager?
A. Yes, sir.

Mr. Fowler: I will wait and ask him.
The Court: Just let me ask a question.
Mr. Darby: Yes, sir.

The Court: Outside of the advertising—which as I understand the testimony thus far introduced, particularly upon cross-examination, the advertising of maple flooring in order to induce the use of maple flooring instead of some other kind of flooring—outside of that what do you regard as the chief benefits which your company derives from your membership in this Association?
A. The personal contact with men who are in the same business.
The Court: Of course, you don't mean by that, simply the social feature of it.
A. No, sir.
The Court: But the business contact?
A. The business contact.

[fol. 377] (Redirect examination by Mr. Darby:)

A lumberman's friends and associates are men in the same line of business. I have no associates in the hardware or textile industries, and whenever lumbermen travel they naturally get in touch with men either in the flooring end of the business or in the rough lumber end. When these meetings are held in Chicago we meet our maple flooring friends with a great deal less trouble than when we are traveling around the country to meet them. Whenever two or three traders get together there is something doing, and we have been able to dispose of some of our rough lumber at these meetings

to manufacturers who do not own their own stumpage. That has happened very frequently. At these meetings we also discuss wages or manufacturing troubles that we have had; also car service, traffic difficulties, advances in wages, merits of the different flooring machines, etc. The standardization of the flooring has been perfected only step by step during the last 15 years, and it is one of the features of Association work. Thre were some of the members who were originally opposed to the standardization of flooring, and I think some are today. As a matter of fact, the I. Stevenson Company has not yet changed its machine work and their flooring will not match with the flooring of other manufacturers. One of the [fol. 378] reasons why I have not been active in the Association during the past two years is that I have been connected with the movement looking to the standardization of the lumber industry, and have devoted my time to that instead of to the defendant association. The movement looking to the national standardization of the lumber industry is now under way. At the meetings which I have attended since March or April, 1922, there have never been any discussions with respect to the future prices of flooring.

Recross-examination.

By Mr. Fowler:

Q. Since he went into these meeting matters, I will ask a question or two. You tried to prove the things you did not discuss when you get together. Do you ever say anything about the market for lumber?

A. Of our rough lumber?

Q. No, Maple flooring, when you meet these gentlemen who are concerned in manufacturing Maple flooring, do you ever speak about market conditions?

A. As to the question of supply and demand, things of that kind, do you mean?

Q. Yes. Do you talk about that.

A. Individually, not collectively, not as an Association.

Q. You mean as you are standing about together, or lunching together, you talk that all over?

A. Yes, sir.

Q. Do you talk about the prices that you have been getting for your lumber?

Mr. Darby: Do you mean flooring or lumber?

Mr. Fowler: When I say lumber I mean flooring.

A. Personally, I have no knowledge of prices ever being talked.

Q. You talk about everything else but prices?

A. That is the least of our troubles.

Q. If you don't get a good price, you will soon go to the wall.

A. Yes, sir.

[fol. 379] Q. That is what you are specially interested in?

A. Yes, sir.

Q. In the price of lumber?

A. Yes, sir.

Q. And yet you mean to say you talk about everything else but prices?

A. I don't have to know what my competitor is selling his stock for, know it from him, because he might lie to me. I know from my correspondence what some of these men are selling their goods for, I get that information.

Q. You don't lie to your competitor, do you?

A. Oh, I might not tell him everything I know about my business.

Q. So you mean to say that you gentlemen will talk about everything else connected with the Maple flooring industry but you won't hint prices?

A. I think that subject is the least discussed of any.

Q. Then it is discussed, is it? You say it is the least discussed?

A. Oh, it would be impossible not to mention it sometimes in your conversation. I might confess that my price was so and so, and the other fellow might say his was so and so.

Q. Since you have been reporting your prices from week to week, every single sale to the Association, why are you so awfully particular not to talk about it between each other?

A. The individual member does not know what my prices are as I report them to the Association.

Q. He did up to July last, didn't he?

A. Yes.

Q. Before last July—if your mouth has been shut so tight since—before last July when you were reporting your prices to the Secretary and he was sending it right out to every member of the Association, why were you so awfully particular not to talk about it?

A. I took the chance of his remembering as to what my quotations were previously and it wasn't necessary for me to mention it.

Q. Would you ever talk about what the prices would likely be in the future, whether prices were going up or down, market conditions were favorable or unfavorable, ever talk about that?

A. I might have expressed my opinion about that.

Q. Didn't you time and again talk that one thing?

[fol. 380] A. You mean now as an individual talking to an individual?

Q. Individuals talking around there either on the floor of the Association or at your luncheons, or anywhere?

A. Or, in the lobby of the hotel?

Q. Lobby of the hotel or anywhere?

A. We might discuss those things.

Q. Well, didn't you, as a matter of fact?

A. I think as a matter of fact, we would to certain extent.

Mr. Fowler: That is all.

Redirect examination.

By Mr. Darby:

Q. Do lumbermen discuss that, whether they are members of the Association, if they happen to meet on some train somewhere?

A. That is a part of their business, a part of the manufacturing of lumber, to know what it is worth.

Q. State whether or not the failure of the members to discuss future prices at these meetings since March or April, 1922, was due to the advice of Mr. Newman as their attorney, not to do that? Did that have any connection with it?

A. I think there was some discussion as to the idea of future values before we were advised that we should not do it.

Q. And you received that advice before the formation of this new Association?

A. We did.

Q. And you have tried to observe it?

A. Absolutely.

[fol. 381] (Recross-examination by Mr. Fowler:)

Sales reports were sometimes issued before meetings, and sometimes were distributed at the meetings. At other times they would not be received before we left for the meeting, although they had been mailed before.

J. L. COLBY, being first duly sworn, testified as follows:

(Direct examination by Mr. Darby:)

I live at Cadillac, Michigan, and am sales manager for the Cummer-Diggins Company. I have been sales manager since July 1st, 1919. Our terms of sale on maple flooring are 2 per cent cash discount for payment within 15 days from date of invoice; one per cent for payment within thirty days, and sixty days net. Our terms on flooring are an outgrowth of the lumber terms that our Company has used for a good many years. We use the same terms in our lumber business, except that in selling lumber we give a two per cent discount for cash in ten days. This difference between the 10-day period and the 15-day period is because flooring moves to a greater distance than lumber does. The bulk of our lumber is marketed in the State of Michigan, whereas flooring moves very largely to New England and Pacific Coast points; hence, we have to allow a little longer time for cash discounts because a customer naturally does not like to pay for a car of material until he sees [fol. 382] it in his yard. The terms I have mentioned have been used by our company since I have been connected with it. These terms, however, are not invariably followed. We do not split hairs on the matter of terms and agree to anything that seems fair and reasonable. In the New York market some buyers insist on taking

a two per cent cash discount five days after arrival of car. We do not like that and tell our customers that if they will send us within ten days after receipt of invoice a substantial amount to apply on the car, we will allow them the two per cent cash discount, which they can take five days after arrival of car. If we need business we sometimes accept their terms, and if we are not in need of orders we exact our own terms. The matter of terms is governed largely by supply and demand. The Pacific Coast buyers also demand an extension of the usual terms and we meet their demands. We have never considered ourselves bound by any terms of sale that might have been established by the Association. We used our own judgment entirely. I do not know of any uniform terms of sale so far as the present association is concerned that are being lived up to. I think the Association has gathered from different members what might be termed a consensus of opinion as to what the prevailing cash discount terms were, but any statement that was issued with respect to such matters was not considered binding by any one that I know of. We have always made our own terms of sale in order to meet conditions as they changed from time to time. We do not have what is termed, or commonly known in the trade as an exclusive representative. We sell to anybody that we choose to. We sell to both wholesalers and retailers and allow from $1.50 to $2.00 commission. We have no set rule that governs commissions. We use our own judgment and decide whether a buyer is entitled [fol. 383] to $1.50 or whether he is entitled to $2.00. It depends somewhat upon the volume of business that he is turning our way and the length of time perhaps in which he has been soliciting business for our product. Sometimes we quote net instead of allowing any commission; sometimes $2.00 and sometimes $1.50. I know of no rule of the present association with respect to what commissions shall be allowed or when commissions may be allowed or as to what amount shall be allowed. It happens that we have never paid more than $2.00 a thousand commission. We have at all times felt free to allow any commission we pleased. We quote our flooring either f. o. b. Cadillac or delivered at point of destination, just as the customer wants it. It makes no difference to us. In practice, however, most of our flooring is sold delivered and most of our prices are quoted delivered because the customer wants it that way. In fact, in the New England markets and in the Pacific Coast markets they demand it. They want the mill man to take the chance with respect to weights determined by the railroad company. I should say that 90 per cent of our flooring is sold on a delivered basis. We have no objection to selling f. o. b. mills, and in fact we quote that way when we are requested to do so. We make no separate charge for freight on flooring. For instance, if we should sell a customer at Kansas City based on a quotation that we made him delivered at Kansas City, we would invoice him at the delivered price. Then we would make a deduction on the fact of the invoice covering the actual freight that he would be called on to pay the railroad company, and when he remits to us, he deducts the actual amount

of freight that he pays to the railroad company at destination. We [fol. 384] have no registered special representatives now and never did have any. There are no rules of the Association with respect to registered special representatives that I know of. We never refuse to sell to the consumer direct. If a contractor writes us for a price we will quote him. Of course, we may not quote him the same price that we would quote to a retailer residing in the same town because we would observe certain ethics in the trade in protecting the business that the retailer has built up, but we never refuse to quote any one. I do not know of any association rule with respect to not selling contractors or the consumer direct. Our company does not now and has never manufactured inch and a sixteenth flooring since I have been sales manager. I think a good many years ago they manufactured a limited quantity of it.

I have been attending the association meetings since July 1, 1919. From July 1, 1919 to January 1, 1922, I attended a majority of the meetings but since January 1, 1922, I don't think, as I recall it now, I attended over three or four meetings. I have had too many other duties to look after in the meantime. Mr. Saunders kept me too busy at other matters and we thought the other matters were of more importance than the meetings of the Flooring Association.

Since I have been attending meetings I have never heard any discussions at them with respect to the price of inch and sixteenths flooring. I do not know of any agreement with respect to prices on inch and sixteenth flooring. I never attended any association meeting at Milwaukee or Marinette or Wells, and I don't know that any meeting was ever held at those points. All the association meetings that I have attended have been held at Chicago. When I first started, the meetings were held at the La Salle Hotel, but they were later changed to the Congress Hotel. There have been no meetings of the Association that have been held elsewhere since I have been [fol. 385] connected with the Association. Members receive announcements of meetings or calls for meetings before they are held. I never received a notice of a meeting of the Association to be held at Milwaukee or Marinette or Wells or at any place other than Chicago. I am a member of the Cost Surveys Committee. As I recall it I became a member early in 1922, sometime in March or April. I don't remember the exact month. I am sorry to say that I have never yet attended a meeting of the Cost Surveys Committee and don't know what they did talk about when they got together. I have not been a member of any other committee. Before making any changes in our price for flooring or sending out any new price lists, it is a sort of unwritten law at our office that the matter must be the subject of a conference between the general manager and the sales manager. This is for the reason that the general manager looks after production and the sales manager looks after sales and we recognize that prices cannot be intelligently fixed without considering both the production and the selling end of the business. In these conferences we consider several different factors. I will try to state them in the order of their importance to us. The first consideration is our stock condition. In other words, the amount

of stock that we have on hand unsold in our warehouse of each particular item of flooring. We manufacture all faces of 13/16 inch flooring, from inch and a half, two inch, two and a quarter, three and a quarter and three and a half inch. We do not manufacture two and a half inch. We also manufacture 3/8 by an inch and a half and 3/8 by 2 inches. We manufacture half an inch by 2 inch, half inch by two and a quarter inch. I think that is all. The primary factor that we consider is the amount of stock unsold on hand in our warehouse of each individual item. With that amount of unsold stock in our minds, the general manager then advises us as to what his ability is going to be within the next few months [fol. 386] to manufacture certain items, certain sizes and certain grades. That is very important because in the manufacture of flooring you cannot arbitrarily manufacture any width or grade you want to just because the demand happens to be there. To begin with, your flooring has got to be air dried for at least a year and you have got to take the widths as you find them. While of course you can temporarily sort out certain widths for a short period of time, you can't keep that up. Within the course of a month or two you have got to manufacture all of the width that your flooring stock produces so that that information that is in the mind of the general manager is a very important factor in adding to or deducting from the amount of stock that we always have on hand in the warehouse.

Now the next point that we take into consideration is the contact that we have with our customers and the trade generally. I mean by that the eagerness or resistance, as the case might be with which the trade or our customers are receiving our prices, if they are sending in a large amount of business within a short period of time and a lot of that business is coming by telephone and telegraph that is an indication to us that the customer is trying to get covered and it also means to us that some one else is getting more for their flooring than we are, hence the natural inclination providing our own stock condition warrants it, is to change our prices. On the other hand——

"Q. Raise the prices in instances like those, I suppose?

A. Yes, sir, if the customer is too eager we would be inclined to raise our prices. On the other hand, we get a good deal of competitive information from our customers. They are continually [fol. 387] writing us and telling us what other manufacturers of maple flooring are getting for their product.

Q. Both members and non-members of the Association?

A. Yes, sir. In fact, as an illustration, just this past week, we were obliged to turn down several cars of flooring because another member of it—he happened to be a member of the Maple Flooring Manufacturers Association, wants the business for three or four dollars less than we do. Then we get information from our customers as to competition of other woods, that has to be taken into consideration all the time. I think during the past three or four months competition of oak has perhaps been necessarily given more

attention than it has in two or three years prior to that time and we get all that competitive information continually. There is hardly a day goes by that we don't get information from our trade as to what we have got to do to meet competition.

Q. Sometimes you will lower your prices to meet that and other times you are unable to do so and refuse I suppose?

A. Yes, largely depending upon how much stock we have on hand of a certain item."

The general manager knows in a general way the amount of unfilled orders we have on hand, but if the amount happens to be large I would give him the actual figures. When the general manager is in town he is in touch with the demand as expressed by inquiries and orders placed because he looks over all the mail. We sell a large amount of our maple and our beech in the form of rough lumber on the open market and that puts us in continual touch with the prices that can be realized and are being realized for rough maple lumber. That is another guide as to whether we shall decrease the production of flooring and sell some of — in the rough or whether [fol. 388] we shall continue to manufacture our normal manufacturing capacity into flooring.

"Q. Are there any other conditions generally speaking that you take into consideration?

A. Well, we of course always consider the general—what might be termed the general marketing and producing information that we gather from miscellaneous sources among which are reports from the Maple Flooring Manufacturers Association which indicate what the total stock condition is in the industry, and then we are always almost daily in contact either by telephone, through doing business with lumbermen in the rough maple *maple* market or we see them on the train very often.

Q. Do you talk business with them? A. Naturally, every time

Q. Do you talk business with them?

A. Naturally, every time we see them we find out all we can."

I do not think I have attended more than three or four meetings of the Association since March or April, 1922. Mr. Saunders and I have formed our own opinions as to what our prices should be and have carried them out.

Q. After you fixed your prices have you sent them to other members of the Association or to your customers?

A. Why, we usually send them to our customers. We don't like to—we wouldn't like to send them in all cases to our competitors because we might be announcing a lower price than they are asking, we would like to get to the market with that before they found it out.

We try to report all our sales to the secretary of the Association weekly. It is a fact that the total sales given to the secretary monthly are far in excess of the aggregate of the weekly sales reports that are made to him. In fact, if you were simply judging from the amount of stock reported sold you might think the market was pretty weak. The weekly sales reports are not complete. Nearly every week

there is apparently quite a quantity of stuff that is not reported, but [fol. 389] of course you don't know that at the time, but eventually when you see statistics showing how much stock is manufactured and how much sold, you can readily see that there has been a large quantity that has never been reported. We have an accurate record of our individual sales, but many times the press of other work is such that we do not make these reports. Sometimes we detail a man in our office to do that, who may forget it or may be away on vacation, or sometimes because of the press of other work we just don't do it. I suppose it is the same with other members. I was familiar with the advice that was given the Association by Mr. Newman with respect to discussion of future prices at Association meetings. I don't recall that I ever heard any discussion as to future prices of maple, beech or birch flooring at any meetings that I attended. Since the formation of this present Association I have never been a party to any agreement or arrangement or understanding, either express or implied, which in any wise limited my discretion or the discretion of my company as to what prices should be fixed on maple, beech or birch flooring. I do not know of any such understanding, arrangement or agreement among any other members of the Association. We have never sent out any of those delivered values or any information contained in them to our customers for use as price lists. All our prices go out on our own stationery. We have never used the data contained in those rate books as price lists because they did not fit in with our prices. They were not the same as our prices and we had no use for them. I think as a rule, in 1919, and subsequently, while the so-called minimum price plan or minimum price basis was in existence, our prices were higher than the so-called minimum cost basis. There were times when our prices for certain items of flooring or certain [fol. 390] widths or grades were sold lower than the minimum price or basis. This was due to the supply and demand so far as our own company was concerned. The maple stumpage in the Cadillac district has a very high reputation and is considered to be better than the stock from Northern Michigan or Wisconsin. Our costs are somewhat higher in Cadillac than the cost of some manufacturers in smaller communities. Of course, the stumpage cost is higher to begin with because the timber is worth more. I think on an average our costs would be higher than the average costs sent out by the secretary of the Association. So far as we have been able we have checked our own costs occasionally with the average costs.

(Cross-examination by Mr. Fowler:)

Q. Who makes out the reports for your Company.

A. Who makes them out? You mean the reports to Mr. Keehn?

Q. Reports to Mr. Keehn, yes.

A. Why occasionally I have made out some of the reports but most always one of our other officers have done that.

Q. Aren't they made out under your direction?

A. While I am office manager I don't go to the man each individual time and tell him what he is going to write on the paper.

Q. I am not suggesting that but you have charge of the office there?

A. Yes, sir.

Q. You have charge of those men that do make out the reports?

A. Yes, sir.

Q. Their instructions are to report every sale made, isn't that so?

A. Their instructions are to make up a report once a week.

Q. Don't you see that it is made up once a week?

A. Well, I suppose I should, but sometime I don't.

Q. You try to keep faith with the Association, don't you?

A. Absolutely.

Q. And it is your purpose and intention to report all of your sales?

[fol. 391] A. Yes, sir.

Q. And report them correctly?

A. Yes, sir.

Q. If one is omitted that is accidental?

A. Yes.

Q. I mean possibly not accidental but because something else has crowded it out?

A. Yes, sir.

Q. At the end of the month you report production too, don't you?

A. Yes, sir.

Q. You never omit that, do you?

A. I don't recall when we have, no.

Q. You have given the various elements that you consider when you sit down to make out a price for your maple flooring, you change the price yourself now and then, is that correct?

A. We change the price according to supply and demand as it fits our own business.

Q. You and the general manager meet together and you fix a price?

A. Yes, sir, for our stuff.

Q. You observe that price until you change it?

A. Well, generally so, but if in the meantime the sales manager finds that he can get more money from a certain market why he gets it.

Q. That is, there is no restriction on the amount you get above that price agreed on?

A. Oh well, there wouldn't be any restriction particularly below that. What I meant to convey was a general idea of prices or a general change in prices is only made through consultation between the general manager and the sales manager. Of course some man has to use a little judgment now and then himself, can't always call these conferences at any time he wants to.

Q. When you and this general manager sit down to make up those prices you have in your office there all of these sales reports, weekly reports that come from the Secretary of the Association?

A. Well sometimes we have all of them and sometimes we have not.

Q. Under your regulations you are supposed to have them, that is true, isn't it?

A. We are supposed to have received them, of course we don't [fol. 392] always save them until——

Q. Do you recall any time when you did not receive them?

A. Why, I don't recall of any specific instance right now.

Q. Do you examine them?

A. If I have time I do; I try to.

Q. As a matter of fact, was there ever a report came into your office you didn't examine?

A. Lots of them.

Q. Can you tell us one within the last three months you didn't examine carefully?

A. I havn't looked at the report of completed transactions for the last four weeks.

Q. When did you change your prices?

A. When did we last change them?

Q. Yes.

A. We made a change downward in our prices, well it has been about thirty days ago, and then we made another change upward in one particular item just last week.

Q. That went up?

A. Yes.

Q. Now when you go to consider a change of price, fixing your price for the future, do you ever look at the price that other fellows are getting as shown by that report?

A. It is not customary to look at it at that particular time, if I happen to remember in my head when we have these conferences, if I happen to remember that the general average of reported sales and completed transactions is higher than what we are getting, we naturally would take that into account when we have these meetings.

Q. As a matter of fact, do you give consideration to the information that you get from those reports?

A. Yes, but it is not—well, it is really only of secondary importance as far as we are concerned.

Q. I asked you if you gave it consideration. I believe you say that you do. That is correct, isn't it?

A. I don't just understand your question.

Q. Do you give consideration to the information that you get from those reports when you are making up your price lists?

A. We give consideration to it if it fits in with our own individual condition, if it don't, we don't care anything about it, don't give any consideration, to it.

[fol. 393] Q. Will you tell me when it doesn't fit in with your individual condition?

A. Yes, sir.

Q. What do you mean by that?

A. I mean our individual stock condition. For instance, we might—the general reports from the Association might indicate

that a certain item of flooring was moving freely, but we ourselves might be wrong on that item, and another thing, our ability to manufacture in the next two or three months might be greater than usual of that particular item, hence we would not incline to be very bullish on that item, we would be soft.

Q. If the reports from the Secretary show that stocks are freely moving, don't you take that into consideration?

A. We do if it fits in with our own business.

Q. Will you tell me when that wouldn't fit into your business one way or the other.

A. I beg your pardon, I think I just did tell you as clearly as I can.

Q. Maybe I can't quite understand. Of course you say you meet a gentleman on the train and you talk over, you get some miscellaneous information from him?

A. Yes.

Q. And you take that into consideration?

A. Yes, sir.

Q. Give it weight?

A. To some extent.

Q. And yet you don't pretend now that this accurate information that you get every week as to actual sales being made, that you don't give any material consideration to that—you don't claim that, do you?

A. I don't think I said that we didn't give any consideration to it. I said——

Q. Didn't you give material consideration to it?

A. No, I wouldn't agree with you there, that is really a secondary matter with us. The first consideration with us and the most important one is our own individual stock condition and the attitude of our own customers. In other words, it is our own individual condition as relating to supply and demand.

Q. Now suppose that you have a large stock on hand.

A. Yes, sir.

Q. Suppose this report that is in your office shows that everybody else has got a small stock on hand, wouldn't you take that into con- [fol. 394] sideration?

A. That would depend, the weight that we would give the fact that others had a small stock would depend entirely upon the amount of warehouse space that we might have left and the amount of nearby shipping orders that we might have for that particular item. If we had a lot of shipping orders that were coming due within the next two or three months and our manufacture of that particular item was not going to be above normal, we would probably give some consideration to it.

Q. Why would you give any special consideration to space in your warehouse when you could move your lumber out at a good high price because other people didn't have stock?

A. Well I was trying to answer your question. I think you intended to ask me as to whether we would raise our price or not, didn't you?

Q. I asked you if you wouldn't take that fact into consideration that other people didn't have much stock on hand in fixing your price?

A. That perhaps would be one factor in our consideration or in making our calculation.

Q. As a matter of fact, isn't it a very important factor in fixing prices, the amount of stock that is on hand, the total stock, by these manufacturers?

A. Well, the important factor is supply and demand and of course the total stock the manufacturers have got that is supply. That is the supply.

Q. Those are the two large elements, supply on the one hand, demand on the other?

A. Yes, sir.

Q. And you can turn there to those reports and see what the supply is—isn't that exactly what you do?

A. No, sir.

Q. Why don't you, that is what you are trying to study.

A. We use that as one factor I am telling you.

Q. You do turn to them and look at them in order to determine what the supply is, don't you?

A. We give them some consideration, yes, sir.

Q. What do you mean by "some"?

A. I mean that it is not the primary consideration

Q. What is the primary consideration?

A. Our own individual stock conditions and our ability to manufacture certain items during the next two or three months.

[fol. 395] Q. Why is your individual stock condition so much more important than the stock condition of the whole supply?

A. Because we might have trade that demanded a larger percentage of certain items than some other person's trade.

Q. Supposing you had a small supply on hand and you would turn to these reports and see that the market is flooded, that there is a big supply, would you undertake to put your price up because you had a small supply?

A. We would if our own individual customer were demanding more of that item than we could supply.

Q. Isn't it a matter of fact that the demand upon you is controlled very largely by the total supply on hand by everybody?

A. In general it is quite largely but not altogether. For instance, I can tell you during I think it was in 1920, the general supply of factory flooring was immense, probably the largest stock that has ever been on hand, individually we didn't have any, we were oversold most of the time simply because we had worked up a trade for that particular item. Our prices on factory were advancing while the rest of them were declining.

Q. That was 1920?

A. I believe it was.

Q. Wasn't that when prices went clear out of sight on everything, when the ordinary rules of supply and demand did not control at all?

A. No.

Q. Just getting everything you could?

A. No, in the latter part of 1920 prices on factory flooring declined very rapidly.

Q. That was the very last part of 1920, wasn't it?

A. I think it commenced—I think factory flooring commenced to decline about the middle of the year, that is my recollection of it.

Q. Now again, you have in your office there about the middle of every week, or supposed to have, every sale that is made by your competitors that belong to the Association and the price that he receives—that is correct, isn't it?

A. Well, we have a sales report, of course that doesn't contain every sale always.

Q. It is intended to.

A. I guess it is intended to.

[fol. 396] Q. When you are fixing prices now, your own prices, don't you give any consideration to the prices that your competitors are getting?

A. Well, only in a general way. I think I told you a few moments ago that there has been two changes in our own prices of a certain item during the past two weeks and yet through one cause or another I haven't looked at a sales report for the last four weeks.

Q. I believe you stated awhile ago that your salesmen would report——

A. Not our salesmen, we have no salesmen.

Q. Your customers, that was it, that your customers would report in about prices?

A. Yes, sir.

Q. Of course you could check up whether that customer was telling you the truth or not, couldn't you?

A. No, sir.

Q. From your reports?

A. We could not.

Q. If it was an Association matter?

A. We could not.

Q. Why couldn't you?

A. Because the identity of the—we wouldn't have the identity of the member.

Q. How was it before July of this year?

A. Well, the customer is not going to tell you in very many cases just who the competitor is. He might say, he would tell you in a general way, he would say that some member, some prominent member or some large member of the Association, his prices might be so and so or might tell you that some manufacturer outside of the Association but very rarely is he going to tell you exactly who it is.

Q. You can turn to your report there and see whether any member has been cutting under that price by looking down the entire report.

A. Yes, if you want to take that trouble you can do that.

Q. Now again, in regard to your cost, how do you reach the cost of production with reference to your raw material, what do you put your raw material in, at what price?

A. We put it in at what we consider the average market price for raw material.

[fol. 397] Q. You never helped make out one of these cost sheets, did you?

A. Not for a number of years.

Q. You are controlled in your market price considerably by the cost of production, aren't you?

A. Well sometimes that is a factor, of course we always aim to take it into consideration, but for certain items of flooring you can't always say that you are going to get the full cost or more, sometimes you have to sell it for less than that.

Q. In estimating your cost of production you always use that estimate made by the Association, don't you?

A. In estimating our cost?

Q. Yes.

A. No, sir.

Q. What do you use?

A. We use what we think in our own minds is our own cost.

Q. Don't you report to the Association your cost of production?

A. No, sir, we have not for a number of years.

Q. You are asked every month, aren't you? Two or three months?

A. We are asked every quarter I believe.

Q. Did you never answer it?

A. Well, I wouldn't say we never answeed them but we never gave them the information, that is, we haven't for a number of years.

Q. Why don't you give them your information?

A. Well, because we have a peculiar condition in that our flooring factory is under the same roof with some of our other business and at least quarterly it is a little bit hard for us to segregate the individual items that are applicable to flooring separately and we don't want to give the Association anything excepting what would be an actual cost. Now if it were yearly instead of quarterly we probably would be in better position to give those costs.

[fol. 398] I should say offhand that our cost is probably a little higher than the average cost reported by the Association. Costs are somewhat higher around Cadillac. We make from 3½ to 4 million feet of flooring a year, and could make more if we wanted to. Our Association number is 14. As stated before, our terms of sale on [fol. 399] flooring are different in one respect than the terms of sale for our other lumber. When a car is billed we ascertain from the railroad company just what it weighs and what freight rate is going to apply to it, and we make the calculation for the convenience of the customer and deduct the freight from the face of the invoice, so that he will know just exactly how much he owes us and how much he owes the railroad company. We deduct the actual freight, which

sometimes differs from the rate set forth in the freight rate book issued by the Association due to the dropping of fractions of a cent in the freight rate book. In nearly all instances the rates in the freight rate book agree with the rate of freight from Cadillac. I understand that fractions of a cent are not used in the freight rate books. There wouldn't be any difference so far as the customer is concerned because he pays the actual freight the railroad company assesses and no more. We deal only with the actual amount of freight.

I would not say that our membership in the Association is not of any great value. I think that our membership in the Association is of value to us in a good many ways. There is a question of wages which is many times a very important question, and there is the question of railroad matters, car supply and rates and there has been a good deal of agitation in the last ten years at various times, the railroad companies have been attempting to change the classification of flooring and if we hadn't had any Association I guess they would have been successful in doing it, and then there is the standardization feature, which is worth a good deal to a flooring manufacturer. For instance, some of the larger buildings require all the way from 500,-[fol. 400] 000 to a million feet of flooring for the building. Now then, the contractor cannot in very many cases buy that all from one manufacturer, and if we were not standardized, if we didn't have standard thickness and standard face width and a standard matching, it would result in a lot of confusion. As it is we can,—the various manufacturers can supply flooring for the same building and in fact for the same floor in the building.

"Mr. Darby: How about the yard man, standardization with respect to him?"

"A. Oh yes, if it were not for the standardization the dealer would be confined in his purchases to one manufacturer, he couldn't buy from all manufacturers, he would only have to buy from one for fear of getting his stock mixed up and for fear that John Jones who bought flooring for a room from him last year, wanted a few pieces now to patch in, he would be afraid if it were not for the standardization that he couldn't give him the same kind of flooring that he had before."

The Court: How long since there has been any change in the standard sizes and quality of inspection?

"A. There have been no changes that I know of during the past two years."

(By Mr. Darby:)

"Q. There is a threatened change now, is there not; wasn't it taken up about the last meeting? Mr. Saunders said there that the other people were demanding a certain change."

"A. The standardization committee of the National Hardwood Lumber Association has been attempting to make a minimum length of all lumber 18 inches."

—. ——.

"A. Of course in flooring it has been customary to produce extra

[fol. 401] shorts which are 9 inches and up and the flooring people naturally feel that in the interests of conservation the 9 inch minimum should remain as it is."

"Q. How about the conservation of the raw material? Isn't it a fact that in former years the lengths of flooring were from 4 to 16 feet."

"A. They were."

"Q. What are they now?"

"A. They are now in the Clear from 2 to 16 feet, in the Number One grade 1½ to 16 foot and in the factory grade they are from one to 16 feet. I think every flooring manufacturer would bear me out in the statement that were it not for the Association the lengths of flooring today would be 4 to 16 feet and we would consequently be wasting a large amount of lumber in the manufacture of flooring."

"Q. Would that require the consuming public to pay higher prices for that?"

"A. They would. They would have to pay higher prices.

"Q. How about the reduction in thickness? Tell the court about that?

"A. The flooring is now 25/32.

"Q. It used to be what—it is now 13/16th-, isn't it?

"A. It is now 13/16ths.

"Q. It used to be thicker?

"A. It used to be ⅞ths.

"Q. And the tongue and groove were lowered so as to leave the wearing surface the same and what was taken off did not affect the wearing quality of the flooring, isn't that a fact?

[fol. 402] "A. That is right and that was as a result of the standardization program of the Association.

"The Court: Is that any different than it is in any other line of the lumber business, thicknesses used to be full with an eighth to spare for dressing, then they got down to 16th, now you get an inch and three quarter net. Isn't it the same history in the flooring business that it is in the lumber business generally?

"Mr. Darby: It took concerted action, didn't it, to bring that about. If they all pursued their independent course none of it would match with the product from the other mill.

"Q. How about the benefits that you have received or the value you place upon the benefits that you have received from a membership in the Association, from the advertising in pushing maple, beech and birch against the oak people?

"A. We think that the advertising program of the Association during the past two or three years has been the most important part of it. The Association really had to put on this program of advertising in order to compete with the vast amount of advertising that was being done by the oak flooring people, and there is no question but that from that standpoint, the Association has been of a great benefit to us."

I don't want to give any one the impression that we don't pay any attention to the statistics distributed by the Association. I do

want to state that the statistics are not the primary consideration with us. If they fit in with what we think is the market and with what we think and what we know is our individual stock condition and our own situation with regard to customers, then we given them consideration. The Cummer-Diggins Company and the partnership [fol. 403] that preceded it have been in business for a great many years. They have many customers who have been with them for a great many years and who look to them for their principal source of supply. As a matter of fact, our production of different grades differs from the production of other manufacturers, I think we manufacture more of certain widths. For instance, we manufacture more three and a quarter inch flooring than many other manufacturers do. We are more concerned with our own supply and ability to produce and with the demand of our own customers than with the supply of some other manufacturer, because we are in such position we can at any time turn this lumber or a large part of the lumber into the market and sell it instead of manufacturing it into flooring. At times we can make more money by selling the rough lumber than we can by manufacturing it into flooring.

Recross-examination.

By Mr. Fowler:

Q. You mean your conditions are different from other members of the Association?

A. In what way?

Q. In the way you have just now mentioned.

A. Well, perhaps there are some other.

Q. Have you an individual trade that the others have not?

A. Oh, we haven't got any strings tied to any of our trade exactly but I think that we manufacture perhaps a little larger amount in proportion of some items, three and a quarter inch face, for instance, than do some of the other members.

Q. Do you mean to say that you don't regard this Association as being any value as to the prices of maple flooring?

A. I don't think I made that statement.

Q. Do you consider it of value with reference to price of maple flooring?

A. I consider it of value from the standpoint of arriving at intelligent cost basis for the rough maple lumber and as of value in [fol. 404] reflecting what the stock conditions are and what past transactions have been. It is of some value to that extent.

Q. What do you mean by value? Don't you mean by that that it enables the members of the Association to get more for their flooring than they otherwise would get?

A. I mean that it is a factor which contributes to their knowledge along with other factors in making up their prices. As far as we are concerned there are other factors besides that that are of more importance to us.

Q. Will you answer my question: Don't you think that it en-

ables the members of the Association to get more money for their maple flooring than they otherwise would get?

A. Why, at certain times they might get a little more and at certain times they might get a little less.

Q. Take it at an average, will you answer my question, do you not think it enables the members of the Association to get more money for their flooring than they otherwise would?

A. That is you mean——

Q. I mean just what I have asked.

Mr. Darby: If you don't understand it, have him explain it.

The Court: The question is very simple, very plain, it cannot be misunderstood.

A. You mean then, that if there were no Association we wouldn't get as much money, is that what you mean?

Q. Sure.

A. Well, that is a pretty hard question to answer. I confess that I don't know.

Q. What is your judgment, don't you think that the members of this Association get more money for their maple flooring than they would get if it didn't exist?

A. Well, I don't think that I am competent to answer that question, I don't know.

Q. You are thoroughly familiar with the Association and with the Maple Flooring business, what is your judgment?"

Mr. Darby: It is purely hypothetical, and the Association has existed according to the allegations of the petition since 1897.

This witness is asked to play the part of a prophet.

Mr. Fowler: An expert.

Mr. Darby: To pass an opinion upon a state of facts which are assumed to exist and which he has never experienced.

[fol. 405] The Court: The question is very simple, it can be answered.

A. If you want merely my opinion, my opinion would be that we perhaps would get just as much for our flooring over a long period of years without any Association as we have with one, but we would have very violent fluctuations.

Q. Then what you mean you are stabilizing?

A. I don't exactly mean that; I mean at times our prices would be higher, and at times they would be lower, perhaps over a period of years your average might not be greatly different.

Q. If this Association has no effect on prices and not intended to have any effect, can you explain why it was that your company signed agreement here to fix a minimum price?

Mr. Darby: Were you with the company at that time?

A. I don't know whether I ever signed for the company any agreement or not——

The Court: He didn't ask you that. Why do you not pay attention to the question and then answer it to the best of your ability?

Mr. Darby: We object to the question put by counsel for the reason it appears that Mr. Sanders, the general manager of the company signed that.

The Court: He didn't ask him who signed it. He said your company signed it.

Mr. Darby: He is the sales manager and that falls within the province of the duties of Mr. Saunders.

The Court: Answer the question if you can.

A. Will you please repeat the question?

(Last question read.)

A. Well, at that particular time there was a good deal of talk about recommendations from the Federal Trade Commission to the effect manufacturers should know what their costs were and they should get cost plus a certain amount for their product and I assume that our signing of this agreement simply was signifying our intention to try to get the cost out of our product.

Q. That is you were trying to fix a certain amount as the minimum price that any member would charge?

A. No, I don't think we were exactly in that light.

Q. Your name is J. L. Colby, isn't it?

A. Yes, sir.

[fol. 406] Q. Didn't you sign your company's name to that agreement?

A. That is my signature.

Q. This was the January 6th, 1921, price plan basis. If this Association is not intended to have any effect on prices and doesn't have, why is it that every single report, sales report, those weekly sales reports that go to the Secretary, has the exact price of the sale of lumber made in the sale and that is repeated to every member the price of the lumber that was sold, why is that all exchanged between you individuals?

A. The price of the flooring?

Q. Flooring I am talking about, why is that price always exchanged between you members if it is not worth anything?

A. It is a matter of statistical information, some members might consider it worth more than others. I assume that the member can consider it or not just as he likes when he gets it.

Q. That is your answer to the question, is it?

A. I think I understood your question.

[fol. 407] Redirect examination.

By Mr. Darby:

The document you hand me is a true and correct statement of the wages paid from 1912 to 1913 to different employees in our flooring plant. Throughout the period the number of working hours a day remained the same, namely, 10 hours.

(Said document marked Defendant's Exhibit "K" received in evidence.)

Mr. Newman: We desire to make a statement to the Court at this time, in regard to saving some time. We have a large number of this class of witnesses and I made the suggestion yesterday to Mr. Thompson, if we put four or five or six of them on the witness stand, that the Government agree that the remaining witnesses' testimony would be substantially along the same line. I don't know whether that is agreeable to the Court or not.

The Court: Very agreeable to the Court if it is satisfactory to Counsel.

Mr. Fowler: Your Honor, so far as I know there is no objection to it. Of course if they put on a witness who will swear materially different, then I will have to change that.

Mr. Newman: We thought it would save time, your Honor.

The Court: It will be very agreeable to the Court so far as this is concerned.

Mr. Darby: While we are on this subject, we must let certain witnesses know in the West, who are lumber dealers. In Chicago, Philadelphia, New York and Boston and other places we took a good many depositions of dealers, who have bought this flooring, all over the country for years, from members and non-member manufacturers. We have put in the quotations they received both from the [fol. 408] members and the non-members, and they have testified to the existence of competition, and that during all the years there was a marked fluctuation in the prices received from the different members of the Association. The inquiries in many instances are there, and the quotations that were made in response to those inquiries by the different members of the Association and non-members. Now we have certain other dealers in Minneapolis, and we must give them word right away if we want them to appear here. It doesn't seem to us that their evidence would justify taking the time of the Court in merely adding to the great mass of similar testimony that we have procured in different parts of the United States. Now if counsel will stipulate that these witnesses will testify along the same lines as those other witnesses have testified, there will be no need of calling them here; otherwise, we will have to do that.

The Court: Of course, that is a matter for counsel. Anything that will shorten this trial and at the same time preserve the rights of the parties will be very desirable.

Mr. Fowler: I think we will agree that they will testify to that. I know you wouldn't have them here if they wouldn't.

Mr. Johnston: I will frankly admit that. I would suggest that you give the names of those three men and let it show in the record, these three men who, if called by the defendants, will testify along the same —.

Mr. Darby: Mr. Tozer, of the Tozer Lumber Company; Mr. Lampland, of the Capital City Lumber Company; Mr. Kirkpatrick of the Hill Lumber Company, of St. Paul.

Mr. Johnston: Where is the Capital City Lumber Company?

[fol. 409] Mr. Darby: St. Paul. The Tozer Lumber Company, I don't know whether it is in St. Paul or Minneapolis.

Mr. Keehn: Minneapolis, Minnesota.

Mr. Johnston: Minneapolis.

Mr. Newman: May that be stipulated upon the record?

Mr. Fowler: Yes.

Mr. Newman: To the effect that these three gentlemen, if called, would testify along the same lines as the witnesses examined, let us say, in Philadelphia, Boston and New York, that their testimony is confined solely to that subject.

PERCY S. MCLURG, being duly sworn, testified as follows:

Direct examination.

By Mr. Darby:

I am 44 years of age and in the logging and lumber business. I have been engaged in that business for 25 years. I am connected with the Kneeland-McLurg Lumber Company of Phillips and Morse, Wisconsin. We manufacture all kinds of hemlock and hardwood lumbers and some pine, as well as maple and birch flooring. We have one machine for the manufacture of flooring. It is a Yates machine and will produce about two million to two and one-half million a year.

My Company is a member of the Maple Flooring Manufacturers Association and first became a member of the Maple Flooring Manufacturers Association in 1919. I cannot state at this time wherein the several Articles of Association differed from one another, although of course I was familiar with the Articles at the time they were executed.

Our Company owns about three hundred million feet of stump-[fol. 410] age located in Price, Ashland and Iron Counties, Wisconsin. We estimate that about 105,000,000 of this is maple and birch, of which about 80% is birch.

We do not sell any rough maple lumber but work up in our flooring mill all of it that we produce. Our Company began the manufacture of maple and birch flooring during 1915. We desire to make flooring so as to enable us to ship mixed carloads to the retail yard trades and use flooring as a drawing card for other business. Flooring is a side line with us and constitutes about 5% of our business.

I have attended about 40% of the Association meetings that have been held since our Company first became a member. Once in a while our salesman would attend meetings, but not regularly.

The freight rates on flooring are exactly the same as on other lumber products that we ship. We sell practically all of our maple flooring in the Middle West. Our birch flooring, however, goes to the eastern markets. We sell our maple flooring in the Middle West

because we have the advantage there on freight rates. We sell our hemlock and other woods in that territory in mixed carlots, and there is where the principal part of our business is done.

We sell to retail and wholesale dealers, but principally to retailers because it enables us to sell our stock in mixed cars. For instance, if a retailer wants 200 feet of flooring and we can sell him about 16,000 feet of other hard stock, our ability to sell the flooring is nearly as much benefit to our other business as a salesman would be. After loading up yard men with maple flooring [fol. 411] and other stuff, we do not attempt to go out and sell the consumer direct in the same communities. That has been the policy of any concern I have ever been connected with during the past 25 years, namely, to sell only to retail dealers and wholesalers. I know of no Association rule now in force, or in force at any other time, which prevents manufacturers from selling to consumers direct.

In the sale of flooring, we come in competition with the manufacturers in the Northern Peninsula of Michigan and Wisconsin, both members of the Association and non members. The non members in that territory are R. Connor Company, Marshfield, Wisconsin, Robbins Flooring Company, Rhinelander, Wisconsin and Sawyer-Goodman Company, Marinette, Wisconsin. The R. Connor Company is about 86 miles from Phillips, Wisconsin and is one of our strongest competitors because it is in the same line of trade that we are. It manufactures lumber in large quantities and sells maple flooring to the small retailer, just as we do. The R. Connor Company also own considerable stumpage.

In determining at what price we shall sell our flooring, we keep in touch with the market principally through our travelling salesman. We also take into consideration the statistics that we get from the Flooring Association and also watch the price reports. The matter of price is governed a great deal by our stock on hand. In the territory that we work there is a big demand for 1½" flooring. The Michigan manufacturers don't have that trade. We are usually oversold on the narrow face, whereas the Michigan manufacturers are usually long on it. We have to take that into consideration in [fol. 412] making our prices. We very often have to buy narrow face flooring from other manufacturers in order to take care of our trade. I do not consider that my discretion is in any wise limited in the matter of determining what prices I shall charge for our products. I am not now a party to any understanding or agreement with respect to maintaining any prices for maple, beech or birch flooring and I have never been a party to any such understanding or agreement since the organization of the present defendant Association.

There were certain so-called Minimum Price Plans in 1919. When we signed those Minimum Price Plans, we were of the opinion that they would be lived up to. We found out they weren't and that everyone sold their flooring at any price they wanted to, and we did the same. We took what we were able to get for our flooring. We learned that the Minimum Price Plan wasn't being ob-

served through our traveling salesman. He gave information that he got from his customers. If he failed to land a certain order, he would telephone the office and say that the customer had told him another mill had made a certain price. It might be an Association mill or a non member mill. If we were long on stock, or if we needed the money, which we usually did, we told him to get the order.

In selling our merchandise, we make a notation on the invoice that the amount of the paid expense bill is to be deducted. We do not make any computation of the freight. The buyer then deducts the freight and remits to us the net proceeds. The buyer learns the amount of the freight from the expense bill that he gets from the [fol. 413] railroad company and turns in the expense bill to us as a receipt for the amount of freight deducted from the invoice. For instance, if a shipment of flooring, or a mixed carload of flooring and other lumber, is shipped by us to a buyer at Minneapolis, the buyer deducts the freight from Phillips to Minneapolis. He does not deduct the freight from Cadillac to Minneapolis. In every case the buyer takes the actual freight paid by him to the railroad company and sends in to us the paid expense bill.

In shipping to points where we are not familiar with the freight rates, we use the rate books issued by the Association. Phillips is a very small town and it is very difficult to get freight rates from the railroad agent there. In our regular territory we know what the rates are, but in shipping east or west, we use the rate book in order to ascertain the freight rates. It is impossible to get those tariffs from the railroad agent at Phillips, which is a town of 2,200 inhabitants located on the Soo Line. It would sometimes take a week to get a freight rate from the railroad agent. In shipping to points not in our regular territory, we use the freight rate in the book issued by the Association in order to compute the freight, so that we can quote a delivered price, but the buyer deducts the actual freight from Phillips, which he pays to the carrier.

Sometimes there is a difference between the rate from Phillips and the rate mentioned in the book. I know that there might be slight differences between the rates quoted in the rate book containing the average rate of freight and the actual freight from Phil- [fol. 414] lips. If we want business, we have to quote on that rate in order to compete with the mills that are located where the rate applies from. It is a matter of competition. We have an advantage over the Cadillac freight rate to Minneapolis. That is why we market our stuff in that territory. Our rate into Minneapolis is 11½¢ and the Cadillac rate is 27¢. We take advantage of our geographical situation. If we ship east, we have to absorb the difference between our rate and the Cadillac rate, or else get a higher price for our flooring. The only time we ship east is when we can't sell in our nearby territory. Our terms of sale are 2%, 15 days, 60 days net, on both flooring and other lumber products. The terms used to be 2%, 10 days. They were changed about 15 years ago, I think. I do not know of any Association rule with respect to terms of sale.

We do not allow the retail dealer any commission because we sell through travelling salesmen, which costs more than on commission. We allow some wholesalers a commission of $1.50 to $2.00. We are forced to do that to meet our competitors. $1.00 was the limit of commissions until about three or four years ago. Now commissions range from $1.50 to $2.00. It is mostly $2.00. We have no uniform rule with respect to commissions. We determine the matter of commissions in each particular case. I know of no Association rule limiting the amount of commissions to be allowed by members or when commissions shall be paid. I never heard of any Association rule that now requires the registration of special representatives. We never had any. We use travelling salesmen.

[fol. 415] Our production has increased very materially since we began the manufacture of flooring. We have never been a party to any understanding or agreement with respect to limiting or curtailing our production.

With respect to hazards incident to the manufacture of flooring, we have had our dry kilns burn four different times since we began the manufacture of flooring. On April 9, 1916 we lost four dry kilns, on November 16, 1916 we lost eight, on November 25, 1919 we lost four and on April 9, 1921 we lost four.

Our reason for joining the Association was that we desired to be recognized as a manufacturer of maple flooring. We found that most architects in their specifications would call for flooring that was put out by the Association. We were handicapped and for that reason we never got our production up where it should be. The benefits that we get as a member are the statistics, information with reference to past transactions and advertising. I do not know that the statistics enable us to get any higher prices, but they keep us in touch with what is going on in the market and we know what the supply is, what the sales have been, and we know what our own stock is. We take all these matters into consideration. We would not raise our price simply because someone else was getting more. The matter *or* price is determined by what our stock conditions are and what the demand is. We keep in touch with what R. Connor Company is getting and the Sawyer-Goodman Company is getting for flooring. Our salesman keeps in close touch with the quotations they have made. *They* is why we keep a salesman on the road.

[fol. 416] The paper you hand me is a correct statement of the wages paid by our Company since 1915 to May, 1923.

(Said statement marked Defendant's Exhibit "L" and received in evidence.)

Cross-examination.

By Mr. Fowler:

Q. You say Mr. McLurg that you consider those statistics when you go to make up prices?

A. Yes, sir.

Q. Are you the sales manager?
A. No, sir.
Q. You consider them pretty carefully don't you?
A. I don't. My sales manager watches them. I pay very little attention to the selling.
Q. You examine and consider those weekly sales reports?
A. He does, yes, sir.
Q. And they show the prices?
A. Yes, sir.
Q. At which the sales were made?
A. Yes, sir.
Q. And you regard that as of value?
A. Very valuable.
Q. And you also regard it as very valuable, the reports as to production?
A. Not so much production as I do stocks on hand.
Q. Stocks on hand.
A. I don't care so much about production as I do with what they have on hand.
Q. Why is that valuable if it does not enter into the making of the price.
A. I said it did enter into my making the price.
Q. If those statistics showed that those competitors were getting a good big high price, why you follow, don't you?
A. If our stocks are such that we can, and if they are low, we buy from them, try to find out who it is and buy some stock?
Q. But if they get a good high price you follow don't you?
A. We try to get all we can, yes, sir.
Q. Well you follow them?
[fol. 416a] A. We don't follow that as a lead.
Q. If they get a higher price than you do you try to follow them, don't you?
A. Try to get all we can for our stock.
Q. Mr. McLurg, if they are selling higher than you are, you try to follow them don't you?
A. Yes, sir.
Q. You put your price up to correspond with theirs.
A. No, we don't put it up to correspond with theirs.
Q. Just as close up as you can.
A. We try to keep in touch through our salaried salesman in making our prices and reports we get from him. Now we are way in the west, the farthest manufacturer in the west, we can't tell so much about those reports, where they are made from or where they are sold.
Q. But any way it gives the prices of every sale and gives you also the amount of stock on hand by all your competitors.
A. Yes, sir.
Q. As a matter of fact isn't that a matter that you consider more than any other one thing when you go to making your prices?
A. No, we consider more the reports from our salaried salesmen than anything else.

Q. Well of course you consider the amount of stock you have on hand.

A. Amount of stock we have on hand and the statistics, it is all taken into consideration.

Q. But the price would be controlled more by the total stock that all of you have than by what you have.

A. Our price is made more from the salesmen's report in the territory than on anything else.

Q. Well does the salesman when he reports sales from these competitors belonging to the association, does it always correspond with what you get in your reports from the Secretary?

A. No, because we run up against great competition of those who aren't members, that we know nothing about.

Q. That is some of the outsiders you run against, that you don't get reports on?

A. No, sir.

Q. So far as the members are concerned, you rely on the reports. [fol. 417] A. We do so far as we can, but we can't tell where that stuff is going or whether or not it is going into our territory. There is no way for us to know from the report, we sell in a very small territory, and we have got to take our salesman's report, we can kind of check against it, but we have so much outside competition that we rely on him more than we do anyone else.

Q. You are talking now more about since July.

A. Always.

Q. Before July you knew exactly every man that made a sale and how much he sold and the price at which he sold.

A. We did then, yes, sir.

Q. And knew his freight rate, and you could take the rate book and judge almost exactly where he had made the sale, couldn't you?

A. No, no, there was a great group there that you can't—would be pretty hard to dig out any particular place.

Q. Isn't it your judgment Mr. McLurg that by virtue of those statistics that you get more for your flooring than you otherwise would get?

A. No, I don't think so.

Q. Then what do you use it for, what do you want it for, if you don't get more money for it. What do you want them for?

A. We keep tab on the flooring.

Q. Don't it enable you to get more money, isn't that the reason you want to keep tab on it?

A. We rely more on our salesman.

Q. Does not the fact that you get all this information enable you to get more money for your flooring?

A. I don't think so.

Q. Well then what do you use it for? What is the use of it if you don't get any more money?

A. It has got a place in our business.

Q. Don't you use everything, all the information you have, for the purpose of getting more money for your flooring and that is the prime object of your business.

A. Yes, sir, get all we can.

Q. Then if this does not help you get more money why do you want it?

A. It may contribute in a way, but didn't——

Q. Well does it contribute in a way?

A. I expect it does.

[fol. 418] We sell a great deal of our flooring at Minneapolis. The Cadillac rate to Minneapolis is 27¢. The rate from Phillips is 11½¢. We do not use the Cadillac freight rates in our territory where we sell in mixed cars. If we ship east we do. Cadillac has [fol. 419] a better freight rate east than we have. About all that we ship east is clear birch flooring. About 75% of the flooring manufactured by us is maple. Of the lumber we produce maple is about 5% and birch about 40%.

Q. Now you say, Mr. McLurg, that they didn't observe this minimum price basis?

A. No, sir.

Q. You did, didn't you, for a time?

A. I tried to until I found they weren't, then I didn't.

Q. You lived faithfully up to it until you found the other fellow wasn't?

A. Yes, sir.

Q. Were you getting the statistics then?

A. Not that I remember of.

Q. You couldn't check him up, could you?

A. Yes, sir.

Q. How?

A. By our salaried salesman.

Q. That is where the salesman would inquire around, sometimes you could check him up?

A. When the salaried salesman loses an order he wants to tell me why he lost it.

Q. Can you always rely on him?

A. The man I have, yes, sir; I wouldn't keep him if I couldn't.

Q. But as these gentlemen send in their reports of sales, then it is a simple matter to check him up?

A. It is a simple matter to check him up—but right from the start they never lived up to it.

Q. You think when he filed this thing that immediately thereafter they began to be disregarded?

A. I think they thought it was for the other fellows.

Q. Really wasn't that the reason that they adopted the reporting system, so as to check them up and make them stand by it?

A. I don't know why they adopted it, but it never made them live up to anything.

[fol. 420] We made our first big purchase of stumpage in 1912 and have been acquiring stumpage ever since, up to two years ago. Some of our stumpage was bought with land and part of it was not.

I do not supervise the making of these reports to the Association. Our Company did not answer the questionnaire that was sent out on the cost of production because our flooring business is so interwoven with our other business that we can't separate it.

Redirect examination.

By Mr. Darby:

Our Company never paid any fines or penalties for not living up to any of the rules of any of the Associations. I know of no demands that were ever made on any of the other members.
[fol. 421] I do not attend to the detail of selling flooring, but I am generally familiar with it. It is being handled by someone else under my direction.

WALTER L. DE WITT, being duly sworn, testified as follows:

Direct examination.

By Mr. Darby:

I am 53 years of age and am in the lumber business. Our plant is located at Oconto, Wisconsin. I have been in the lumber business for 23 years and have had general experience in manufacturing and wholesaling lumber and lumber products. The name of my company is Holt Hardwood Company. We manufacture hardwood flooring, shoe last blocks, bowling pins and broom handles. We manufacture maple, beech, birch and oak flooring, principally maple. Our Company has been in existence since July, 1918. We joined a Maple Flooring Manufacturers Association in March, 1919 and continued to be a member of it about one year. Upon the so-called Memphis decision, we felt that perhaps the Association as it was being conducted would be declared illegal and for that reason we resigned from the Association at that time. I don't just remember when we did resume our membership. I think we resumed our membership in the old Association perhaps some time in 1921. We are members of the present Association. Subsequent to our first resignation and before resuming our membership, we received a legal opinion from Mr. Newman and resumed our membership believing that the Association was legal at that time. Of course, we knew nothing about the law [fol. 422] and had to rely upon advice of counsel. We had no intention of violating the law. On the contrary we wish to comply with it.

The Holt Hardwood Company does not own any stumpage. We buy all our rough lumber on the open market. There are a good many manufacturers of rough maple lumber and the other lumber that we use. I couldn't give an estimate of the number. We buy from probably twenty different manufacturers in Wisconsin and the Northern Peninsula of Michigan. Some of them are members of the Maple Flooring Manufacturers Association. Just at present we are not buying any lumber from members of the Maple Flooring Manufacturers Association but at times we have bought from probably three or four members of the Association. Probably not more than 5% of the rough lumber that we have used has been bought from members of the Maple Flooring Manufacturers Association. At times

I have bought lumber from the East Jordan Lumber Company, J. W. Wells Lumber Company, I. Stephenson, Trustees and from the Northwestern Cooperage & Lumber Company, who were members of the Association. I have bought rough maple lumber from firms who are not members of the Association, such as the Oconto Company, Oconto, Wisconsin, Sawyer-Goodman Company, Marinette, Wisconsin, Goodman Lumber Company, Goodman, Wisconsin, Below Lumber Company, Marinette, Wisconsin and Thompson-Wells Lumber Company, Menominee, Michigan, Von Platen-Fox Company, Iron Mountain, Michigan, Northern Saw Mill Company, Saylor, Michigan, C. H. Worcester Company, Ontonogan, Michigan. Menominee-Bay Shore Lumber Company, Soperton, Wisconsin. I could go on naming other non members from whom I have purchased rough lumber for [fol. 423] a considerable length of time. We have bought a large amount from Charles W. Fish Lumber Company of Elcho, Wisconsin and the Yawkey, Bissell Lumber Company of White Lake, Wisconsin. We have bought about 5% of the rough maple lumber that we have used from members of the defendant Association and are not buying any from them at the present time.

That would represent our experience since our Company has been manufacturing maple flooring.

We sell our flooring at all points throughout the United States and do a little export business. In the sale of our flooring, we have met various stiff competition at all times. My experience is that there is always a variation in prices and that competition is very active. I know this because we keep in touch with our trade and with the conditions in the country from reports that we receive from different representatives and from information we are able to obtain from people to whom we are selling our flooring. We get the weekly and monthly statements of the sales of flooring issued by the Association. They will show the variation. These conditions I have just described existed during 1919 and 1921.

When there was a minimum price plan or minimum price basis, certain prices were recommended but they were never observed. I know that because we found in selling our product that we were obliged to meet competition and sometimes our price was higher and sometimes our price was lower.

We have never been a party to any agreement or understanding of any kind to limit our production. We have steadily increased our [fol. 424] production since 1918, when it was between three and four million. This year it will be over eight million. We had a little falling off in 1920, as our plant was closed by the I. W. W. strike for a period of about three months. That was in the early part of 1920, beginning about May 1st and continuing until practically August 1st, 1920. There had been talk of a strike or a threat of strike for nearly a year before. Practically all the mills in Wisconsin and the Upper Peninsula of Michigan were closed down from May 1st to about August 1st, 1920. This caused a great shortage of flooring and was probably one reason why the prices fluctuated so much. Prices were then very high. There was a great variation in prices during that period. The I. W. W. strike was general among the mills in North-

ern Wisconsin and the west portion of the Upper Peninsula of Michigan.

Oconto is a town of 5,500 inhabitants located on the Chicago & Northwestern and the Chicago, Milwaukee & St. Paul Railroads. We used the freight rate books that were issued by the Associations almost entirely for securing the rate of freight in making our delivered prices. It happens that Oconto and Cadillac take practically the same rate of freight to all parts of the country with the exception of the west, and we have inquiries coming in every day from all over the United States. If we had to ask the local agent for a freight rate, in a good many instances the point would not be listed in the tariff he had on file, which would necessitate his taking up the matter with the general freight office, which would result in a delay of anywhere from two days to a week before the freight rate could be obtained. We would have to hold up our quotation to our [fol. 425] customer who demands a delivered price in nearly every instance. Consequently, the order would probably be placed elsewhere before we were able to quote a delivered price.

The average freight rate from Cadillac to thirty representative markets in the United States on flooring is 44.7¢ and the average from Oconto is 42.9¢. One cent's difference in freight per thousand feet on 13-16 x 2¼ maple flooring would be 20¢. Such a difference would not have any material effect upon the delivered price of flooring in Boston, New York, Philadelphia or any other of these thirty representative markets because it is too small to take into consideration.

I have found that these freight rate books are a great assistance to me in the conduct of our business. In the absence of the freight rate books we would have to secure the rates from the local agent or through a traffic association or install a traffic department of our own. We bill our flooring to the buyer at a net delivered price when the order is taken at a delivered price. When we invoice the flooring there is no separation of the flooring from the freight. No separate charge is made for freight as distinguished from flooring. Sometimes we prepay the freight, but not very often. When freight is not prepaid, the buyer deducts from the face of the invoice the actual freight that he pays and then deducts whatever discount is allowed and remits the balance to us by means of check or draft. The buyer deducts from the face of the invoice the actual amount of freight he pays to the railroad company.

The Court: I take it that this testimony will be given in substance by *the* every witness that is put upon the stand because that is the [fol. 426] universal practice in shipping lumber.

Mr. Darby: In view of what the Court has said, we will put on no more testimony as to this matter.

I know of no understanding or agreement whereby the different members of this Association were to sell their flooring on an f. o. b. Cadillac basis. We have no objection to selling flooring f. o. b. mill Oconto. In fact, we do do so whenever requested.

I am a member of the grades committee of the present association and have never been a member of any other committee or an officer of the association. I think I attended two or three meetings in 1919 and probably not more than two or three meetings in 1921 after we resumed our membership. I don't believe I have ever attended more than two or three meetings a year.

Q. So what these people have talked about generally there, there would be a lot of it, you wouldn't know anything about?

A. Yes, sir.

[fol. 427] Q. How about the talk there at the meetings, such meetings, such meetings as you attended since the organization of the present Association, has there ever been any agreement or understanding as to curtailing or limiting production or as to future prices of maple, beech and birch flooring?

A. No, sir.

Q. I believe you have always manufactured an inch and 16th flooring, have you not?

A. Yes, sir.

Q. There has been some correspondence put in evidence here, passed among some people who manufacture that, about the prices that were to be charged on this inch and 16th flooring. I see your name was not mentioned in that list. Did you ever hear any such matters discussed at any Association meeting that you ever attended?

A. I never heard that discussed in the Association meetings, no.

Q. Have you ever been a party to any agreement with any manufacturer as to what you could sell an inch and 16th flooring?

A. No, sir.

Q. Did you know anything about these letters that have been passed between these various people about inch and 16th flooring until they were shown to you here?

A. I have heard some talk about it, I have no distinct recollection of the matter at all.

Our regular terms of sale are cash less 2% 10 days from date of shipment after freight was deducted, but those terms are varied to suit particular conditions. In fact, I am sure that there are more [fol. 428] sales that varied from the regular terms than there are that conformed with them. For instance, the New York custom has always been to discount either five or ten days after the arrival of cars and in most of the markets no payments are made until after receipt of car. We have one customer in Chicago who discounts all invoices immediately upon receipt of them. On our coast shipments we have one customer that we allow 2% 90 days after the freight is deducted. We vary our terms of sale according to our past relation with the individual buyer or according to our financial needs. Terms of sale fluctuate continually and it is a matter of compromise and adjustment. Some buyers are always wanting special terms and if they are good customers, we don't haggle over it. This has been our practice since we have been manufacturing flooring.

I knew that the freight rate books contained so-called terms of

sale. They are standard terms of sale on which practically all lumber products are handled. I do not regard the terms of sale appearing in the freight rate books as limiting my discretion or as being in any wise binding upon me. We followed those terms when our customers liked them. The present Association has no rules with respect to terms of sale.

Concerning the data in said freight rate books with reference to spreads or differentials between the different grades, sometimes we followed them and sometimes we didn't, according to whether that spread represented the actual difference in value and the difference in the cost of material. In the conduct of the flooring business, it is [fol. 429] not practicable to maintain any fixed price relation between the different woods or between the different grades or between the different thicknesses and faces. That is all governed by supply and demand and the cost of the rough material from which the article is made and the cost of producing it. The demand may be very large for one grade or one thickness or one fact at one time and very small at others. The demand for each grade or thickness is not always constant, but it is continually fluctuating. Theoretically, the value of inch and 16th flooring is supposed to be greater than 13/16ths, but at times we sell them at exactly the same price. Sometimes the inch and 16th is sold lower than the 13/16ths, at times higher. Just at the present time we are selling inch and 16th by 2¼ factory at a lower price than we are 13/16ths by 2¼ factory on account of the supply and demand. The inch and 16th is theoretically more valuable than the 13/16ths because the inch and a quarter lumber from which the inch and 16th flooring is made is nearly always higher priced than the one inch lumber from which the 13/16ths is made. We get a little more feetage through the machine from the inch and 16th and the actual machine work is a little less, but the cost of the rough lumber is almost always considerably more.

The present Association has no rule with respect to maintenance of differentials or spreads between the different grades, woods, faces or thicknesses of flooring. I consider that I am at all times free to fix any price I please on my flooring.

"Q. When you receive an inquiry how do you determine what price you shall make upon your flooring?

[fol. 430] A. We keep a very close survey of our costs and we always try to sell at a price that will get us a profit. This is not always possible. We use the reports that we get from the Association as one source of information in making our prices and we try and keep in very close touch with the prices that are prevailing in the different markets. We get this information through our customers and through our representatives, and we know that we have to meet that competition and our prices are based accordingly. Of course if the items inquired for happen to be one of which we are short, oversold, why, we endeavor to get a large price or we don't sell. On the other hand, if our warehouse space is filled up with that particular item, we try to get the order, we will make a low

price, try to make a little lower price than is prevailing, in order to move that particular stock.

Q. Do you know of any understanding or agreement among the members of this Association with respect to what prices shall be charged?

A. No, sir.

Q. Do you consider that your discretion is in any wise limited with respect to the price that you shall fix for your flooring?

A. No, sir.

Q. Would you surrender that discretion or the discretion that is placed upon you as the Vice President and General Manager of your company?

A. No, sir.

Q. Going into this matter of the weekly and monthly statistics. Suppose now that you had a small amount of say Number One on [fol. 431] hand and you observed that the unfilled orders for that item were getting a larger price than you were getting, you would raise your price, wouldn't you?

A. Yes, sir.

Q. Suppose however, that lower prices were obtained on factory for instance, and you were oversold on factory?

A. We wouldn't cut our price.

Q. Suppose however lower prices appeared in these weekly sales report- than you had been getting and you had a surplus of the same item, what would you do?

A. I have already stated in my testimony that we would cut the price on the stuff to move it.

Q. As a matter of fact this matter of statistics works both ways?

A. Yes, sir.

Q. You see what the demand is and the supply is, you see what it is necessary for you to do in order to move your stock, and you act accordingly?

A. Yes, sir. I think that the price of flooring or any other product is regulated almost entirely by the supply and demand.

Q. In other words, the information that you gather from those statistics will cause you to lower your price in the actual conduct of business as often as to cause you to increase it?

A. It would, according to the way you have stated it. If we say that there was a large amount of an item on hand and that the other members were selling at a lower price, naturally we would reduce our price.

Q. How about these statistics enabling a manufacturer to select [fol. 432] rough lumber that would produce a greater per cent of one grade than another?

A. They are very valuable to a manufacturer, enables him to handle his business in a practical business-like manner and efficiently. If we endeavor to always keep our stocks balanced so that we will have the flooring that is in demand,—if we find by those statistics and other information that there is a large demand for factory flooring, or number one, we put into our dry kilns a lower grade lumber.

Q. What grade would that be?

A. That would be the 3A and the Number 2. On the other hand, if the demand appears to be for clear——

Q. Now wait. State whether or not that 3A and the Number Two would produce a higher percentage of factory or Number One than the higher grades that are used of the rough lumber used to manufacture flooring.

A. The 3A is the lowest grade that we use for manufacturing and the Number 2 the next and naturally they produce more of the lower grade flooring.

Q. They produce some clear and some Number One, but the greater percentage of factory or of Number One than the Number One Common?

A. Yes, sir, you get some clear flooring out of all lumber, no matter what the grade is you will get some clear flooring by cutting it up in short pieces."

The documents you hand me are letters written and received in the ordinary course of business.

[fol 433] Said letters marked Defendants' Exhibits, M, N, N 1, N 2, N 3, O, O 1, O 2 and O 3, Respectively, admitted into evidence, and are as follows:

DEFENDANTS' EXHIBIT M

(Letter March 5, 1921, Ex. M)

"Mar. 5, 1921.

"Mr. Fred Sullivan, Buffalo, N. Y.

DEAR FRED: I am anxious to get a line on the prices asked for maple flooring by the different manufacturers in lower Michigan, and if it is not too much trouble, will you kindly write W. D. Young and Co., Bay City, Mich., and ask for price on ½ car 13/16 x 2¼" fc. Clear Maple Flooring, and ½ car 13/16 x 2¼ No. 1 maple flooring, delivered Buffalo. Write this same letter to the Bigelow-Copper Co., Bay City, Mich. Ask the Strable Lumber and Salt Co., Saginaw, Mich. for price on one car 13/16 x 2¼" fc. factory maple flooring, and Wm. Horner, Reed City, Mich., for price on one car 13/16ths x 3½" fc. jointed factory maple flooring. Also Cobb and Mitchell, of Cadillac, Mich., and Cummer Diggins Co., Cadillac, Mich., for price on one-half car each 13/16 x 2¼" fc. clear and number one.

Kerry and Hanson Flooring Co., Grayling, Mich. and Welsh and Kerry Co., Reed City, Mich., for price on one-half car 13/16ths x 2¼ inch clear and number 1 and send these replies to me.

Thanking you for your trouble and with kind regards, I remain,

Very truly yours, —— ——"

Def. Ex. N reads as follows:

DEFENDANTS' EXHIBIT N

"Buffalo, N. Y., March 14, 1921.

"Holt Hardwood Company, Oconto, Wis.

GENTLEMEN:

Attention Mr. W. L. De Witt

We inclose herewith letters from the following in regard to maple flooring:

Strable Lumber & Salt Co., Saginaw, Mich.
Cummer-Diggins Co., Cadillac, Mich.
Kerry and Hanson Flg. Co., Grayling, Mich.

Respectfully, T. Sullivan & Company."

[fol. 434] Def. Ex. N-1, reads as follows:

"Cadillac, Michigan, March 11, 1921.

Dictated by J. L. Colby.

T. Sullivan & Co., Niagara & Arthur Sts., Buffalo, N. Y.

GENTLEMEN: Answering your inquiry of the 8th, we are pleased to advise that we could make immediate shipment and quote f. o. b. car Buffalo, N. Y., as follows:

½ car 13/16 x 2¼" face Clear Maple Flooring, $97.75 per M ft.
" " " x 2¼" No. 1, Maple Flooring, 80.75 Do.

Thanking you for the inquiry and hoping to be favored with your order, we remain,

Yours very truly, Cummer-Diggins Co."

Def. Ex. N-2, reads:

"Saginaw, Mich., March 11th, 1921.

T. Sullivan & Co., Buffalo, N. Y.

GENTLEMEN: Responding to your inquiry of March 8th we will deliver:

13/16 x 2¼ Factory Maple Flooring @ $50.00 per M f. o. b. Buffalo, N. Y. rate. We can allow you our special commission of $2.00 per M ft. from this price if you are able to send us the order. We can give you immediate shipment.

Yours very truly, Strable Lumber & Salt Company, by M. H. Miller."

[fol. 435] Def. Ex. N-3, reads:

"Grayling, Michigan, March 11, 1921.

T. Sullivan & Co., Niagara and Arthur Sts., Buffalo, N. Y.

GENTLEMEN: (Printed) Quotations subject to change without notice and previous sale all contracts contingent upon strikes, fires or other unavoidable causes beyond our control.

In answer to your postal card inquiry of March 9th, we will quote you as follows, f. o. b. cars Buffalo, in c/l lots:

One-half car	13/16 x 2¼"	Clear	Maple Flooring at	$106.00 per M.
do.	do.	#1	do.	86.00 " "
do.	13/16 x 2"	Clear	do.	101.00 " "
do.	do.	#1	do.	81.00 " "

At the present time, we have some very nice stock on hand in all items listed and can give you service on shipments, both as to prompt loading at the mill and having shipments traced thru to insure prompt delivery at destination.

Prices quoted include commission of $1.50 per M, in addition to cash discount of 2%-15, 1%-30, net 60 days from invoice date, after deducting the freight, which is net, buyer to pay the war tax on freight.

The inquiry is appreciated and we will be glad to have your order, which will have our prompt and careful attention.

This quotation is made subject to prior sale of stock.

Yours very truly, Kerry & Hanson Flooring Co., by Emil Giegling. EOG/WBH.

Mr. Darby: Your Honor, I will not take the time to read these other letters. I will ask the reporter to copy them in the record.

[fol. 436] Def. Ex. O, reads:

"Buffalo, N. Y., March 15, 1921

Holt Hardwood Company, Oconto, Wisc.

DEAR WALTER:

Attention Mr. W. L. De Witt

Further in regard to the maple flooring: we inclose a letter received this morning from Trotter-Kelleran Lumber Company of this City. They quote on the Bigelow Cooper stock, and as you will note, the price is lower than Bigelow-Cooper's original price.

Also this morning, the National Lumber Company of this city quoted us by phone on the Wm. Horner stock, $80. for #1 and $50. for Factory, f. o. b. Buffalo.

Sincerely, Fred M. Sullivan."

Def. Ex. O-1, reads:

"Buffalo, N. Y., March 14, 1921.

T. Sullivan & Company, Buffalo, N. Y.

GENTLEMEN: Confirming telephone conversation with you this morning we are pleased to state we can revise Bigelow-Cooper Company's prices to you as follows:

13/16 x 2¼" face Clear Maple Flooring..... $95.75
" " " No. 1 " 75.75

The above prices are f. o. b. cars Buffalo, New York, rate of freight and we trust with this reduction in price you will be able to place your order for this stock with us.

We are the exclusive agents of the Bigelow Cooper Company in this territory and would certainly appreciate it if you would send us your inquiries for this stock direct.

Yours very truly, Trotter-Kelleran Lumber Company, by A. B. Danihy."

[fol. 437] Def. Ex. O-2, reads as follows:

"Bay City, Mich., Mar. 10, 1921.

T. Sullivan & Co., Buffalo, N. Y.

GENTLEMEN: Your favor of the 8th was received and contents. Complying with your request we quote as follows:

½ car 13/16 x 2" face clear maple flooring..... $100.75 per M
" " " x 2¼" face #1 " " ..... 85.75 " "

Delivered F. O. B. cars on a Boston rate, less $1.50 per M commission to you. We could not furnish the 2¼" clear promptly, as we are shut down and we haven't it in stock. The flooring would be kiln dried, matched, and matched, hollow backed, steel polished and bundled.

Hoping to hear favorably, we remain,

Yours very truly, W. D. Young & Co., by Whedon."

Def. Ex. O-3, reads as follows:

"Bay City, Mich., March 10, 1921.

T. Sullivan & Co., Buffalo, N. Y.

GENTLEMEN: In response to your inquiry of the 8th for Maple Flooring, we are pleased to quote as follows on the items specified delivered f. o. b. cars, Buffalo rate of freight.

13/16 x 2¼" Face Clear..... $105.75
No. 1..... 85.75

These prices include your commission of $1.50 per M.

We are prepared to furnish stock for prompt shipment and can assure you strictly high grade carefully manufactured flooring, in accordance with the Maple Flooring Association rules.

Awaiting your order with pleasure, we beg to remain,

Yours very truly, The Bigelow Cooper Company. J. E. Dewey, Secretary."

[fol. 438] The letter I wrote to Mr. Sullivan in Buffalo is self-explanatory. We wanted to know what the prevailing prices were so that we might intelligently meet competition. I don't remember whether at that time we were getting weekly sales reports and the other statistical data from the Secretary of the Association. As I stated earlier in my testimony, we resigned some time in Mach and I do not remember when we resumed our membership. My purpose was to inform myself what flooring was being offered at in those markets at those times, and I wrote the letter in order to find out. That is done occasionally by manufacturers or lumber people in general in order to get a line on what their competitors are doing.

The files and correspondence that you show me were sent out or received by us in the ordinary course of business. The printed list you show me with numerous items of flooring of all kinds, oak, beech, birch, maple, etc. with prices to the right in typewriting with the statement at the bottom that the prices are f. o. b. Oconto, was issued by us. We put out generally monthly stock lists without the prices attached and attach the prices only when someone asks for them.

(Said list marked Defendants' Exhibit P and received in evidence.)

On or about the 15th of the month, we get from our accountant the same kind of reports that are furnished most concerns by public auditors at the end of the year's business. The purpose of getting out these reports monthly is to keep in close touch with our business and with costs.

[fol. 439] "Q. Here is a letter which has been marked Defendant's Exhibit Q, addressed to about twenty different firms at different places in Michigan and Wisconsin, dated July 18, 1921. It is a circular letter. "Gentlemen: We have the following maple flooring in our warehouse that we wish to move, on which we can make you special prices now delivered to your cards," and then follows a long list of flooring there. "We hope that you will be able to send us an order for some of this stock. We can ship all kinds of retail yard stock, including lath, and shingles and flooring." Explain what was the occasion of sending out that broadcast quotation?

A. The reason we sent that out was because we were long on those items and the demand seemed to be very poor, and we wished to get rid of it.

Q. What did you do in order to get rid of it?
A. We reduced the prices.
Q. Made special price reductions in order to move it?
A. Yes, sir.
Q. Does that happen quite frequently in the conduct of your business, or otherwise?
A. It does.
Q. And that is one of the means you take in order to move your stock?
A. Yes, sir.

(Defendants' Exhibit Q was received in evidence.)

Mr. Darby: Letter from P. W. Wood Lumber Corporation, Wholesale and Retail Lumber and Cement, Garden Street, Worcester, Mass., May 19, 1921, addressed to Holt Hardwood Company, Oconto, Wisconsin (Defendants' Exhibit R-3):

'GENTLEMEN: We have yours of recent date regarding car of flooring and would say that we have bought a car of flooring of a [fol. 440] grade equal to yours for $94.00 per M', for a clear grade.

Of course you realize that with prices dropping as they have been for the last few months, we have got to look ahead in order to protect our interests, as we have to drop our retail prices of flooring to follow the market.

We have a hunch that the price of clear hardwood flooring will stablize between $70.00 and $80.00 per M', and as we have many houses under process of construction, we feel that we shall need several cars of flooring, but on account of the condition of the market, we shall buy from hand to mouth in order to protect ourselves and customers.

We have had some criticism from some of our customers lately about the length of your floor and would like to inquire if it would be possible to make the average lengths somewhat longer. In about another few weeks we shall again inquire from you the prices of flooring and will be governed largely by the prices.

It may interest you to know that we consider the quality and manufacture of your flooring good, but as above stated, the lengths are short.'

On the back of that letter is the answer of the Holt Hardwood Company, dated May 23, 1921, addressed to P. W. Wood Lumber Corporation, Worcester, Mass. 'Gentlemen: We have your letter of May 19th and note what you say in regard to the price which you paid for flooring, also that you expect the price on Clear hardwood flooring to stabilize between $70.00 and $80.00.

[fol. 441] 'Unless we are greatly mistaken, the price is going to stabilize higher than it is at the present time. The flooring mills have all been running at a loss for the past six months and they cannot continue to do this indefinitely.

'Even if they shrink the price of the lumber that they have on hand to the present market price of rough lumber, they cannot pro-

duce the flooring at a profit selling it at the present price. We really believe that the market is already seabilized for the next sixty days or until August 1st. We have revised our prices since we quoted you last, and the present price delivered, subject to your commission of $2.00 per M on both Birch and Maple is as follows:

13/16 x 2¼" Clear	$99.50 per M
" x 2¼" #1	74.50 per M
" x 2¼" Factory	39.50 per M

And it is our advice that you cover your requirements now, either by purchasing from us at the above prices, or if you can buy more of the $94.00 Clear grade, that you do so, as we are positive that prices will be higher before they are lower. We are willing to guarantee the prices quoted against a decline up to August 1st, and as stated in our former letter, on Birch we can sort the Red out for you without any additional charge.

'Your complaint is the first one that we have ever had on the average length of our Clear flooring. Of course we put in the 20% under 4 ft. allowed by the Association rules of grading, but the balance of the stock is Unselected for length and generally runs to [fol. 442] very good average. We have appreciated the business that you have sent us, and hope that you can see your way clear to let us have some more business in the future.'

Letter of May 26, 1921, P. W. Wood Lumber Corporation of Worcester, Massachusetts, to Holt Hardwood Company, Oconto, Wisconsin (Defendants' Exhibit R-2):

"GENTLEMEN: Yours of the 23rd at hand. Your price for clear birch of $99.50 per M' seems to be higher than what we can buy the Horner floor and the Beaver Brand floor"——

Q. The Seaman-Kent Company manufacture the Beaver?
A. The Seaman-Kent Company, of Toronto, manufacture the Beaver Brand Flooring.
Q. And you say that is a brand manufactured in Canada?
A. In Canada.

Mr. Darby (resuming reading):

—"and an excellent floor which is made in Maine, all of which we can buy for $94.00 per M', with $72.50 per M' for the #1 Horner, we not having heard the prices for #1 of the other two brands of floor.

"We are willing to give you an order for a car of 2¼" clear birch at $94.00 per M', subject to our commission of $2.00, and you to select and bundle separately the red birch, and we are willing to do this with the understanding that you will protect us on the price until August 1st." Then there is some further talk there.

Answer of the Holt Hardwood Company of May 28, 1921:

"We have your letter of May 26th and note fully what you say in regard to the prices at which you are offered flooring from Seaman, Kent Company and Horner, and while we have appreciated the [fol. 443] business you sent us, it is not good business policy for us to make a price that we know is under the cost of production. We have not figured on making money this year, but we do wish to break even on what flooring we sell, and the very lowest price that we can produce it is $99.50 for the Clear Birch or Maple, and $74.50 for the #1 Birch or Maple, and we would be willing to bundle the Red separate in the *Clerk*, and allow you $2.00 per M commission. If Horner makes you a lower price than this at any time between June 1st and August 1st, we will rebate the difference to you. We know that Seaman, Kent Company make excellent flooring, but we have always felt that we make better flooring than Horner does."

Letter of June 2, 1921, from the P. W. Wood Lumber Corporation to the Holt Hardwood Company (Defendants' Exhibit R-1):

"We have yours of the 28th Inst. and note your remarks.

"Amongst other things you say, "If Horner makes you a lower price than this between June 1st and August 1st, we will rebate the difference to you."

"The writer had in his hand, dated June 1st, from the Blanchard Lumber Co. of Boston, a letter which reads as follows:

'We are pleased to offer you a carload of 2¼" clear birch at $94.00 per M'. We thank you very kindly for this inquiry and would be pleased to have your order. We would give you a giltedge lot of stuff, same as shipped you before. We can give you this stock from either mill that you prefer, Seaman, Kent Company or William Horner of Reed City.'

[fol. 444] "If you care to ship us a car of 2¼" made up as follows you may do so, 18,000' of 2¼" clear birch, and 5,000 of 2¼" clear maple, the red birch to be bundled separately, price of $94.00 per M', subject to our commission.

"As previously stated, we also have in line, a mill which manufacturers as good a floor as is made anywhere, which is located in Maine, which also prices its clear floor at $94.00 per M' and we now have some of it in our sheds, and it has given the best of satisfaction. Please let us know about this by return mail, as we wish to definitely place the order."

Letter of June 6, 1921, from the Holt Hardwood Company to P. W. Wood Lumber Company (Defendants' Exhibit R):

"We have your letter of June 2nd and note what you say in regard to flooring. We appreciate very much your offer to allow us to ship you the Clear flooring in competition with the Eastern mills, but we are sorry to advise that we cannot change the price we have already named you. We are receiving all of the Clear flooring busi-

ness that we can take care of on a basis of $99.50 Boston, and it is our intention to increase the price on Clear instead of decreasing it."

Letter of June 8, 1921, from the P. W. Wood Lumber Corporation to the Holt Hardwood Company:

"We have your letter of June 6th and note what you say.
[fol. 445] "We are in receipt of prices this morning from the Seaman-Kent Co. of $90.00 for clear birth and $68.00 for #1. However, we do not like their maple, and we are sending you an order for one-half car of clear maple and one-half car of clear birth.
"Please understand that we are paying you $5.00 to $9.00 more for this stock than we can buy it elsewhere, and trust that on this account you can give us especially lengthy floor."

Letter dated June 11, 1921, Holt Hardwood Company, Oconto, Wisconsin, to P. W. Wood Lumber Corporation, Worcester, Massachusetts, reading as follows:

"GENTLEMEN: We have your letter of June 8th in which you enclose your order #3309, and are pleased to enter same for prompt shipment, and will do our best to give you an especially nice car in view of the consideration which you are giving us. We have entered the order as follows:
Ship to the P. W. Wood Lumber Corp., Worcester, Mass., B. & M. Delivery—

15 M ft. 13/16 x 2¼" Clear Birch Flg. .....$97.50 per M

The Red Birch to be bundled separate from the Unselected Birch.

10 M ft. 13/16 x 2¼" Clear Maple Flg. .....$97.50 per M

F. O. B. Boston, net to you.

We will give this order our very best attention. Thanking you, we remain."

I will offer those letters in evidence as Exhibit R.

(Letters referred to marked Defendant's Exhibit R, R-1, R-2, R-3, and received in evidence.)
The reporter will copy into the record the communication from the Niccola Lumber Company, Wholesale Lumber, under date of July 20, 1923, in which they ask for prices etc. and the answer of the Holt Manufacturing Company under date of July 25, 1923, which is attached.

DEFENDANTS' EXHIBIT U-13

"The Nicola Lumber Company, Pittsburgh, Pa.

July 20, 1923.

[fol. 446] Holt Hardwood Co., Oconto, Wis.

GENTLEMEN: Acknowledging your letter of 17th, we note what you say in reference to the machines you use, and feel this would be a very satisfactory arrangement.

[fol. 447] 'We handle large amounts of Oak Flooring made on the disc machine and have been desirous of establishing a reliable source of supply for Maple Flooring made on the disc machines.

'Would be glad to have you send us samples of your stock so that we may keep same in our office to show to the trade. Would also like to have your lowest price delivered Pittsburgh rate of freight both in carloads and less than carloads. Also advise your very best wholesale concession, we to carry the accounts and discount the bills.

'If you have a rate sheet covering rates to the different parts of this State, we would be glad to have same as we cover a considerable amount of territory and have to quote on a variety of deliveries.

Yours very truly, The Nicola Lumber Company. A. D. Knapp, Vice President." AdK L.'

DEFENDANTS' EXHIBIT- U-14 AND U-15

"July 25, 1923.

The Nicola Lumber Co., Pittsburgh, Pa.

"GENTLEMEN: We are in receipt of your letter of the 20th and are pleased to note that you would like to make some arrangement with us for the handling of our flooring out of Pittsburgh. Complying with your request, we are sending you under separate cover [fol. 448] samples of the different dimension flooring which we get out to show the mill work.

"Our prices on Maple Flooring delivered Pittsburgh rate of freight are as follows:

13-16 x 1	1-2" fc.		Clear	Maple	Flg.	$95.00	per M
"	2		"	"	"	100.00	"
"	2-1-4 fc.		"	"	"	105.00	"
13-16 x 3	1-4" fc.		Clear	Maple	Flg.	90.75	"
"	1-1-2 fc.	#1	"	"	"	83.00	"
"	2	#1	"	"	"	90.00	"
"	2 1-4		"	"	"	95.00	"
"	3 1-4		"	"	"	85.75	"
"	1 1-2		Factory	"	"	35.00	"
"	2		"	"	"	45.00	"
"	2 1-4		"	"	"	55.00	"
"	3 1-4		"	"	"	55.75	"

'At the present time we are selling 17-16 flooring on the same basis as the 13-16, but this figure varies, and we would prefer that you send us a special inquiry so that we can figure out the best price that we can make to you. This also applies to the 3½" fc. Jointed stock. We do not have a rate sheet covering rates to the different parts of your State, but if you can give us a list of cities from which your inquiries come, we will in turn give you the amounts to add or subtract from the Pittsburgh price. The maximum commission that we can allow is $2.50 per M providing that you will carry the accounts and discount the bills.

'A matter of which may be of some interest to you and might help in getting some business, is that we manufacture in the neighborhood of 500,000 or 600,000 ft. of Oak flooring every year. This flooring is made from the best Northern Wisconsin Oak, and we [fol. 449] have not made a practice of selecting the stock for color, as we have found that we can sell everything we can make in the Plain Red variety. We manufacture both 3-8 and 13-16, and our Oak grades are maintained according to the rules of the Oak Flooring Manufacturers Association, although we are not members of the Association. Our superintendent, Mr. W. G. Kilborn, was associated for some time with William Ritter and other Southern concerns and knows the Oak flooring game thoroughly, so that we feel that we can put out Oak flooring which is satisfactory to the trade, and so far we have had no complaints. The Wisconsin Oak is of a much closer and firmer texture than the Southern Oak, and while it naturally has a little different figure, we have found it to be a very good seller especially in the Chicago market. Our prices on Clear, Select and Factory grade Oak are the same as the Maple prices. You will note that we omitted the #1 Common grade of oak flooring, but our Factory grade of Oak carries everything below the Select, giving an exceptionally fine lot of flooring in the third grade when the price is considered.

'We also can furnish Beech and Birch flooring which is equal in manufacture, grade, and quality to our Maple flooring, and our prices on the Clear and #1 grades are $10.00 below the Maple all the way through. We hope that you will be interested in the foregoing, and that we may be able to get together with a considerable [fol. 450] volume of business to our mutual benefit.

Very truly yours, Holt Hardwood Company.' CFD—III.

Q. Your statement there that the inch and one sixteenth, that the price relation between the one inch and one sixteenth and the 13-16ths varies, is in accordance with your testimony on the stand this morning, and in accordance with the facts as you found them?

A. Yes, sir.

Q. You state that the highest commission you could allow is two and a half dollars per thousand. What did you mean by that?

A. We meant that was all we could afford to give the man.

Q. Is that any association rule or anything? Did you refer to any association rule then, or did you consider that as much as you could allow yourself?

A. We considered that as much as we could allow.

Mr. Darby: Another letter under date of January 14, 1922, in answer to an inquiry of Charles Horn Lumber Company, Chicago, Illinois, under date of January 13th, 1922, in which quotations were asked and the quotations are given, which will be quite interesting to compare with the Chicago quotations, the quotations of other manufacturers at Chicago as shown in their depositions, in which he states the inch and sixteenth flooring is five dollars over the 13-16ths. 'We can allow you a commission of $2.00 per M on these [fol. 451] prices.'

Letter from the Holt Hardwood Company to Charles Horn Lumber Company under date of May 23, 1922:

'Confirming our quotations made over the long distance 'phone this morning we are pleased to give you the following price list on Maple Flooring f. o. b. Oconto,' and then in the letter it is stated that the inch and a sixteenth flooring adds five dollars to the 13-16th 'in both Clear and Factory grades and in the No. 1 Clear at $10.00 for jointed flooring in both thicknesses add $5.00 to the Tongued and Grooved price.'

Quotation made by Holt Hardwood Company in a letter of April 21, 1922, addressed to Charles Horn Lumber Company, Chicago, Illinois, in answer to an inquiry under date of April 24, 1922; also the letter on the back from the Holt Hardwood Lumber Company under date of April 25, 1922, addressed to the Charles Horn Lumber Company. This latter letter relates to the inch and 16th:

'In reply to your letter of the 24th., wish to advise that our prices on 1-1-16th maple flg. are $10.00 over those on 13-16 Maple Flooring and the jointed flooring cost $3.00 per M more than the tongued and grooved.

Yours truly, Holt Hardwood Company.'

Letter of November 13, 1922, addressed by the Holt Hardwood Lumber Company, giving prices to the Falls Lumber & Fuel Company, Oconto Falls, Wisconsin.

[fol. 452] Q. How far, Mr. De Witt, is Oconto Falls from Oconto, Wisconsin?

A. About 12 miles.

Q. And this letter reads in part as follows: 'In reply to your letter of the 8th, we are pleased to advise that we are quoting the following prices on Maple flooring at the present time f. o. b. Oconto.' Letter of January 6, 1922, addressed to O. D. Haskett Lumber Company, Indianapolis, Indiana: Gentlemen: Your inquiry of the 4th has come to us through the Maple Flooring Manufacturers Association, and we are pleased to offer you the following stock for prompt shipment: Then the prices are quoted. 'Delivered In-

dianapolis, allowing you $1.50 per M commission.' You received various communications from the Secretary of the Association from time to time did you not, stating that certain persons or firms or corporations in different parts of the United States had forwarded to the Secretary of the Association an inquiry for flooring?

A. Yes, sir.

Mr. Darby: Letter under date of November 22, 1921, addressed to Dan Klein & Son, Atlanta, Ga., a letter in response to Mr. Klein in this case, allowing one dollar and a half commission.

A letter addressed to the Nicola Lumber Company under date of June 27, 1922, in response to their inquiry, where the quotation includes a commission of two dollars per thousand.

[fol. 453] Now here is a leetter addressed to the Maple Flooring Manufacturers Association by the Holt Hardwood Company under date of April 16, 1923, as follows:

DEFENDANT'S EXHIBIT U-12

'In the fall of 1922 we sold the Hunter Lumber Company, of Tolono, Illinois, a car of factory flooring, and April 7th this year we had a complaint from them on the flooring, and we were very much surprised to find that this flooring was for the Tolono High School. We immediately wrote the Hunter Lumber Company and told them that someone had made a serious error in specifying Factory Flooring for a high school job. We told them that the flooring was absolutely unsuited for this purpose and advised them to return the car of flooring to us and we would reimburse them for the freight and any other expense they might have in connection with the deal, and that they place an order with us for some other good flooring manufacturer for either No. 1 or Clear Flooring to replace it. Under date of April 13th we had a letter from them advising that the contractor upon further investigation had decided to use the Factory Flooring in the high school job.

'We feel positive that this is going to be a 'blackeye' for the Maple Flooring Association, and we feel that you should send someone to Tolono and investigate this matter, and try to straighten it out.

Very truly yours, Holt Hardwood Company.'

[fol. 454] I wrote the letter last above quoted in order to benefit the maple flooring industry. If a low grade of flooring was put into a public building, where I know it would not give satisfaction, it would hurt the industry, and for that reason we were perfectly willing to suffer some loss ourselves for the benefit of the industry at large. That is typical of the activities carried on by the Association. We want to protect the Association grade and protect the maple flooring industry so far as we possibly can do so.

I personally have derived benefits from the exchange of information with respect to manufacturing costs from different members of the Association. This has helped me to reduce my own costs and

enabled some other members to reduce their costs of manufacturing maple flooring.

Mr. Darby: I read a letter from the Kneeland-Bigelow Company under date of August 13, 1923, addressed to the Holt Lumber Company, Oconto, Wisconsin (Defendant's Exhibit U-16):

'We will appreciate it very much if you will advise us what your cost for racking, bundling and tying your hardwood flooring is. Ours for last week was $2.08 and we think this entirely too much, and will certainly appreciate any accurate information on the subject you can give us.

'Thanking you in advance for your reply, we are.'

That is the Kneeland-Bigelow Company of Bay City, Michigan, a member of this Association.

The answer of the Holt Hardwood Company dated August--and [fol. 455] the date has been punched out—addressed to Charles A. Bigelow, Bay City, Michigan (Defendants' Exhibit U-17): 'Dear Sir: Your letter of the 13th to the Holt Lumber Company was referred to us for reply as we and not the Holt Lumber Company manufacture the flooring. For the period from January 1st to July 1st, 1923, it costs us 97.3¢ per M ft. to rack, bundle, and tie our hardwood flooring.'

The Holt Hardwood Company has no financial or other interest in the Holt Lumber Company, but they turned over the letter to us.

The matter of costs of manufacturing and marketing flooring has been given a great deal of attention by the Association. They send out the average results of test runs every so often and manufacturing costs are discussed quite frequently at Association meetings.

"Q. Now will you state Mr. De Witt what you consider the advantages of being a member of this Association?

A. Well one of the big advantages is the statistical reports that we get; it enables us to find out what the market is doing, and as I testified before on that, then we can put the proper grade of lumber into our mills to produce the grade of flooring that is demanded by the market, and it is not only an advantage to the manufacturers, but it is also an advantage to the consumer. If we did not do that there would be times when there would be a great shortage of some particular kind of flooring, naturally the price of that would be high and the consumer would suffer, but from the fact that we have that information it gives us a chance to keep our stock pretty well bal- [fol. 456] anced with the requirements of the market; also that same report gives us the prices being obtained by other members of the association, although that information is generally about two weeks old when we get it, it is valuable to us. The standardization has been a very valuable thing.

Q. Now you spoke about that, do architects generally specify flooring manufactured according to the Maple Flooring Association rules?

A. As I understand it, wherever maple flooring is specified——

Mr. Fowler: Your Honor, that has been gone over by witnesses a dozen times if not two dozen times, a repetition of the same thing, and it is a waste of time. There will be no question but that architects require that and that that is what they ask for, and there will be no testimony to the contrary. It is unnecessary to repeat that so often.

Mr. Darby: Well Mr. Fowler, you allege that these standardization rules violate the Anti-Trust Act. If you will withdraw that charge——

Mr. Fowler: That is a certain line of evidence here that they have gone over and over, and I don't see any necessity for going over it so often, and especially that particular line of evidence, that we will not introduce proof to the contrary and there will be none so far as the standardization is concerned. I am not eliminating anything so far as the charge is concerned.

Mr. Darby: The Court suggested he would be interested in the subject of the benefits obtained, and I intend, subject to the ruling of the Court, to go into the matter of the benefits and advantages, fully.

The Court: Proceed.

[fol. 457] Q. Go ahead Mr. De Witt.

A. My experience, wherever maple flooring is specified on a particular job, is that the architect always specified using the grade according to the rules of the Maple Flooring Manufacturers Association, and if it were not for those rules I don't know what we would do, and no one would know what they would get when they bought it for clear or No. 1 flooring, if it were not for these rules. Then I can give a concrete instance of the standardization right now, a large bank building constructed in Chicago, taking from six hundred to eight hundred thousand feet 13-16 x 2 inch maple flooring. No one manufacturer could furnish enough to finish the job, so with the standard thickness and the standard width and standard grades, they were able to get that flooring for that building from the various manufacturers, both members and non members of the Association. We ourselves are furnishing two hundred thousand feet of that flooring, it can be laid on a separate floor or it can be all put right in on any one floor without any segregation whatever.

Q. What non member furnished that?

A. I don't know, I say it can be furnished. I don't know who the others are that are furnishing; I know we had an opportunity to bid on the entire job and could not do it.

Q. All you know is that you have a contract for two hundred and fifty thousand feet.

A. Two hundred thousand, and I know it is going into that building, and I know somebody else, lots of other people, are going to have the balance of the contract.

Q. What about the re-inspection service maintained by the Association, do you consider that an advantage or a disadvantage?

A. We would be in continual litigation I believe if it were not for that reinspection service. The flooring is sold according to [fol. 458] those grades, and if there is any complaint the official inspector goes and reinspects the flooring.

Q. That is the flooring bought by the purchaser?

A. Under those rules, and if there is anything wrong with the flooring the manufacturers make it right. If the flooring is all right the purchaser pays for it, and there is no trouble at all. It is simply the expense of the inspection.

The Court: Now how many changes have been made in either grade or size since January 1st, 1922?

A. No changes whatever in the rules sir.

The Court: One of the chief values is that there shall not be changes, isn't it?

A. Well, it is a good thing I believe, when you get a good set of rules, to keep them in force and not continue to change them, because if——

The Court: Continuous changes would necessarily involve confusion and rearrangement and readjustment of stocks on hand and everything else, wouldn't it?

A. Yes.

Q. How about the visit of the man to your plant, by the official inspector of the Association, to look over your grading and your machine work, and to instruct your employes in keeping your product up to the Association standards?

A. We consider that very valuable to us.

Q. They have made numerous visits to your plant have they not?

A. Yes, sir.

Q. How about the matter of traffic service or freight rates, the freight rate books and so forth that you have received?

A. That is very valuable to us, and also the information we get from the traffic department upon specific inquiry upon matters pertaining to traffic.

Q. You write in to the Secretary and he assists you in getting that information, is that it?

A. Yes, sir.

Q. And I wish you would state briefly to the court as to the field representative's work, the work that is done by Mr. Robertson, the official field representative of the Association.

A. Well he is what we call our "missionary," that is what I call him anyway; he visits the architects all over the country and consults with them as regards the building conditions in their territories and the prospective——

The Court: I am very glad you used that word, because it was running through my mind all yesterday afternoon, when I was listening to the witnesses, that the principal business of this association was to be a home missionary.

A. He consults with architects and tries to induce them to use our product in buildings where it is possible, tries to show them the benefit of using that material in the place of other.

Q. And on the different grades, does he tell them where one grade is satisfactory and the other one is not?

A. Just as we were doing, just the same as in the Tolona high school job, where I tried to make them understand that Factory flooring was not suitable for that building, that is one of Mr. Robertson's jobs, and he keeps us well informed of the building prospects over the country. He really is a missionary, that is what he is, trying to introduce the right flooring into the proper buildings.

Q. And to advise the members of the building conditions and operations in different parts of the country?

A. Yes, sir.

[fol. 460] Q. And he occasionally sends in the name of some lumber dealer whom you get in touch with if you happen to have your flooring carried in that district, etc.

A. Very often.

Q. And the advertising, state whether or not you have considered that a benefit? The advertising campaign that the association has carried on.

A. It is a great benefit to us, it promotes the use of flooring. I had one of our dealers recently ask us to furnish a lot of that advertising matter with his name printed on and he is going to pass that out to his customers to try and induce them to use more of our product, and the stuff that we are putting out through the various trade journals and magazines I know is very beneficial to the industry.

Q. And the Association has placed in the hands of the lumber dealers, wholesale and retail, and architects all over the country have they not, printed copies of these rules at the Association's expense?

A. Yes, sir.

Q. State whether or not there has been much competition between the maple with other woods and flooring at different times, whether wood or synthetic, or what?

A. Very strong competition all the time between the oak and the fir and pine and composition flooring.

Q. And does gum come in competition with it too?

A. I don't know whether they make gum or not; I never happened to bump into that."

[fol. 461] Cross-examination.

By Mr. Fowler:

Q. Mr. De Witt, one of those batches of correspondence referred to there, I just happened to notice the Wood Lumber Company, isn't it?

A. Wood Lumber Corporation.

Q. Where are they located?

A. Worcester, Massachusetts.

Q. And what was the character of the lumber that you had under consideration, that you were offering them?

A. Birch and maple.

Q. What was the dimension?

A. 13-16 x 2¼ clear birch and maple.
Q. And the price offered them was $99.50 I believe.
A. Yes, sir.
Q. And he was trying to get you to reduce that price, he wrote you I believe that several others had offered him much cheaper prices than that.
A. Yes, sir.
Q. And you kept on telling him "I won't come down a dollar. $99.50."
A. Yes, sir.
Q. And you wouldn't come a dollar under, would you?
A. No, sir.
Q. "D G" means in this rate book, means the price in Massachusetts, isn't that so? The rate book shows for itself, isn't it a fact that at the very time the Massachusetts price on lumber of that dimension was $99.50 as prescribed by the Association?
A. Well I don't know, you have it there.
Q. Well look right there and see. There is your rate book and there is the figure right there.
Q. What is the date of it?
A. That is May—just before that, just a few days before that [fol. 462] letter. I believe that was the 26th, and this is the 21st.
—. ——.
A. Is the price the same on birch and maple on here?
Q. Well look and see; that rate book shows $99.50.
A. Well but wasn't—at that time wasn't there some spread between birch and maple as you claim?
Q. That was on maple, wasn't it?

Mr. Johnston: Is that the 1922 rate book?
Mr. Fowler: That particular rate book issued three or four days before that letter was written.

A. I would have to have the rest of the book to know what the Worcester rate was.
Q. Well you have got D. G. there.
A. I don't know that it is there or not.
Q. There is another rate book, that shows D. G.
A. That is what I want to see (examining document). Massachusetts and points, G. F. 99.50 for 13-16 2¼ inch maple flooring.
Q. Can you explain to me why you hit exactly on the cent, $99.50?

Mr. Johnston: That is on maple your Honor. This inquiry was for birch in that letter.
Mr. Fowler: There is no difference in the dimension.

Q. Can you tell me why you hit exactly on your Association price?
A. Well probably we thought that was the market price at that time.
Q. Well you did think it was the market price, as a matter of fact, that is the reason you quoted it, and you got that information from those books didn't you?
A. Not necessarily.

Q. Well didn't you as a matter of fact, you had the book, didn't [fol. 463] you?

A. We had the book, yes.

Q. Now in regard to this information, I noticed where you wrote a letter to a friend of yours up in New York somewhere, Syracuse, or where was it?

A. Buffalo.

Q. Buffalo, New York, and you asked him to write back to these gentlemen over here to get certain data, get prices.

A. Yes, sir.

Q. Now at that time you were not getting the exchange of statistics were you?

A. I testified I did not remember.

Q. You don't remember?

A. Whether I did or not.

Q. What you wanted to know was the prices those gentlemen were getting for their lumber wasn't it?

A. Yes, sir.

Q. And you took that method of getting it.

A. Yes, sir.

Q. And that is the very reason you take those statistics isn't it, you want to know what your competitors are getting for their lumber?

A. That was one of the reasons.

Q. Well that is your main reason isn't it?

A. No, the other parts of the statistics is also very valuable to us as I have already testified.

Q. It is all valuable.

A. It is all valuable, that part too.

Q. When you go to make your price you consider all those statistics don't you?

A. Yes, sir.

Q. And you fix the price very considerably by what you learn from these statistics don't you?

[fol. 464] A. That is one of our sources of information.

Q. An important one isn't it?

A. Important one, yes.

Q. In regard to that freight rate, the difference in the freight rate from Cadillac and Oconto, do you sell down at Minneapolis?

A. Yes, sir.

Q. The Cadillac freight rate to Minneapolis is 27 cents isn't it? What is your freight rate?

A. About 17 cents, I am not sure.

Q. It is exactly 17 according to this here, ten cents difference, that is two dollars a thousand isn't it?

A. Yes, sir.

Q. That is, one thousand is supposed to weigh about two thousand pounds isn't it?

A. Yes, sir.

Q. Do you sell in Chicago?

A. Yes, sir.

Q. The Cadillac rate there is twenty cents and yours there is twelve and a half, seven and a half cents difference.

A. Yes, sir.

Q. That would be a dollar and half a thousand.

A. Yes, sir.

Q. Now I believe you said you didn't feel yourself bound by anything that the association does. I think you did sign the agreement in 1921, didn't you? This Minimum Price basis.

A. If our name is on there, why we signed it.

Q. Holt Hardwood Company, signed A. L. De Witt.

A. That is mine, W. L.

Q. W. L. I guess that is right. You write a little bit like I do, it is sometimes a little bit difficult to read what it is. You did feel yourself bound by that when you put your signature on there.

A. We never surrendered the right to make our own prices on flooring.

[fol. 465] Q. You never did?

A. We never did and never will, and we have never been—never considered that we were not at liberty to make any prices on our product that we wished, regardless of anything that we signed.

Q. Mr. De Witt, when you signed that agreement, didn't you regard that you was bound by it?

A. I did not.

Q. What did you put your signature on it for, just for fun, was that it?

A. No, but it was part of the—there was a lot of other items in that articles of agreement besides that basis.

Q. I know, but——

A. And we have never—and our actions show that we never hove considered ourselves bound. If you will go through all our files and get the prices that we have obtained for our flooring you will find that it has always varied, sometimes it will be the Association price, sometimes lower and sometimes higher, but we have never surrendered the right to make our own prices on our product.

Q. Then when you made your agreement you didn't consider that you were bound by a single solitary thing in the thing you signed, is that it?

A. We knew when we signed that agreement that we were not going to be compelled to maintain any price.

Q. Well why did you know that when it is specifically stated in that page that you are bound to observe the minimum price?

A. Because there had been those same agreements and practically the same agreements in force for a long time and they never had [fol. 466] been observed, they never had been enforced, and we knew they would not be.

Q. Then you rather contradicted yourself when you say they had been in force and never was enforced.

Q. I say the articles were in force but they never had been considered enforced.

Q. These statistics and the information you now get is very valuable?

A. It is valuable, yes, sir.

Mr. Darby: I wish to state that Mr. De Witt's train leaves in fifteen minutes, and that we will have some one else to cover matters about which we wished to ask him.

H. H. SHEPECK, being first duly sworn, testified as follows:

Direct examination.

By Mr. Darby:

I am in the lumber business and have been in it for 17 years. I have been with the I. Stephenson Company, Trustees, during all that time. I am now Assistant Manager and Sales Manager of I. Stephenson Company, Trustees. I have been Assistant Manager since January, 1920 and have been Sales Manager for about 12 years.

The I. Stephenson Company, Trustees own about 235 million feet of stumpage as of January 1, 1923, of which about 65 million are maple. I have given Mr. Keehn the figures. They own very little beech, I think around about 100,000 of beech and between 30 and 35 million feet of birch. The figures that I have given to Mr. Keehn are correct to the best of my knowledge.

We manufacture rough maple lumber. The rough maple lumber prices were very high during the last half of 1919 and the first half, or a little more than the first half, of 1920. I think $170.00 a thousand for first and seconds was about the peak—$170.00 to $175.00. The peak on No. 1 Common I think was about $115.00 to $120.00 a thousand. I do not know just how high No. 2 Com- [fol. 466a] mon was, but I think it was around $70.00 to $75.00 a thousand. These were abnormally high prices.

A large percentage of our flooring is sold at delivered prices. However, we determine what price we want for our flooring f. o. b. mill and we then add to that the actual freight to destination. All we are interested in is what flooring nets us at our mill.

We ship perhaps 95% of our flooring to Wisconsin and northwestern points and have developed our business in that territory because we have the advantage of freight rates. We ship very little flooring east because we do not feel that it is to our advantage to do so because the Southern Michigan mills have the advantage of freight rates over us to that part of the country.

We have been selling flooring for the past 22 years and have advertised it extensively. We are selling quality. We have the same customers day in and day out to a big extent. I think 80% of our business each year is done with the same trade.

Our Company is located at Wells, Michigan and owns the Escanaba & Lake Superior Railroad, which connects with the Soo Line at North Escanaba and with the Chicago, Milwaukee & St. Paul Railroad at Channing, Michigan. Our railroad has very full and complete tariffs and in every case we determine what our flooring

should net us f. o. b. mill and then add the actual freight to destination before making quotations. We use the freight rate book issued by the Association very little. If we ship birch flooring to the east, we look in the freight rate book issued by the Association in order to ascertain what the Cadillac rate is to the east for the reason that [fol. 466b] if we want to move birch flooring, it is necessary to cut the price. On birch flooring shipped to the east, we figure what our price at the mill and what the actual freight is and then cut the price from $3.00 to $7.00 because we know that other manufacturers can ship into the east more advantageously than we can because of lower freight rates.

I do not know of any understanding or agreement among the members of the defendant Association, or among the members of any previous Associations, that flooring should be sold on the Cadillac basis or that the delivered price should be arrived at by adding the Cadillac freight rate. We have never used any such method.

There are many factors in determining what prices we shall charge for our flooring. The first factor is to get, as near as you can, to the cost of our rough lumber. It is very hard to get at the cost of your lumber and we figure what the rough lumber will cost us. We know what it costs to manufacture flooring, and we have a large storage capacity and we try not to sell our flooring unless there is a profit in it, because flooring, in our experience, has been a seasonable proposition. While for three or four or five months we may pile up our flooring and the price may go way down to the bottom, way below the cost of production, it generally comes back, and we take our Association statistics of stocks on hand, production, and shipments into consideration. We also cover the territory where we send the large percentage of our flooring very thoroughly; we have [fol. 467] four men in the State of Wisconsin alone, and we get information from them right along as to what others are doing.

"Q. You have travelling salesmen?

A. We have four representatives in the State of Wisconsin, and we have a man at Minneapolis, and a man at Chicago, and we get information from them all the time. We also keep very close track of building reports, as to the amount of building that is going on.

Q. Is that through the Dodge Service?

A. Yes, sir; Dodge Service and the Improved Bulletin of Minneapolis, we use that a great deal.

Q. And Lumber and Trade papers?

A. Yes, sir; and newspaper information.

Q. You try to get a profit. Are you always able to do that?

A. No, sir, we are not."

I am almost free myself to fix any price on our flooring I wish, but occasionally when I think I ought to make a big change in price I talk the matter over with the General Manager, but no one else.

In the northwestern territory, we come in competition largely with the mills of Northern Michigan and Wisconsin such as the Wisconsin Land & Lumber Company, the R. Conner Company, J. W. Wells Lumber Company, Northwestern Lumber & Cooperage Company,

Flanner-Steger Land & Lumber Company, Robbins Flooring Company, Sawyer Lumber Company, Kneeland-McLurg Lumber Company, Foster-Latimer Lumber Company, and to some extent with Ward Brothers. The competition from Southern Michigan mills is not felt so much in that territory except Cobbs & Mitchell, who [fol. 468] have been very active in that territory during the last few years. As long as I have been acquainted with the conditions in the northwestern territory, there has always been very active competition in the sale of flooring. There has never been a time when there was any uniformity of price or substantial uniformity of price for flooring. I know that because we get information very largely from our customers. We keep in very close touch with the trade we have. We have had it for a very long time and we make every effort to hold it. Our instructions to all our men are to meet any legitimate competition in order to hold this business. We have occasions from time to time to reduce our price after our first quotation to a customer in order to meet competition, either from a member of the Association or a non member. Sometimes we are able to meet competition and at other times we are not.

Our flooring is 13/16 instead of 25/32, which is the Association standard.

The Court: Do I understand from that that the standard flooring known as 13/16 is in reality a 32 of an inch less than that?

A. Yes, sir.

The Court: Sold as 13/16, but in reality is 25/32?

A. Yes, sir.

Q. Do you know of your own knowledge where that portion that was taken off is? I mean whether taken from the top or from the bottom.

A. I don't know. We are not interested in it and paid no attention to it.

We have advertised our "Ideal" brand of flooring for years at considerable expense. We have special machinery of our own patents and we do not believe that it would be to our advantage to change. We have an established trade with wholesale and retail lumber [fol. 469] dealers who handle our flooring, and the fact that our flooring is different from other flooring eliminates some competition.

There wasn't any uniformity of price when the so-called Minimum Price Plans were in effect. I knew that from daily contact with the trade. We were meeting competition. We were seeing the quotations made by others and knew what orders were being placed with other concerns. There never was any demand for a fine or penalty and none was ever imposed upon us for a failure to observe Minimum [fol. 470] Price Plans. I know of no demand that was made upon anyone else for a fine or penalty for failing to observe the so-called Minimum Price List.

I am a member of the Advertising Committee at the present time.

"Q. I wish you would state briefly, what commissions, and under what circumstances you allow commissions?

A. We try not to sell our flooring through the wholesale trade; we try to sell our flooring to the retail yards, and the main reason

for doing that is that we do not want to lose our identity as to our brand of flooring. If you sell a wholesaler, it all goes in a bunch as Maple flooring; whereas, if you sell to a retailer, we try to tell him we have something, and show him that we have a good flooring and that it is to his advantage to handle it; therefore, we have very few wholesalers that we allow a commission to, except in the east. The only commissions we pay, as a rule, are commissions to men for selling our product. We invoice direct to our customer, to the man who puts it in his warehouse. Our commission- to our selling representatives are $1.50 as a rule, and occasionally we pay $2.00.

Q. Do you know of any uniform rule, Association rule, in effect now?

A. No, sir.

Q. With respect to commissions?

A. No, sir.

The Court: That really means that in some cases you do your business through brokers?

[fol. 471] A. Yes, sir; and we pay even our own travelling salesmen that way; they have been working on a commission basis instead of a salary, and they pay their own expenses.

Q. I notice in some of these books some terms with respect to commissions. Did you ever follow them or use them in your business?

A. No, sir.

Q. Were you ever brought upon the carpet for not doing so?

A. No, sir.

Q. I have seen in some of these various freight rate books, Mr. Shepeck, various references, some with respect to differentials, with respect to different faces, thicknesses, widths, grades, etc. I wish you would explain for the benefit of the record whether or not it is practical to observe in the conduct of the flooring business any fixed differentials or spreads with respect to the matters I have mentioned above.

A. It is not practical to have a uniform spread between a different grade or thickness of Maple flooring for many reasons. On the grades, particularly, the demand and supply regulates that entirely. Now, for example, in 1920, there was a very large amount of factory building, and there was a scarcity of factory flooring, so that we could not furnish within one-tenth of the factory flooring that our own customers wanted. The result was that the price of factory flooring went way up, and some of the mills, as one of the witnesses said, had such a demand that they made jointed flooring, never had an opportunity to kiln dry it, in order to supply the demand. In 1921, the factories were over built, and there was no factory [fol. 472] business and a drop down to about Fifteen Dollars a thousand for factory flooring; it sold cheap at Fifteen Dollars.

Q. What was it in 1918?

A. It went as high as $165.00; $150.00 was common at that time.

Q. Weren't you able to stop that slide of factory by virtue of getting these statistics that you got from the Secretary?

A. No, sir; as far as thicknesses and faces go, for instance, the southern Michigan mills, it took a certain time in moving their

inch and a half clear flooring—13/16 x 1½, because the east did not absorb the amount of flooring they produced; the east want wider flooring. Where the northern people sell theirs, there is a good demand for inch and a half and even inch face flooring. We sell a lot of inch flooring. Our inch and a half moves in mixed cars and we never have a surplus. For our inch and a half face flooring, we can get ten dollars a thousand more, frequently, than most of the southern mills.

Q. Why?

A. Because they have to dump theirs and get rid of it as best they can; while in Northern Wisconsin the trade will handle four or five different kinds of flooring, that is, sizes, and these yards will stick inch face, inch and a half and 2¼ inch face in every car they order, a little of each size, and it keeps our stocks balanced. We have never made three and a quarter inch flooring because there is no demand for it in the northwest; they go to narrow stock and shorts more than in the east.

Q. Are there any other reasons that you know of why no fixed prices rule?

[fol. 473] A. Because it changes every day; your stock conditions change every day.

Q. Why?

A. On account of the demand and your own stocks on hand.

Q. And your production?

A. And your production; it all is a big factor.

Q. Did you yourself ever observe any data in these books with respect to the spreads or differentials among the different grades, sizes, thicknesses, or faces of flooring?

A. No, sir.

Q. How do you regard this data in the books,—as binding upon you, or as information for your consideration, or what?

A. Just information is all.

Q. Never binding?

A. No."

Our terms are 2% for cash in 15 days from date of invoice, 60 days net. The present Association has no rules with respect to terms of sale that I know of. Our terms were formerly 2% 10 days, when we shipped lumber by boat. Upon discontinuing shipment by boat, we changed to 2% 15 days. Many buyers in the east take 2% after unloading car. We do not object if they overrun for 5, or 10 or 15 days.

We have never been a party to any understanding or agreement for limiting or curtailing our production. I never heard of any such agreement among the members of the Association. Our production is regulated considerably by the amount of raw material we have on hand to work up and the market for raw material. There have been a few years when we felt we could get more money [fol. 474] out of the lumber than to manufacture it into flooring, which, of course, would cut down our production of flooring.

Our production fluctuates considerably. We produce all the way from 15 million feet down to 4½ millions, due to our own condi-

tions. We recently completed a large new warehouse for the storage of flooring. We wanted more warehouse space so that we would not have to try to sell our flooring when there was no demand for it. During December and January, as a rule, the flooring business is very quiet and it is then a bad time to curtail production because you need the room in the lumber yards as a rule and because your saw mills are running full time in the winter to save handling of the logs. Rather than shut down our flooring factory on account of space or dumping flooring on the market at any price we can get for it, we built the warehouse so we could store the flooring and hold it until there was a demand for it.

The statistics issued by the Association are a big benefit to us. The information that we gather from these statistics as to stocks on hand, production, new orders booked, also the weekly sales reports, are of considerable benefit to us. They enable us to form an opinion as to what the conditions are and assist us in intelligently handling our flooring business.

Q. How do you handle your flooring business, whether you consider present prices or future prices, or both?

A. We are concerned with both.

We try to figure out what conditions are going to be for thirty or sixty days ahead, because flooring prices in our experience, have fluctuated very fast and to a very large amount, and we have gone through some years when we felt we should get so much money for our stock and we would hold it instead of cutting two dollars, and inside of thirty days we would cut ten, and we are trying not to have that recur if we can. We had that happen thirty days ago, to [fol. 475] give an example, with factory flooring; we were asking, I think, $51.00 at Wells for factory flooring and were piling it up. We went out and took two or three big orders one day from one of the members of the Association at $6.00, I think, under that price. We felt that inside of thirty or sixty days factory flooring would be selling for $40.00, and we would rather cut five or six dollars then, than to cut ten or fifteen dollars in thirty days, based on the sales report. We took one large order from California at a cut of $4.50 from that price, but that did not make us feel bad because we were satisfied with the price obtained.

Q. Because you thought the future condition would make the price of flooring lower still?

A. Yes, sir.

Q. Those statistics set forth in the weekly reports and other reports made by the Secretary do enable you then to form an opinion based upon a certain amount of facts which are gathered as to what future conditions may be?

A. Yes, sir.

Q. And it gives you a good idea of what present conditions are?

A. The volume of the sales is really more interesting to us, I think, than the prices.

Q. Why is that so?

A. The information we get from the sales reports as to prices is a little too old to do us much good; we generally have it beforehand.

[fol. 476] Q. Why is that?

A. It is about two or three weeks after the sales have been made that these reports get to us.

Q. I understand you report weekly?

A. Yes, sir.

Q. Then that is sent in to the Secretary?

A. Yes, sir.

Q. Some of them get in late, and some of them do not get their reports in on time?

A. Yes, sir.

Q. Then I understand the method is, that these statistics are tabulated or compiled in Mr. Keehn's office and then mailed out to the members?

A. Yes, sir.

Q. So you say that much of that information as to prices, you already have that from your own salesmen and your trade, before you get that report?

A. Yes, sir.

Q. And that you are interested principally in what?

A. The thing that interests us a lot is the amount of the sales per week.

Q. How about the unfilled orders?

A. Yes, but I mean on the sales report, the amount of the sales reported on the sales report is of vital interest to us."

The field work done by Mr. Robertson in various parts of the country has been very good, although from our own standpoint it has not helped us much because his work has been done in territory where we do not ship.

[fol. 477] We are not much interested in the freight rate service or traffic book.

At meetings of the Association I have sold flooring to other members or bought from them in order to fill our orders. I have found it an advantage to come into personal contact with other manufacturers in that respect. The exchange of experiences with respect to operating conditions is very valuable. Any time two lumbermen get together it is always valuable.

Cross-examination.

By Mr. Fowler:

The standardization feature of the Association is of service to us on lengths and things of that kind. It is of service in that respect, but as far as thickness goes we manufacture another thickness and our lumber will not match with most others, so we don't get that value from the Association. We would get something out of reinspection if we needed it, but we have never needed it. We have been able to settle our complaints without the help of re-inspection. We get some good out of freight rates. Yes, we wouldn't say that we didn't get any, we do get some.

Q. Where you do get your good is out of these statistics?

A. The main good and advantage we have had out of our

Association, in years past is the lengths; the saving of waste that the Association has brought about by uniform lengths.

Q. You don't mean that that is the principal good that you get?

A. In dollars and cents that is the biggest help we have had.

Q. Isn't your dollars and cents in the price which you are able to make on account of these statistics, there are your dollars and cents.

A. Sometimes the statistics cost us money, in order to get out.

Q. How do you lose money out of these statistics?

A. I feel pretty good sometimes, until the statistics come along, and then I feel sick and cut my price.

Q. If you didn't get the sickness you might have to cut more; [fol. 478] sickness helps you in that case. If it wasn't for the statistics you wouldn't belong to that Association right now?

A. No, I don't think we would; we might.

Q. So that is the reason——

A. It depends on what it costs us; it is just like any service you pay for, like the Dodge Reports or anything else we pay for.

Q. Of course you examine these statistics carefully, don't you?

A. I try to; yes, sir.

Q. Very largely with reference to production?

A. Yes, entirely.

Q. Especially you say with reference to the quantity that is moving?

A. Yes, sir.

Q. Because that shows the extent of the demand?

A. Yes, sir.

Q. When there is a large demand then you know the price is to be good? That is natural, isn't it?

A. The bigger the demand the better the prices; yes, sir.

Q. That is what interests you?

A. Yes, sir.

Q. You also look at the prices, although you do say they are a little bit ancient?

A. Yes, sir.

Q. You manufacture a great deal of lumber that is not converted into flooring at all?

A. Yes, sir.

Q. If there is a large demand for flooring, you will make more flooring?

[fol. 479] A. Yes, sir.

Q. If there is a small demand for flooring you will make less flooring and sell your lumber on the market?

A. That is not always possible.

Q. When it is possible, you do that?

A. It is a very small part of the time that it is possible.

Q. When you see that there is not a large demand for flooring, and that there is a large supply as shown by these statistics, don't you then sell a good deal more of your lumber in the market and not turn it into flooring?

A. It is too late to do that. Your flooring stock has already been

put up; it takes nine months from the time you saw your log until that lumber is ready to go into flooring. That lumber for flooring is already in the pile.

Q. Doesn't that have any effect on you at all?

A. It does to a certain extent, yes, sir, but it don't so far as curtailing our production for the time being; we can not curtail our production tomorrow if we look at the report today; it takes nine months before we can get a reaction on our production.

Q. These statistics on stock on hand and production and those things go back over a year?

A. Yes, sir; further than that.

Q. So you consider the whole situation for a whole year?

A. Yes, sir.

Q. But anyway, you do say that these statistics showing demand and supply and stocks on hand and all those things, and prices paid, are of very great value to you?

A. Yes, sir.

Q. And of course that means that they are of great value to you in that they enable you to get more money out of your lumber?

A. Not necessarily; no, sir.

[fol. 480] Q. Isn't that what you are striving for, to get more money for your lumber?

A. To a certain extent; yes, sir.

Q. Would you be in business if it was not for the money you get out of it?

A. No, sir.

Q. You are striving for profits?

A. Yes, sir.

Q. And that is all you are striving for, profits?

A. Oh, not entirely, no.

Q. You are not doing it for exercise, are you?

A. No.

Q. Or amusement; you could get amusement somewheres else?

A. I get amusement out of my business.

Q. You are just the same as other men in business; you are in business to make money out of it?

A. Yes, sir.

Q. And the things that is valuable to you is that which enables you to make more money?

A. It enables us to keep from going broke.

Q. That is the same thing?

A. Yes, to a certain extent.

Q. That is, it keeps you from losing money?

A. Yes, sir.

Q. Were you one of these gentlemen that had a kind of side agreement up there in the north?

A. Never had any side agreement; no, sir.

Q. You had an understanding?

A. No, sir; not as to prices.

Q. What was there about that?

A. We meet up there in the north quite often for many things.

[fol. 481] Redirect examination.

By Mr. Darby:

The two sheets of paper you hand me are statements showing comparative costs of operating supplies from 1912 to 1923, and comparative wages paid per day to emloyes during the same time?

A. Yes, sir; said statements are true and correct to the best of my knowledge and belief. They represent wages paid and costs incurred by our company during the years stated.

(Said papers marked Defendants' Exhibit T, T-1 respectively and received in evidence.)

Through inadvertence of the Court reporter there was no Defendants' Exhibit S.

[fol. 482] Letters identified by witness De Witt, marked Defendants' Exhibits U to U-17 inclusive and received in evidence.

(Through inadvertence there was no Defendants' Exhibit U-1.)

The letters identified by the witness and not heretofore read in evidence, are as follows:

Letter dated November 22, 1921, from Holt Hardwood Company, Oconto, Wisconsin, to Dan Klein & Son, Atlanta, Georgia, reading as follows:

DEFENDANTS' EXHIBIT U

"We are advised by the Maple Flooring Association that you are in the market for Maple Flooring. May we submit the following list of prices, which are delivered on Atlanta, Ga., rate of freight in car load lots:

13/16 x 2¼" Clear Maple Flooring	$101.75 per M
13/16 x 3¼" Clear Maple Flooring	95.25 per M
13/16 x 2½" No. 1 Maple Flooring	76.75 per M
13/16 x 3¼" No. 1 Maple Flooring	78.00 per M
13/16 x 2¼" Fcty. Maple Flooring	36.75 per M
13/16 x 3¼" Fcty. Maple Flooring	40.25 per M

Including $1.50 per M commission to you.

We can furnish 2¼" Jtd. Maple Flooring in either a No. 1 & Btr. grade or in a Fcty. & Btr. grade. We do not care to sell this on grade the same as we do the other widths as there is not much market for 2½" Clear flooring, and the only way that we can afford to make the Jtd. stock is to make it in a grade which will take care of the entire run of the lumber.

We can make very attractive prices in either the No. 1 & Btr. and Fcty. & Btr. grades, and figure a special price for each inquiry. We will be pleased to hear from you when you are in the market for flooring."

[fol. 483] Letter from Holt Hardwood Company, Oconto, Wis., to O. D. Haskett Lumber Company, Indianapolis, Ind., dated January 6, 1922, reading as follows:

DEFENDANTS' EXHIBIT U-2

"Your inquiry of the 4th has come to us through the Maple Flooring Manufacturers Association, and we are pleased to offer you the following stock for prompt shipment:

25 to 30 M' 13/16 x 2¼" Fc. No. 1 Maple Flooring @ $71.25 per M.
25 to 30 M' 13/16 x 2¼" Clear Maple Flooring @ $96.25 per M.

Delivered Indianapolis, allowing you $1.50 per M commission.
We can offer you some Basswood as follows:
In car load lots:

4/4 F. A. S. Basswood, Rough @ $93.00 per M
5/4 F. A. S. Basswood, Rough @ $98.00 per M

or, if included in car of Flooring.

4/4 F. A. S. Basswood, Rough @ $90.00 per M
5/4 F. A. S. Basswood, Rough @ $95.00 per M

F. O. B. Indianapolis.
We hope that you may be able to favor us with an order."

Letter dated January 14, 1923, Holt Hardwood Company to Charles Horn Lumber Company, 608 South Dearborn Street, Chicago, Ill., reading as follows:

DEFENDANTS' EXHIBIT U-3

"GENTLEMEN: In reply to your inquiry of the 13th we are pleased to quote you the following prices on maple flooring delivered Chicago:

[fol. 484] 1 car 13/16 x 2¼" Fcty. Maple Flooring $25.00.
1 car 13/16 x 3¼" Fcty. Maple Flooring $30.00.
1 car 13/16 x 2¼" No. 1 Maple Flooring $69.75.
1 car 13/16 x 3¼" No. 1 Maple Flooring $70.75.
1 car 13/16 x 2¼" Clear Maple Flooring $94.75.
1 car 13/16 x 3¼" Clear Maple Flooring $90.75.
All of the 1-1/16 Flooring at $5.00 over the 13/16.
2 cars 12/16 x 2½" Fcty. & Btr. Jtd. Maple Flooring @ $65.00.
2 cars 13/16 x 2½" No. 1 & Btr. Jtd. Maple Flooring @ $75.00.
13/16 x 3½" Fcty. & Btr. Maple Flooring @ $66.00.
13/16 x 3½" No. 1 & Btr. Maple Flooring @ $76.00.

The above Jtd. items in 1-1/16 Flooring $5.00 over the 13/16.
We can allow you a commission of $2.00 per M on these prices.

Hoping that you may be able to favor us with an order, we remain."

Letter dated January 13, 1922, Charles Horn Lumber Company, Chicago, Ill., to Holt Hardwood Company, Oconto, Wisconsin, reading as follows:

DEFENDANTS' EXHIBIT U-4

"GENTLEMEN: Kindly quote us delivered Chicago, Illinois, on the following Hard Maple Flooring:

[fol. 485] 1 car each 13/16 x 2¼" and 3¼", Factory.
1 car each 13/16 x 2¼" and 3¼", #1.
1 car each 13/16 x 2¼" and 3¼", Clear.
3 cars each 1-1/16 x 2¼" and 3¼", Factory.
1 car each 1-1/16 x 2¼" and 3¼", #1.
2 cars each 1-1/16 x 2¼" and 3¼", Clear.
2 cars each 13/16 x 2½" and 3½" Factory & Btr. & #1 & Btr. Jointed.
1 car each 1-1/16 x 2½" and 3½", Factory & Btr. & #1 & Btr. Jointed.

We would appreciate hearing from you promptly, as we have these orders to place."

Letter dated April 21, 1922, Holt Hardwood Company, Oconto, Wis., to Charles Horn Lumber Company, Chicago, Ill., reading as follows:

DEFENDANTS' EXHIBIT U-5

"GENTLEMEN: Replying to your telegram of the 20th, and confirming our phone conversation of this afternoon, we are pleased to name you the following prices on Maple Flooring, delivered Chicago:

1 Car 13/16 x 2¼" Clear Maple Flooring at $94.75 Per M'.
2 Cars 13/16 x 2¼" No. 1 Maple Flooring at $74.75 Per M'.
1 Car 13/16 x 2¼" Factory Maple Flg. at $24.75 Per M'.

We can give you prompt shipment on the Clear, about six weeks on the No. 1 and about two weeks on the Fcty.

Thanking you for your inquiry hope that you can favor us with the business, we remain."

Letter dated April 24, 1922, Charles Horn Lumber Company to Holt Hardwood Company, reading as follows:

DEFENDANTS' EXHIBIT U-6

"GENTLEMEN: We thank you for your letter of the 21st instant, [fol. 486] and we will try to send you an order if we can.

We are having some inquiry on 1-1/16 Hard Maple Flooring in both T. & G. and Jointed stock, therefore, we wish you would kindly quote us your prices, and in both faces, delivered Chicago, Illinois, rate of freight. If you will do this we will appreciate it.

With kindest regards, we are."

Letter dated April 25, 1922, Holt Hardwood Company to Charles Horn Lumber Company, reading as follows:

DEFENDANTS' EXHIBIT U-6½

"GENTLEMEN: In reply to your letter of the 24th, wish to advise that our prices on 1-1/16 Maple Flg. are $10.00 over those on 13/16 Maple Flooring and the jointed flooring cost $3.00 per M' more than the tongued and grooved."

Letter dated May 23, 1922, Holt Hardwood Company to Charles Horn Lumber Company, reading as follows:

DEFENDANTS' EXHIBIT U-7

"GENTLEMEN: Confirming our quotations made over the long distance phone this morning we are pleased to give you the following price list on Maple Flooring F. O. B. Oconto:

[fol. 487] 13/16 x 2¼" Face Clear Maple Flg. at $90.00 Per M'.
13/16 x 2¼" Face No. 1 Maple Flg. at $75.00 Per M'.
13/16 x 2¼" Face Fcty. Maple Flg. at $30.00 Per M'.
13/16 x 3¼" Clear Maple Flg. at $85.00 Per M'.
13/16 x 3¼" Face No. 1 Maple Flg. at $75.00 Per M'.
13/16 x 3¼" Face Fcty. Maple Flg. at $35.00 Per M'.

For 1-1/16" flooring add $5.00 to the 13/16" in both clear and Factory grades and in the No. 1 Clear at $10.00. For jointed flooring in both thicknesses add $5.00 to the Tongued and Grooved price.

All of the above quotations carry your commission of $2.00 Per M'.

With reference to the inquiry for 800 M' of 1-1/16 flooring for Detroit with to advise that we quoted you as follows:

800 M' 1-1/16 x 2¼" Face No. 1 Maple Flg. at $89.00 Per M' F. O. B. Detroit, including your commission of $2.00 Per M'.

Shipment to commence July 1st, and to continue as fast as manufactured or at about 250 M' per month.

(U-8, Second Sheet of Foregoing Letter)

We would not be able to withhold shipment on any of the order but would require that the customer take the flooring direct from the machine.

Thanking you for past favors and hoping to be favored with the business, we remain."

[fol. 488] Letter dated June 27, 1922, from The Nicola Lumber Company, Pittsburgh, Pa., to Holt Hardwood Company, reading as follows:

DEFENDANTS' EXHIBIT U-9

File #6077

"GENTLEMEN: Please quote your lowest price delivered Elmira, N. Y. on 84,000 feet 13/16 x 2¼" face Clear Maple Flooring

Specifications read "not over 10% under 4' long." Could you furnish in that way? How soon could you ship? Kindly refer to our file #6077."

Letter dated June 29, 1922, from Holt Hardwood Company to the Nicola Lumber Company, reading as follows:

DEFENDANTS' EXHIBIT U-10

File #6077

"GENTLEMEN: We have your inquiry of the 27th and are pleased to quote you the following price on Maple Flooring for immediate shipment, delivery Elmira, N. Y.:

84 M' 14/16 x 2¼" face Clear Mpl. Flg. standard lengths, $97.50, including commission of $2.00 per thousand. We can furnish the same flooring to contain not over 10% under 4' at $100.00 per thousand, delivered Elmira, and hope that you can favor us with an order on one or the other of the two quotations."

Letter dated November 13th, 1922, Holt Hardwood Company to Falls Lumber & Fuel Company, Oconto Falls, Wis., reading as follows:

DEFENDANTS' EXHIBIT U-11

"GENTLEMEN: In reply to your letter of the 8th, we are please-
[fol. 489] to advise that we are quoting the following prices on Maple Flooring at the present time f. o. b. Oconto:

13/16 x 2¼"	Clear	2	–16′	$95.00	per	thousand.
" 2¼"	"	2	–3½′	85.00	"	"
" 2¼"	"	7	–23"	65.00	"	"
" 2¼"	No. 1	1½	–16′	85.00	"	"
" 2¼"	"	1½	–3½′	75.00	"	"
" 2¼"	"	7	–17"	40.00	"	"
" 1¼"	#1&BTr.	1½	–16′	55.00	"	"
" 1¼"	Fcty.	1	–16′	20.00	"	"
" 1½"	"	1	–16′	20.00	"	"
" 2¼"	"	1	–16′	35.00	"	"

Thanking you for your many favors, and hoping that you will continue to favor us with your business, we remain."

[fol. 490] Letters identified by Witness Shepeck marked Defendants' Exhibits V to V-37 inclusive, and received in evidence, said letters being as follows:

[fol. 491] DEFENDANTS' EX. V

Letter from Sam E. Barr, wholesale lumber, November 16, 1923, addressed to I. Stephenson Co., Wells, Mich.:

"GENTLEMEN: Your samples of 13/16 x 1½ Selected White Maple Flooring received and regret to say that your flooring will not match, standard manufactured oak flooring. The tongue of your flooring is entirely too thick. I have also compared this flooring of yours with other standard manufactured maple flooring and find that neither will match.

I think I wrote you some time ago about manufacturing your flooring to conform to the measurements of other manufacturers of maple flooring, who belong to the MFMA. In this instance, if your flooring was manufactured with a smaller tongue, I could have given you an order for a carload of this Clear Selected White.

Thanking you for submitting sample, we remain,

Yours very truly, Sam E. Barr, by Gaynour."

Letter, November 19, 1923, from I. Stephenson Co., Trustees, to Sam E. Barr:

DEFENDANTS' EX. V-1

"DEAR SIR: We are in receipt of your favor of the 16th inst. and note contents with interest. We have never tried to make our flooring so as to match with other manufacturers. Some of the machines which we have in our flooring factory are of our own make, and upon [fol. 492] which we have our own patents. The big percentage of

our flooring is shipped to our regular customers. They have used our products for years, and as a general rule, we have very little trouble in selling all the flooring that we are able to produce, and your complaint is the first that we have ever received along this line. However, we do not ship very much flooring to the eastern Market. We thank you very much for writing us and know that you will appreciate our position in this matter."

Letter from Sam E. Barr, October 31, 1922, to I. Stephenson Co. Trustees:

DEFENDANTS' EX. V-2

I will read one portion of the last paragraph of the letter.

"Samples of your flooring received. You are making your tongue too thick to match up with standard made flooring. I am sending you a piece of Kerry and Hanson Flooring Company's flooring to show you that your tongue is too thick. Their matching is standard with Association mills and a great many others who do not belong to the association. Please let me hear from you if you do not think it advisable to make the tongue of your flooring conform to what other manufacturers are making theirs and oblige."

Letter from Daniel Clark & Sons, Corry, Pa., April 21, 1923:

DEFENDANTS' EX. V-3

"I. Stephenson Company, Wells, Mich.

GENTLEMEN:

Att. Mr. Shepeck

We wish to acknowledge receipt of the samples received from you [fol. 493] a few days ago and to say that we note that the gauge is different from the guage of our own flooring as well as flooring manufactured by others that we do business with and in view of the fact that this material goes into yards, we believe that we would be headed for a lot of trouble.

We would therefore ask that if you would accept cancellation of our order unless you would be in position to furnish what we would call standard matching."

Then the other correspondence shows cancellation was finally agreed upon (Defendants' Ex V-4, V-5, V-6, and V-7).

Letter from Schneider-Deschamps Lumber Company:

DEFENDANTS' EX. V-8

Sept. 22, 1921.

I. Stephenson Co. Trustees, Wells, Mich.

"GENTLEMEN: We have had several inquiries for Factory Maple Flooring the past week and one inquiry calls for 40,000 ft.

The yards advise us that Beck is quoting 23.50 on this stock.

We wish you would advise us your price on your #2 Factory grade and about how this stock runs for grade, that is about how — waste would there be in laying this stock, it may be possible to interest some dealer in this grade to compete with Beck 23.50 price."

Letter from Schneider-Deschamps Lumber Company, dated Sept. 22, 1921, to I. Stephenson Co., Trustee:

DEFENDANTS' EX. V-9

"GENTLEMEN: Inclosed find our order for a car of flooring for [fol. 494] Northside Lbr. and Fuel Co., and in connection with this will say that in the past week we have called on every retail yard in the City and we get the same story at every yard, that is, Beck is selling the yards at 90.00 delivered on the job and we find that Holt and the Cooperage Co. are quoting $89.00 on the clear and we were told that they are shading our price on the number one. We cannot sell Hilty Lbr. Co. at 89.00 and we feel that they are buying it for less, so it is up to us to take the business at competive prices or leave it and if you feel that you do not care for any of this business we of course will pass it up.

We have tried to get started at Sheboygan this year as there has been considerable business there, and while we have quoted on nearly every inquiry we were never low enough to get the order. Last week Deschamps was at Sheboygan and quoted Hildebrand 90.00 to try them out but was advised that the Cooperage Co. made them a price of 89.00 through Newfeldt of Green Bay. We are advising you of these facts so you will understand what we are up against."

Letter from the I. Stephenson Co., Trustees, addressed to the Schneider-Deschamps Lumber Co.:

March 24, 1921.

DEFENDANTS' EXHIBIT V-10

"GENTLEMEN: Confirming our telegram in reply to yours of the 23rd inst., the prices we have made you on maple flooring are the lowest we would care to accept at this time. We figure they are

about $10.00 below the cost of production and feel that we would rather pile our stock up or quit making it than lower the price. [fol. 495] We would like very much to have the Brannum Lumber Company's order, but cannot see our way clear to cut the price at the present time."

Letter from Schneider-Deschamps Lumber Company, March 23, 1921, to I Stephenson Co., Trustees:

DEFENDANTS' EXHIBIT V-11

"GENTLEMEN: We called on Brannum Lumber Company, Racine, to get after that order for number one Maple Flg. you quoted them on and being a good friend of ours he told us that he has price from a good mill which is better than 5.00 lower than ours. It looks to us as if we would have to go at least 6.00 lower than our price to get the business. Will you wire us on this? We have confidence in what he says as we have always found him right on such things. The price would have to be guaranteed as per his letter.

They are ready to place 75,000 ft. which is half the order. Hoping to hear from you promptly, we are."

Letter from the same Company of April 22nd, 1921, to I. Stephenson Co., Trustees, in which he states that he obtained the prices on the oak flooring and states them in the letter. I would like to have that copied in the record too, with these other letters.

DEFENDANTS' EXHIBIT V-12

"GENTLEMEN: We received in the mail today some prices on oak flooring and thinking they might interest you we quote, F. O. B. Milwaukee, Wis.

Clear Quartered White 13/16 x 2¼" face 2 to 16.....	120.00
" " Red " "	105.00
Select Quartered White 13/16 x 2¼" face 2 to 16.....	80.00
" " Red " " " "	80.00

[fol. 496]

Clear Plain White 13/15 x 2¼" Face 2 to 16.....	85.00
" " Red	80.00

2" Face same as above.
1-½" face 5.00 less.

Clear Quartered White 3/8 x 1-½" or 2".....	87.50
" " Red "	82.50
" " Plain White "	62.50
" Plain Red "	57.50

Yours very truly, Schneider-Deschamps Lbr. Co."

Letter from the same Company, May 3, 1921, to I. Stephenson Co., Trustees:

DEFENDANTS' EXHIBIT V-12½

"We have your copy of quotation to Iron Bridge Lumber Co., and for your information will say that this yard is owned by the same people that owned the Mayville Lumber Co., and Neufeldt of Green Bay, quoted Northwestern Cooperage and Lbr. Co. stock.

13/16 x 2-¼" face clear maple 2 to 16	95.25
#1 1-½ to 16	78.50

They are now handling Northwestern Cooperage Stock at both yards, it seems that they handled your stock a few years ago and had some trouble with it.

They are not ready for flooring yet and we will see them again in the near future and maybe we can line them up."

Letter from I. Stephenson Co., Trustees, to Schneider-Deschamps Lbr. Co., June 28, 1921:

DEFENDANTS' EXHIBIT V-13

"We find we are going to have a surplus of 2-¼" 2-3-½'. We [fol. 497] wish you would please try and move some of this with the long stock and for the present time make the price of 2-3-½' Clear Maple Flooring $15.00 less than the 2-16'. We also have two cars of 2-¼" Face No. 1, 7-23" which we are very anxious to move. If you can find a customer for this make him a special price on it.

We are also getting a little short of orders for Maple Trimmings and wish you would try and send us some orders for this item."

I would like to have copied in the letter of August 4, 1922, I. Stephenson Co., Trustees, to Schneider, Deschamps Lumber Co., Milwaukee, giving the prices on the flooring mentioned in that letter:

DEFENDANTS' EXHIBIT V-14

"GENTLEMEN: We have the following flooring on hand which we are anxious to move and you may quote prices named below until further notice:

20,000	13/16 x 1-½" Clear Maple Flooring 9-23"	$60.00
70,000	" " #1 Maple Flooring 7-23"	31.00
95,000	" x 2-¼" #1 " " 7-23"	36.00
70,000	3/8 x 1-½" #1 " " 2-16'	43.00
20,000	13/16 x 2-¼" Clear Birch Floor 9-23"	60.00
20,000	" " #1 Birch Flooring 7-23"	31.00
200,000	13/16 x 2-¼" Clear Birch Flooring 2-16'	86.00

The above prices delivered any points in Wisconsin. We wish you would please put your efforts on the above items and see if you can send us orders to clean them up.

Thanking you for giving this your attention, we remain."

[fol. 498] Letter from Schneider-Deschamps Lumber Co. to I. Stephenson Co., Trustees, dated March 17, 1923:

DEFENDANTS' EXHIBIT V-15

"We have yours of the 16th inclosing maple flooring stock sheet and note what you say about orders for 13/16 x 2¼ clear. We do not seem to be able to get posted on the flooring situation at present. We lost several orders at Madison recently on account of a difference of 5.00 per thousand in the price on clear, and the dealers here advise us that they have prices from a number of mills quoting 103.00 on clear and from what we can learn this price is being quoted by southern Michigan mills. We wish you would give us what information you have on the market and this may be of some help to us."

Something here about claims.

Letter of March 19, 1923, from I. Stephenson Co., Trustees, to Schneider-Deschamps Lbr. Co., Milwaukee:

DEFENDANTS' EXHIBIT V-16

"We are in receipt of yours of the 17th inst. Quotations on maple flooring seem to be varying a great deal right at this time; some concerns seem to be swamped with orders and others needing them.

For your information we are inclosing herewith sales report, which will give you a good idea of what the different concerns are doing. Kindly return same as soon as you have looked it over.

We have plenty of orders for flooring, and are not very anxious for orders for standard stock, but, of course, we want to take care of [fol. 499] our regular trade. No doubt there will be a big shortage of flooring this summer and it is our ambition to be able to keep our customers supplied.

The writer plans on being in Chicago on Thursday, the 22nd, and it is possible I may be able to stop off at Milwaukee, but will let you know definitely if I am coming."

Here is something about the present suit, it may be interesting to Court and Counsel:

"As you no doubt know, the United States Government is trying to make the Maple Flooring Manufacturers' Association dissolve,

and a hearing comes off in Grand Rapids on March 28th. If this Association is not allowed to operate, then it is impossible for any group of men to get together for the purpose of talking over their business, but, of course, we will know more about it after the hearing."

Letter from Schneider and Deschamps Lumber Co. to I. Stephenson Co., Trustees, March 20, 1923:

DEFENDANTS' EXHIBIT V-17

"We are returning herewith your sales report of maple flooring and of course it is very interesting to us.

We can now see where some of the business we did not get has been placed, and while the price on flooring has not hurt our business very much in the country towns, we do notice the difference in Milwaukee and Madison and towns of that size that seem to be worked harder by the southern Michigan mills.

We hope you will find time to stop off here on the 22nd."

Letter from the same company, dated March 1, 1923, to I. Stephenson Co., Trustees:

DEFENDANTS' EXHIBIT V-18

"While at the Convention here Mr. Giese of Dahlke and Giese, [fol. 500] Princeton, Wis., took the matter of what he feels is a overcharge on some short flooring up with Mr. Mayer.

They feel that they were overcharged as they had a price and bought a part car from Hermansville at 15.00 per thousand less. We feel that they are not entitled to any allowance, at the same time we feel that it would be a good business policy to make the allowance. They operate three yards and we feel that their future business would warrant the difference. They expected to hear from you regarding this, but we have a letter from them today saying they wish to pay for the car and have not heard from you."

Letter of June 4, 1923, to Schneider Deschamps Lbr. Co., Milwaukee, from I. Stephenson Co., Trustees:

DEFENDANTS' EXHIBIT V-19

"We are in receipt of Mr. Deschamps note in reference to the price being quoted on number 1 flooring. Can you advise us what concerns are making the price you mention?

We would appreciate very much if you would give us all the information you can along this line from time to time, as it is very

important, especially right at this time, that we keep track of conditions as much as possible. We do not want to lose any of our customers in the smaller towns; that is, the mixed car orders on account of price on the flooring, and for the time being we are glad to have you meet legitimate competition where it is necessary. We do not want orders for straight cars of clear or factory flooring right at this time. Please use your own good judgment in these matters, or call us up at our expense at any time. We want to keep you in position to have an equal chance at the business."

[fol. 501] Letter from the same company of July 6, 1923, to I. Stephenson Co., Trustees:

DEFENDANTS' EXHIBIT V-20

"In calling on the dealers here the past thirty days we have not found any demand for flooring as most of them still had stock coming that was bought some time ago, but the past week we have heard of some low prices being made, and while we could not learn who was making these prices we learned today that some one has been quoting clear at 105.00 T. F. Pagel Lbr. Co. were unloading a car of J. W. Wells Lbr. Co. flooring today and John Eller Lbr. unloaded a car from them a few days ago. Coerper advised us that they were quoted a price of 105.00 this morning.

There is not much flooring business just now as most dealers are letting their stock run down as they anticipate lower prices on flooring. We look for considerable business here a little later, and we would like to be in line when it does come and we wish you would keep us posted on how you are finding business elsewhere and what others are doing in regard to prices."

A letter of July 7, 1923, from I. Stephenson Co., Trustees, to Schneider Deschamps Lbr. Co.:

DEFENDANTS' EXHIBIT V-21

"We are in receipt of yours of the 6th inst. and note what you say regarding flooring prices. The demand has been very quiet for the past thirty days, but from all information we can gather, we look for a nice volume of business in another thirty days. The price of $105.00 sounds exceptionally low to us, and for the time being at least we would not want to go this low. However, as we have previously written you, we do not want you to lose any of your [fol. 502] regular trade, and even in Milwaukee we would be willing to make a price on clear flooring of $108.00. We will keep you posted, and expect to have something definite to give you in the near future.

There seems to be very little business of any kind being placed right at this time, and we do not think cutting prices will help it any."

Letter of July 23, 1923, to the same company from I. Stephenson Co., Trustees:

DEFENDANTS' EXHIBIT V-22

"Referring to the writer's conversation with your Mr. Schneider, on my return home, find a large number of orders for clear maple flooring, which will clean up all this item that we have on hand. Therefore, think best not to take on any straight cars of this item at less than $108.00 Milwaukee basis. If necessary, you may take on some #1 business at $93.00 Milwaukee.

Of course, on your country trade, we do not want you to lose any of your old customers, and you may meet legitimate competition when it is necessary."

Letter from the same company to I. Stephenson Co., Trustees, August 1, 1923:

DEFENDANTS' EXHIBIT V-23

"Kindly refer to our order 732 for Milwaukee Lumber Co. Omit the Number 1 flooring on this order and ship about August 10th.

In making the rounds yesterday we found some one offering a car containing clear and some number 1 maple flooring at $98.00 and $88.00. This was offered by some concern in Chicago over the phone and represented as Cobbs and Mitchell flooring and evidently a rejected car as they said the car was loaded."

[fol. 503] Defendants' Ex. V-24 is a letter acknowledging receipt of the preceding letter, and promising early shipment.

Letter of August 21, 1923, from I. Stephenson Co., Trustees, to the same Company, Milwaukee:

DEFENDANTS' EXHIBIT V-25

"Inclosed please find two (2) copies of our August 16th flooring inventory with prices noted thereon. We are short of 2¼" clear maple flooring and want to hold right to this price. On other items you are at liberty to meet prices made by Cooperage Company, Hermansville, and other legitimate competition, but do not want to meet prices made by men like Gibson, and concerns furnishing an ferior quality of flooring."

Letter of December 2, 1922, to Mr. J. O. MacKie, Minneapolis, Minn., from the I. Stephenson Co., Trustees:

DEFENDANTS' EXHIBIT V-26

"Inclosed find inventories of flooring factory and Cedar Yard of December 1st. Please work as much as you can on 3/8 x 1½" No. 1, maple flooring, and any other odds and ends which we have on hand.

We also inclose new stock and price list of lumber we have on hand unsold."

Letter from J. O. MacKie, to I. Stephenson Co., Trustees, dated 1/6/23:

DEFENDANTS' EXHIBIT V-27

"Nichols and Cox sold about 250 M ft. of 1½" maple flooring in here at $75.00 for No. 1 and $85.00 for Clear less $2.00 Com.

I note Berglund has paid for the car of extra shorts. Referring to the inclosed order for Capital City, they expect to order this all in by April 1st. They will want some 1½" number 1, 2¼" clear and 2¼" number 1, within a week or so, please save enough for them."

January 15, 1923, letter from Stephenson to Mackie:

DEFENDANTS' EXHIBIT V-28

[fol. 504] "Inclosed find new price list and stock sheet on flooring and you will note the advances we have made. This is absolutely necessary on account of the advance in the price of rough lumber and the cost of producing lumber."

Letter from Mackie to Stephenson Co., Trustees, January 26th, 1923:

DEFENDANTS' EXHIBIT V-29

"These Dower orders look pretty good with the exception of the one item of 4,000′ of 1½" No. 1 on order #21. Mr. Dower showed me a quotation from Hermansville of $81.25 F. O. B. Wadena, on a lot of about 60,000′ of this, also a price of $42.00 on about 100,000′ of 7 inch to 22 inch 2¼" clear maple, also a letter dated Jan. 22nd, in which they said their prices of Sept. 15th would not be changed. In view of this and the fact that they gave me all their flooring orders, even the car for Wadena where they have always

used IXL, I thought it all right to meet the Hermansville price. Mr. Dower showed me the Hermansville letters in confidence so if you have occasion to say anything, please do not refer to them."

Letter from J. O. Mackie to I. Stephenson Co., Trustees, dated 2/10/23:

DEFENDANTS' EXHIBIT V 30

"I am afraid I have lost the Evans Lee account at Eau Claire but as it was a matter of price, do not feel so badly.

Hermansville sold them 2¼" Factory at $41.00 and 2¼" Clear at $100.00 and they bought 4 cars.

The Northern Lbr. Supply Co. here at Wausaw had already bought their flooring when I got here. They got 2¼" No. 1. Maple 1½' to 3½' at $60.00 and the other items from $5.00 to $15.00 below [fol. 505] our prices. I do not know who sold them but it was not Connors or Below.

Leave for Mpls. this afternoon and will be at the Builders Show in St. Paul all next week."

The Court: I take it this letter is from traveling salesman or a representative of the company.

Mr. Darby: I feel quite sure it is. I know that some of our people will know. Do you know whether Mackie is the traveling salesman of I. Stephenson Co. Trustees? Mr. Law says that he is their traveling man. Mr. Keehn says he is Minneapolis representative.

Letter addressed to Mr. Mackie by I. Stephenson Co., Trustee, dated September 26, 1922:

DEFENDANTS' EXHIBIT V-31

"We note from your report that you called on the Cedar Lumber Company, and Standard Cedar and Lumber Company, but don't you think that calling on these two companies is a waste of energy, unless they have changed somewhat since I knew them.

Please see if you can sell some ⅜ x 1½" No. 1 flooring. This stock ought to move at $43.00 delivered Minneapolis. Our condition on 2¼" clear birch flooring is a little better now, but we still want to work on this item.

You certainly made a lot of calls during the past week. Would it not be advisable to take a trip in northwestern Wisconsin and see what conditions are over there?"

Letter from Mr. Mackie to I. Stephenson Co., Trustee, on the I. Stephenson Company letterhead, by the way:

DEFENDANTS' EXHIBIT V-32

[fol. 506] "Minneapolis, Sept. 23, 1922.

The Capital City Lumber Co. is after me again to try to get them some factory flooring and some 1½ inch number 1. Mr. Stanton just called me and wanted to know if we could not do something for him and the Thompson Lbr. Co. are also in trouble.

I have seen the letters you have written them and understand the situation, also, as I told you before, I notified every one of our customers in this territory more than two months ago to keep their flooring stock checked up closely as we felt sure there would be a shortage and it would be impossible for us to keep them supplied unless we had ample time. Tozer has had to substitute another make of Factory on one job and another job will be ready about the middle of next week. These are the jobs for which he ordered that 50. If there is any way it can be arranged, I believe we ought to try to take care of Capital City within the next week, even if some one else has to wait.

There has been a lot of oak flooring sold up here this year. They have a #2 common grade which competes with our #1, and retails here at $37.00 for the 1½" and $45.00 for the 2¼". It is full of worm holes but a coat of stain or varnish fills them up and it looks good. It goes in cheap apartment and the small houses built by contractors to sell. Another reason why oak is getting in here may be found in the list of prices a local line yard is charging for maple. 2¼" Factory $85.00, 2¼" No. 1, $150.00, 2¼" *inch* clear $210.00.

Indications point to a very quiet fall trade. Nothing from country and less than normal in the cities."

[fol. 507] Letter from Mr. Mackie addressed to I. Stephenson Co., Trustees, dated October 14, 1922:

DEFENDANTS' EXHIBIT V-33

"I saw a quotation today from Kerry and Way, Saginaw, to Roy Thompson, offering him 1½" clear maple @ $85.00 and number 1 @ $70.50 with $2.00 commission. There are also some low prices on 2¼" but I have been unable to find out who made them. I do not believe any one up here would buy this stuff but these prices get around and give the impression that the market is weakening and what few orders there are in sight are being held up. Was laid up two days this week—"

Letter from Mr. Mackie, Minneapolis, dated October 27th, 1922, to I. Stephenson Company, Trustees.

DEFENDANTS' EXHIBIT V-34

"J. C. Hill is offering J. W. Wells Flooring 1½" clear at $88.50 and No. 1, at 73.50 Tennant is also making these prices."

Letter of May 4, 1923, from I. Stephenson Co., Trustees, to J. O. Mackie telling him—

"Please work on the odds and ends we have as much as you can; especially 1½" clear birch flooring. If necessary you may make a special price on this item.

I. Stephenson Co., Trustees."

Said letter was Defendants' Exhibit V-35.

Letter of August 8th, 1923, to Mr. J. O. Mackie from I. Stephenson Co., Trustees:

DEFENDANTS' EXHIBIT V-36

"Inclosed please find sales report for the week ending July 28. Kindly note and return. The Association is not giving out the information as to who made the sales. This will give you a good idea as to what others are doing."

Letter of August 3, 1923, I. Stephenson Company, Trustees, to Mackie:

DEFENDANTS' EXHIBIT V-37

"Inclosed please find inventory of flooring on hand August 1st, [fol. 508] with our prices noted thereon and you will note we have made some changes.

Can't you move some of our 1½" and 2¼" selected Red birch flooring? We can also handle orders for 2¼" No. 1 flooring. Do not be afraid to send us orders for clear and factory flooring, as we are in position to make prompt shipments of these grades."

[fol. 509] FRANK M. HODGES, being duly sworn, testified as follows:

Direct examination.

By Mr. Darby:

I am the Manager of the lumbering department of the Oval Wood Dish Corporation at Tupper Lake, N. Y. I am 53 years of age. The Oval Wood Dish Corporation manufactures wood dishes, clothes pins, pie plates, hardwood lumber and flooring, and has been in business since 1918. Our Company used to be in business at Traverse City, Michigan. We did not manufacture any maple, beech or birch flooring there. When our stumpage was used up in Traverse City, we moved to Tupper Lake, N. Y. We began the manufacture of maple, beech and birch flooring in June and July, 1921 and joined the Maple Flooring Manufacturers Association that was then in existence in August, 1921, and we had no difficulty in securing membership in the Association. We applied to Mr. Keehn and gave him our references, etc. It was about a month before we were admitted. I suppose they had to appoint a committee to investigate us and then at the next meeting they voted to take us in.

There was nothing said about our keeping up any Minimum Price Plan or observing any uniformity of prices or selling our flooring at any price in accordance with any rules of the Association or in accordance with the prices at which other members sold their flooring. The only requirement that I remember of was that they wanted us to maintain the Association grades according to the rules because they guaranteed all flooring manufactured under those rules. They did not state that any data that would be issued by the Association from [fol. 510] time to time or sent to be enclosed in the freight rate books would be binding upon us, nor that our discretion in the operation of our business would in any wise be interfered with. There was nothing said about where we should sell our flooring or to whom or for how much.

"Q. Why did you want to join the Maple Flooring Manufacturers Association?

A. Well, I think the principal reason was that we wanted to sell our stock under the Association grades. We realized that those were the grades that would be specified in that market and by joining the Association we were enabled to get right into the business and compete with other people who were selling Association grades. We had no experience up to that time in manufacturing maple flooring. We had no experience as to the costs of manufacturing or anything of that sort, and of course we were able to get from the Association.

Q. State what you did with respect to getting some member of your Association or some of their employes to come there to your plant.

A. Well, our company there at Traverse City had furnished large quantities of rough lumber to members of the Association, that is, we sold our rough lumber there to them, and one of them volunteered to send his flooring superintendent down there to install our ma-

chinery. He came down there, I guess he was there two months and he brought his flooring grader along with him and he instructed our man there and the superintendent set up the machinery and taught our machine men how to manufacture flooring according to the standard of the Association as to matching and all that, uni-
[fol. 511] formity.

Q. Did Mr. Robertson, the official inspector of the Association come to your plant too?

A. Yes, as soon as we got nicely into making flooring I asked Mr. Keehn to have him come down there and report on our grades. He came down there and stayed there several days, went into the matter very carefully. He took some of the oldest flooring we had, of course none of it was very old at that time, he took some that had been manufactured a month or so and some right from the machines and broke open those bundles and spread them out and went over them carefully and analyzed them and he spent a lot of time with our grader showing him just why certain defects would go in one grade and wouldn't go in another and etc., and after he got through he made a detailed report showing just how much there was in each grade, covering each grade, showing what percentage of it below or above the standard.

Q. Has he made trips, periodical trips since that time?

A. Yes, sir.

Q. You say Mr. Robertson made a report, a written report?

A. Yes, sir.

Q. What did you do with that report?

A. I had some copies of it made. It was a very favorable report. It showed that our grades were very close to the standard as maintained by the Association.

Q. Did you use that report as a selling argument—state what you did with respect to that.

A. I used it as an argument to convince my customers that our flooring was standard.

[fol. 512] Q. I understand you had some conversation with Barr or some of the big dealers in Boston and Philadelphia, they didn't know about this report as I understand it, first questioned your ability to make flooring?

A. Yes, they did.

Q. I wish you would state that to the Court.

A. They knew that we had not been manufacturing flooring only a very short time and it took considerable argument to get them started, to get them to order some of our flooring. After we had sold them a few cars they knew then that it was all right."

We were located at Tupper Lake a year or two before we began to manufacture maple flooring. Before we began the manufacture of flooring we sold our rough lumber—quite a lot of it to local flooring manufacturers, such as the Blount Lumber Company at Lacona, New York, between Syracuse and Watertown. I think they had three or four machines. We also sold rough lumber to the Emporium Company whose plant is located at Conifer, New York. They have two or three machines, about the same size floor-

ing plant as we now have. We also sell rough lumber to the Shepherd Morse Lumber Company of Boston, whose flooring mill is located at Burlington, Vermont, and also to the J. R. Booth Lumber Company, Burlington, who manufacture a large quantity of flooring. The Shepherd Morse Company has three or four machines, but the Booth Company manufactures larger quantities of flooring and buys most of its lumber from Canada. We also sell rough lumber to C. H. Swift Company of Utica, New York, who have a flooring mill with, I think, two machines. We sell most of our flooring in Boston, [fol. 513] New York, Philadelphia and other points in the same territory. We sell our flooring there because they are the broad basic markets of the east. There is a lot of flooring used there, and we also sell our rough lumber there very largely, and of course, it is easier to sell our flooring in the same market in which we sell the rough lumber.

Flooring is shipped into these markets from practically every producing territory in the country. They even ship large quantities of fir flooring from the Pacific Coast by way of the Panama Canal. Oak flooring comes from all points in the south. Maple flooring comes in there from West Virginia, Tennessee, Michigan, Wisconsin, New York, the New England States, Canada and Pennsylvania, although there are not many mills in Pennsylvania. Hard pine flooring also comes in there in direct competition with hardwood flooring.

We could ascertain the cost of our flooring f. o. b. mill and then add the freight rates to New York and figure on that basis for our flooring, but if we did we wouldn't get any business. Manufacturers can't do that if they want to get into those markets with flooring because the freight rates from any one section won't control the prices. There are so many points from which flooring is coming in there. The manufacturer must get all the information he can as to what prices are being made in those markets, not only on maple flooring or beech or birch, but on oak, pine and every other kind that comes in competition with the flooring he desires to sell. The manufacturer must sell his flooring in New York at what it will bring there if he wants to get into that market. He must begin there to figure and work back to the flooring mill and find out [fol. 514] whether he can get into those markets rather than begin at the mill and work the other way.

I am in charge of the sale of our flooring. Our commissions range all the way from nothing to $4.00 a thousand. When we joined the Association there was nothing said about our maintaining any standard scale of commissions or limiting our discretion as to when or how much commissions we should pay. We have at all times considered that we were free to do as we pleased with respect to commissions. We have followed no uniform rules with respect to commissions. We sell largely to jobbers and wholesalers and to some big yards, who maintain a force of floor layers who both sell flooring and lay it. We occasionally sell to contractors and consumers direct. For instance, we sell Stone & Webster, Boston contractors, who used the flooring in a building for the Victor Talking

Machine Company of Camden, New Jersey. In the sale of our flooring I have not observed that there has been any uniformity of prices for flooring in the markets where we do business. We have observed no uniform prices ourselves. I have not observed that there was an absence of competition either with respect to prices or with respect to the quality of maple, beech or birch flooring.

"Q. I wish you would give the Court some idea of the conditions that you meet there in the sale of your flooring in those markets, what you come in contact with and what competition you have to meet.

A. Well we are in daily correspondence with the big jobbers down there and we get information from them and very often as [fol. 515] to what others are quoting. If our prices are too high they don't hesitate to tell us so, and tell us why we can't get the business, and whenever I go down there why I go to see them and talk these matters over with them, and they usually show their cards on the table and tell me what prices I have got to meet in order to get certain business. That is the way I go at it usually.

Q. State whether or not your flooring there comes in competition with the Canadian, West Virginia and the stuff from Canada, and Tennessee?

A. Yes, sir.

Q. And the local New York Mills there?

A. Yes, sir.

Q. And how do you know it comes in competition?

A. Well because I see their quotations.

Q. Do you sell every order that you go after?

A. No.

Q. Now I believe you have some people, jobbers, to whom you sell at these points.

A. Yes, sir.

Q. State whether or not you allow them any discretion as to meeting competition at certain times?

A. Very often I do. If it is an item that I have got a hundred thousand feet of, or a surplus, something that is piling up, and I want to sell it, I tell them that they can use their own judgment, that is, within certain limits, but that stuff has got to be sold and if you can get within a certain figure, to take the order, and not bother to come to me about it. On the other hand, if it is something I have no surplus of, why I would tell them those prices must not be reduced without taking the matter up with me.

Q. Do you issue any price lists?

A. We haven't issued any for three or four months I guess or more.

Q. Have you yourself any uniform prices to give on any one item [fol. 516] of flooring on one day?

A. No, sir.

Q. Would you quote different prices on the same item and in the same market on the same day, or would you in the selling of your product, would you demand one price in that territory?

A. I have often done that, I have often sold stock on the same day at different prices, that is, the same grade of stock and the same kind.

Q. And in the same market or different?

A. In the same market. Possibly in one case we sold to a large jobber who would make me an offer at a certain price, and it may be in the other case it would be a retailer who I was able to get a little better price of.

Q. Why is it impracticable to put a price on your flooring and hold for that to everybody alike in all the markets, or in any one market?

A. Because you have got to meet competition in order to sell your product. Competition is keen in the east, flooring comes from so many different localities, that you have got to find out what others are doing in order to know what prices can be obtained.

Q. The manufacturer has got to meet his payroll too and keep his plant running, hasn't he?

A. Yes, sir.

Q. How does your company manage? You spoke something about a budget.

A. Why we go at it in the first of the year and we know what items of expense we are going to have, we figure it out as nearly as we can, and the interest on bonds and taxes and insurance, and overhead of all kinds, payments for timber which are coming due at certain times, and we set up reserves to cover those items, and [fol. 517] then we go at it and make up a budget showing how we are going to meet those items, and we take it up with the various departments, sales department, my department, and they ask me how much I can produce in the way of sales, as to my estimate, and I tell them, and they go at it and know what they have got to have in the year, and they make up a budget showing what each department is supposed to furnish every month to take care of that. My budget at the present time is fifty thousand dollars every four weeks.

Q. You take the requirements of your budget into consideration in moving your stock?

A. Yes, sir. We may disregard it for one month or two months, but in the end we have got to get that money from somewhere.

Q. And you get it by moving your flooring?

A. Yes, sir.

The Court: Are you fortunate enough so that you do not have to take those matters into consideration with your bankers?

A. We have to take them into consideration with our bankers, yes, sir.

The Court: I suppose that then, or to that extent, is one of the reasons why you make up your budget?

A. One of the reasons.

The Court: In order that your banker may know how much money you are going to require.

A. Yes. We have a certain line of credit with different places you know, with the banks, and that comes due at various times, and we have to meet it.

Q. As you explained, you plan your operations and know in advance that each department is required to bring in so much money.

A. We are asked to do that, yes, sir."

[fol. 518] I think the statistics that are furnished our Company by the Secretary of the Maple Flooring Manufacturers Association are very valuable.

"A. The weekly reports are valuable as showing a trend of the market, whether the prices are going up or going down, and another valuable feature is the amount of sales, that enable us to know approximately how much of each grade for instance has been sold within a certain time.

Q. Do you regard the prices there more or less important than the statistics with regard to volume?

A. I think the statistics in respect to volume are fully as valuable as the price statistics, because oftentimes it does not matter to me what somebody in Michigan is getting in prices; if I know my competitor who lives eleven miles from me is getting two dollars less than my figures show, that would influence me more than what I might see in the sales reports.

The Court: And in that same connection I take it that the competition which you meet from your locality, and when I say locality I mean that part of the country, is more potent than the competition which you meet from Wisconsin or Michigan.

A. Yes, sir, because——

The Court: That is because of the freight rates, isn't it, and the difference?

A. Yes, and because those people are—their customers in many instances are my customers. They live in the same territory and they ship to the same points.

[fol. 519] Q. Well how old are these statistics when they are received by you?

A. Well usually about ten days or two weeks.

Q. And I believe you say you kept in constant touch with respect to prices, etc., in Boston, New York and Philadelphia, by means of correspondence and telephone?

A. We have representatives in all those markets that keep us informed constantly by phone and letters.

Q. You say they are about two weeks old when you get them?

A. Ten days to two weeks. They are sent in for instance Saturday and Mr. Keehn compiled them and they are sent out along the middle of the week something or in there; usually about ten days or two weeks after the transactions.

Q. Besides these weekly reports what other sources of information do you have, besides the reports from the wholesales, the jobbers, and the personal representatives?

A. Well we have quotations which are made in the trade papers every week.

Q. I wish you would state for the benefit of the record just what data is published in the trade papers with respect to the prices.

A. For instance, I imagine the paper is published in St. Louis, that gives reports every week from each one of those markets, say Boston,

and they give the freight rates on various commodities, lumber, into that territory from the different producing sections, and then they [fol. 520] give the prices, list of the prices that stock is being sold at and very often other commodities, as to that items are going up or what items are going down, etc.

Q. What other periodical publishes these data?

A. American Lumberman.

Q. American Lumberman.

A. Yes; the New York Lumber Journal, and Hardwood Record.

Q. About what percentage of your business would go, would be handled by jobbers and wholesalers?

A. Oh, I should say ninety per cent.

Q. Beg pardon.

A. Ninety per cent.

Q. State whether or not these jobbers and wholesalers take these papers that you have mentioned?

A. Yes, many of them do.

Q. They are generally informed with respect to market conditions?

A. Yes.

Q. Those papers that you mentioned there, they state the market conditions in about eight or nine or ten different markets in the United States, the principal centers of consumption, do they not?

A. They are more than that.

Q. They are; they cover the United States.

A. They publish specific reports for Boston, New York, Philadelphia and all those large markets.

Q. Now do you regard the information contained in these reports sent out by the Secretary of the Association as of major importance or as controlling in what you shall do with respect to your own prices or production?

[fol. 521] A. No, sir.

Q. What do you regard them as?

A. Well I think the most potent factor is the condition of my stock at the time.

Q. Do you regard the statistical information as one factor, if you don't regard it as of controlling importance? I would assume then you would regard it is one of many factors.

A. Yes, sir.

Q. In looking over those sales reports what would you take into consideration, what else would you take into consideration in determining what your own prices would be?

A. Well in the first place I think I would take into consideration the economic situation, that is, the general trend of the market, whether it was up or down, and then I would take into consideration my own particular stock conditions. If I had a surplus of some one item and wanted it moved, why I would be apt to make a lower price, particularly if I saw that some one else was making a lower price on that same item. On the other hand, if the general trend of the market was upwards and I had no accumulation of that stock and I saw somebody was getting more money than I was, it may tend to influence me to raise my prices."

I would also consider my own budget at that time, our plan of operation of the flooring department, whether we were running nights and days or days only or expected to shut down for repairs or anything like that. I would also consider the labor conditions at our plant and our plan of operations for our logging department, political [fol. 522] conditions, etc. The mere fact that someone else was charging higher prices or lower prices than I had been would not automatically cause me to lower or increase my prices. I would consider my own stock and the other conditions above mentioned. The fact that someone else was charging higher or lower prices than I was would be considered as one factor and would be given consideration by me.

We own our own stumpage in the Adirondacks. I have given the figures to Mr. Keehn. I should say offhand that we own about 150 or 175 million feet of maple, beech and birch stumpage at the present, about 40% of which would be maple, 40% birch and 20% beech and other hardwoods. There is also a certain amount of elm, ash, basswood and cherry.

Our membership in the Association has been of benefit to us. The chief benefit, I think, was that it enabled us to get right into the business on the same basis as other Association members and to make standard grades of flooring that were being required.

"The Court: Just there, do you mean by that, do I understand that there is any secret about the grades and the sizes manufactured by the members of this Association?

A. None whatever your Honor.

The Court: That is public property is it not?

A. Yes.

The Court: Any manufacturer can get it.

A. Yes.

Q. The grading rules of the Association are copyrighted are they not?

A. I believe so, but anybody can get those rules.

[fol. 523] The Court: Do you mean by that, that by your copyright you are prevented from manufacturing those grades or using the rules of grading?

A. No, what I meant was that practically all the specifications for large buildings or any job of any size that are sent out, specify that the stock must be graded according to Association rules, and we felt it would be a great advantage to us to be able to—we didn't know anything about the Association rules—to be able to make those grades and to say that our stock was manufactured under the M. F. M. A. trade mark and guaranteed by the Association. This would not be so much benefit to us now, because we have established a repuration for our flooring, but it was a great benefit to us at that time.

Q. State whether or not Architects and contractors and jobbers often prefer the product manufactured by the members of the Association because it is guaranteed and because the grades are carefully kept up to the standards?

A. Yes, sir.

Q. Now without being a member of the Association, of course you

would not have had the assistance of Mr. Robertson and the inspection, or his statistics.

A. No.

Q. And you would have had to experiment more or less in the manufacture of flooring.

A. Yes, sir.

Q. Which would have cost you a lot of money. Now how about the reinspection service?

A. I don't remember of having ever used that.

[fol. 524] Q. You consider it an important factor of protection, don't you?

A. Yes.

Q. Give some illustration of wherein it would come in handy, or be of benefit to you.

A. Well if we should have a dispute over the grades of flooring, why it would be referred to the official inspector and he would come there and go over it and ascertain which side was right.

Q. State whether or not some jobbers or wholesalers prefer to buy the product of a member of the Association because he has that inspection service to protect him as between the manufacturer and the buyer.

A. Yes, sir.

Q. How about the field representative work, how about the field representative work by Mr. Robertson, I wish you would state as to that.

A. Why I think that is very valuable. He goes to these various markets and gets in touch with the architects there and finds out what kinds of flooring are being used in that particular market, he gets a list of the public buildings that are being constructed, schools, various things of that kind, and that information is all sent out to the members.

Q. How about the advertising done by the Association, is that a benefit?

A. That is very valuable I think.

Q. Why?

A. Well because every association is avertising, the oak flooring association are spending a vast amount of money in the eastern territory to advertise oak flooring.

[fol. 525] Q. How about the Linoleum people?

A. The linoleum people are very active, they do more advertising than anyone else I know of down there.

Q. And various synthetic floorings and other woods?

A. Yes, sir.

Q. Could the manufacturer meet the propaganda and advertising carried on by the Associations of competing woods and other sorts?

A. No, we could not.

Q. Do you consider that the guaranty of your quality by the Association is a valuable asset to your company in the sale of your flooring?

A. We think enough of it so we specify in all of our advertising that we are members of the Association.

The Court: Right there, let me ask you a question. Does that enable you to, or do all of these benefits which you have enumerated, enable you to get a better price for your flooring than you would otherwise be enabled to get, or does it enable you to sell more flooring than you could otherwise sell, or does it benefit you in both ways?

A. I think it does, your Honor, benefits us in both ways.

The Court: That is to say it enables you to sell more flooring and to obtain a better price.

A. We are situated a little differently from some of the rest of them; we are the only Association member in the east, and that fact helps us in getting business, no question about it.

[fol. 526] Mr. Darby:

Q. The Association has paid a great deal of attention, in advertising, to the quality of its product?

A. Yes, sir.

Q. And advertises the fact that it is guaranteed and there is reinspection service. State whether or not some dealers will pay more and some architects prefer to specify the product manufactured by the members of the Maple Flooring Manufacturers Association because of these things?

A. I think so.

Q. How about the exchange of manufacturing experience, when you come in contact with these other manufacturers, have you found that helpful?

A. Very helpful, especially valuable on the start: we had no experience in manufacturing maple flooring whatever and we were able to get some very valuable information.

Q. How about these test runs and the average costs reports, have you found them helpful?

A. Very helpful.

The Court: Just in what way?

A. Well the average cost reports are made up in detail showing what each operation costs all the way through. We kept all our own cost figures and we were able to check them with these, and if we found an item of cost that was abnormally large we were able to check it up and look into it and find out where the trouble was and correct it. We had no experience and some of our costs were abnormally high at the start.

Mr. Darby:

Q. Do you believe that the activities of the association have reduced the cost of manufacture or raised it?

A. Reduced the cost considerably.

[fol. 527] Q. They pay a great deal of attention to the cost of manufacture?

A. Yes, sir."

I don't remember just how many meetings were held in 1921 after we joined in August. There could not have been more than two or three and I don't recall whether I attended all of them.

[fol. 528] Q. I believe that your firm did not actually sign the articles of association then in effect.

A. Beg pardon?

Q. You didn't sign the—actually sign the articles of association that were then in effect, the articles of association.

A. I presume we did when we joined.

Q. 1921? Did you sign them, did your firm execute the articles?

A. Articles of Association?

Q. Yes.

A. I imagine we did.

Q. You have no recollection of that.

A. No.

Q. Well at that time were you informed there was any minimum price plan in effect?

A. No, sir.

Q. Or any minimum basis.

A. We were informed that they tried to put such a plan in effect along the earlier part of the year, January I think, but the Government didn't approve of it and it never had been put into effect.

Q. Was there any allotment plan in effect then?

A. No.

[fol. 529] I attended the meetings in 1922. There was no understanding or agreement there at any time with respect to the future prices of maple flooring. I perhaps attended two-thirds of the meetings during 1922. I haven't attended so many this year as I did last because we were busy and it wasn't convenient for me to do so.

"The Court: Now during 1922 at these meetings which you attended, was there any discussion of market conditions, trend of the market, prices realized?

A. I don't recall any such discussions in the meetings. We had reports of costs committees, of course, on rough lumber and manufacturing costs and things of that sort.

The Court: You certainly discussed those did you not?

A. Yes, sir.

The Court: Can you tell me why? Was not the natural discussion of market conditions, the market trend, the outlook?

[fol. 530] A. Yes.

The Court: That would have been the most natural thing to consider for a body of men engaged in that business, and discuss?

A. Yes.

The Court: Will you tell me why there wasn't any discussion of it?

A. Well I think that after the decision of the Supreme Court about those things that our attorneys advised us that those things were not to be discussed; I don't recall.

Q. But you did discuss the past transactions did you not?

A. Oh, yes.

Q. And the cost of rough lumber and manufacturing costs and the advertising campaign was discussed?

A. Yes, sir.

Q. And traffic questions would come up, but those of past transactions, I understand, you discussed.
A. What do you mean?
Q. These reports which would show what—the monthly reports of the Secretary.
A. Oh, yes.
Q. But there was no understanding or agreement with respect to future prices.
A. No, sir.
The Court: What benefit did you derive from discussing past transactions?
A. Well we were enabled to find out how much stock of certain grades had been shipped and what had been obtained for it, that was valuable information.
The Court: What was the benefit of that?
[fol. 531] A. It shows what stock was being moved at the time.
The Court: Well it enabled you to forecast what was going to happen in the future?
A. To a certain extent.
The Court: And that was the only benefit?
A. To a certain extent, yes, sir.

Mr. Darby: Q. It enabled a man to form an opinion rather as to what the future might be.

The Court: That is what I meant.

Q. There wasn't any vote taken by the Association as to what the Association can get, any expression of opinion by the Association as to what the future condition would be.
A. No.
Q. And as to market conditions, no cost surveys committee ever attempted to forecast the future or make any recommendation of any kind with respect to market conditions.
A. No, sir.
Q. Or price.
A. No, sir."

Cross-examination.

By Mr. Fowler:

Q. In regard to those meetings, you say you attended how many in 1922?
A. 1922?
Q. Yes.
A. I don't know exactly, Mr. Fowler, I think about two-thirds of the meetings, I imagine.
Q. They met monthly?
A. Yes, sir.
Q. How far is Tupper Lake from Chicago?
A. Oh, it is probably 900 miles, something like that.
[fol. 532] Q. How long would you be in session there at Chicago?

A. One day usually.

Q. When you had those meetings you had these weekly sales reports before you, didn't you?

A. Yes, sir.

Q. They were distributed around among you, weren't they?

A. Yes, sir.

Q. So that you would have them right before your eyes while you were going on with your discussions?

A. Sometimes they were.

Q. Mr. Keehn would send them out a few days before so you would have an opportunity to study them?

A. He sends them out regularly every week.

Q. Wouldn't he advise you to bring them with you, sometimes?

A. No, sir.

Q. Anyway, after you got there, he distributed them among you?

A. Possibly the last week's statistics, if they had not been mailed he would distribute them at the meeting.

Q. Distribute them monthly. These stock reports and shipments and things of that kind, you had them before you too, didn't you?

A. Yes, sir.

Q. So you had the whole situation there right before your eyes, every member during those discussions, did you?

A. We did not discuss them at the meetings.

Q. What did you have them before your eyes for? What were they distributed among you for, and why did you have them in the meeting if you did not discuss them?

A. Well, we could look them over; they were distributed to us there rather than to be mailed to us at our home.

[fol. 533] Q. Did you talk about them?

A. I beg your pardon.

Q. Did you talk about them?

A. No, we did not talk about prices.

Q. Well, what did you talk about then that was in those reports, if you didn't talk about prices.

A. About stock conditions, manufacturing costs, things of that sort.

Q. Now, Mr. Darby has suggested you talked about past transactions. The prices in all those past transactions were shown right there on the sheets, weren't they?

A. Yes, sir.

Q. Did you discuss those prices of past transactions?

A. No, sir.

Q. Didn't say one word about what had happened as to prices?

A. No, sir.

Q. Did you discuss the trend of prices, whether they had been going up or down?

A. Never.

Q. That was never mentioned?

A. No, sir.

Q. Well, now, outside of that meeting, sitting around there at

the lunch table when you were having that hilarious time, didn't you talk anything about it then?

A. I might have talked to my next door neighbor, the man sitting next to me, about whether he was manufacturing certain items of flooring; perhaps, in a general way, what conditions were with him.

Q. Wouldn't you ask him how much he was getting for it?

A. No, I would not, not unless I knew him pretty well, and the chances were that he would not tell me then.

[fol. 534] Q. Suppose you knew him pretty well, would you then ask him?

A. I might have asked him.

Q. Didn't you ask him from time to time, and weren't you told from time to time, how his prices were going, whether up or down?

A. No, sir.

Q. Didn't they ask you?

A. No, sir.

Q. Now, you mean to say, do you, that when it came to a question of price on past transactions that your mouths were simply shut, is that right?

A. I wouldn't say that entirely.

Q. But your eyes were open and you had the data all right there before your eyes?

A. We didn't have anything before our eyes when we were at the table, except the stuff on the table.

Q. You had these reports before your eyes?

A. No, sir.

Q. I thought you said they were distributed among you right there?

A. We might have had them, but we were not discussing them at these meetings.

Q. These Cost Survey fellows made their report, didn't they?

A. Yes, sir.

Q. Their report showed exactly what they estimated the cost to be of lumber, didn't they?

A. Showed the cost of rough lumber, f. o. b. mills, etc.

Q. That was discussed very fully by all of you, wasn't it?

A. Yes.

[fol. 535] If anyone asked me what, in my judgment, it cost to produce rough lumber, I would give my judgment. I don't recall that everyone else at the meeting would tell me what the cost of our lumber was. The Cost Committee reported on the cost of rough lumber as evidenced by the sales in the open market. The Cost Surveys Committee did not report on the cost of maple flooring. The Cost Committee was appointed to inquire into the sales of rough lumber that were being made and report them to the Association.

Q. When did you join the Association?

A. In 1921.

Q. When did you begin to manufacture Maple flooring?

A. In 1921.

Q. You joined immediately after you began to manufacture Maple flooring, did you?

A. I beg your pardon.

Q. I say, you joined immediately after you began to manufacture Maple flooring?

A. Within a short time, two months or such a matter.

Q. How much do you produce in a year?

A. About three million feet.

Q. And you are the only concern in that section of the country that belongs to it?

A. To the Maple Flooring Association?

Q. To this Association, I mean?

A. Yes, sir.

Q. Now in regard to those statistics, didn't you join this Association very largely to get the information that is contained in those statistics.

A. Yes, sir:

Q. Don't you use it all the time?

A. What do you refer to?

[fol. 536] Q. I mean all the statistics; don't you use them all?

A. Why, yes, certainly.

Q. Aren't you studying them continually with reference to your changing prices?

A. I wouldn't say that, but we do study them; we look them over whenever we get them and take them into account. That is one of the factors that determine our price.

Q. If it wasn't for those statistics your wouldn't belong to the Association, would you?

A. I don't think so; it would be of no value to us.

Q. Now, in regard to standardization. They don't require you to manufacture your lumber by a certain standard, do they?

A. Yes, sir; they do.

Q. Absolutely tell you to do it?

A. Yes, sir.

Q. Why don't they turn I. Stephenson Company, Trustees, out of the Association then, do you know? You have never heard that discussed, have you?

A. I didn't know that their flooring was materially different from other members of the Association.

Q. They do not prohibit anybody else from manufacturing according to that standard, do they, those that do not belong to it?

A. No.

Q. Anybody can manufacture that size of lumber that wants to, can't they?

A. Yes, but the Association does not guarantee it.

Q. Just the guarantee by the Association. A man can guarantee his own lumber that is of that standard, can't he?

A. Yes, sir.

[fol. 537] Q. You have got a good reputation, your firm has had?

A. I think so.

Q. That it makes what it represents it does?

A. Yes, sir.

Q. And you can give your guaranty that you are manufacturing your lumber certain dimensions, can't you?

A. Yes, sir.

Q. Your machinery had to be readjusted, did it, so as to manufacture according to this standard, or did you ever manufacture according to any other standard?

A. No, sir.

Q. Did you buy new machinery when you began to manufacture Maple flooring?

A. Yes, sir.

Q. Well, when they set the machinery up, the factory that manufactured the machinery always sends a man along to set it up, don't they?

A. I don't think they did in this case.

Q. They would if you asked them to, wouldn't they?

A. Probably, yes, sir.

Q. And the machinery could be adjusted to manufacture any thickness, couldn't it?

A. Yes, sir.

Q. You could have adjusted the machinery to manufacture according to the standard prescribed by the Association? Couldn't you?

A. We could, if we knew enough about it to do it.

Q. Couldn't you ascertain what these standard sizes were?

A. That is what we joined the Association for, to find out.

Q. Couldn't you have found out without joining the Association?

A. I don't know, I presume we could.

Q. Did you try?

A. No, sir.

[fol. 538] The Court: Take your competitors in that section of the country, are they manufacturing these standard sizes of flooring?

A. Yes sir.

The Court: And the same grades?

A. They are very similar to the Association grades. They differ in respect to lengths, but the general character of the grades are the same.

The Court: Aside from "shorts" the lengths are the same the country over, aren't they?

A. Yes.

Q. Are all those concerns that you mentioned a while ago still manufacturing Maple flooring?

A. I believe so; yes, sir.

Q. And they all manufacture the Association grades, don't they?

A. What concerns do you refer to?

Q. I don't remember their names; you mentioned a number of them that you used to sell your rough lumber to.

A. None of them belonged to this Association.

Q. I say, are they still in business?

A. Yes, sir.

Q. They all manufacture Association grades, don't they?

A. No, they do not any of them manufacture Association grades.

Q. How?

A. No, none of them manufacture Association grades.

Q. Do you mean to say they do not manufacture the same dimensions you do?

A. Yes, the same dimensions.

[fol. 539] Q. But what you mean is that it is not graded according to the Association method of grading?

A. Yes, sir.

Q. Don't they manufacture "Clear"?

A. Yes, sir.

Q. And No. 1?

A. Yes, sir.

Q. And Factory?

A. Yes, sir.

Q. They do their own grading. Isn't their Clear as good a grade as yours?

A. I never have admitted that; sometimes it is pretty close to our grade. There is one concern that lives eleven miles from me; they sent to Michigan to get a superintendent that did understand and formerly worked for an Association member in order to be able to make a grade that would be as near as possible Association grade.

Q. You spoke awhile ago about not getting these prices until the expiration of about ten days or two weeks. A member sends in his report up until Saturday night, doesn't he?

A. Yes, sir.

Q. Those reports are tabulated and sent out by the Secretary by the middle of next week?

A. Probably.

Q. Then you don't get them the last of the week?

A. The following week, yes.

Q. Then you would get the information—the last information, the prices, you would get from another member would be about a week later?

A. Probably.

[fol. 540] Q. So far as Boston and New York points are concerned, all eastern points, you have an advantage over Wisconsin and Michigan freight rates, haven't you?

A. Yes, sir.

Redirect examination.

By Mr. Johnston:

The value to us of Association work with respect to grades is not in the sizes but in the inspection service and the keeping of our work up to Association grade. The grades, factory, No. 1 and clear are universal. They were not established by this Association or any other Association, but the different grades are defined by the Association.

Recross-examination.

By Mr. Fowler:

Q. That standardization relates to the size of the lumber, and the other is the grading, is that the distinction?
A. I don't understand.
Q. One relates to standardization and the other to the grading?
A. Yes, sir.
Q. In this matter of grading, you always have a good grader, don't you?
A. Not always, no.
Q. If you were manufacturing flooring and did not belong to the Association, and you manufactured the stuff that you represented to be Clear, that would be Clear, wouldn't it?
A. Yes, sir.
Q. And the stuff that you represented to be No. 1 would be No. 1?
A. According to our understanding of it.
[fol. 541] Q. That is, you would grade just as carefully and as conscientiously and as honestly if you were outside of the Association as you do being inside?
A. Yes, sir.

Redirect examination.

By Mr. Darby:

If the jobber or architect differed from us with respect to grades, we would have to fight it out if one couldn't convince the other. [fol. 542] We couldn't obtain any inspection services unless we belonged to the Association. The people who buy from us do so on the understanding that the flooring will come up to the Association standard and is subject to reinspection service and the grading rules of the Association.

"The Court: I take it so far as the identification of papers is concerned it will not be insisted upon by either side that the witness be recalled for that purpose.
Mr. Fowler: There will be no objection to that."

Said papers marked defendants' Exhibits X, X½, X1 to X24, and received in evidence.

Frank M. Hodges recalled to the stand.

"Mr. Darby: I would like to read a telegram of May 23, 1923, addressed to the Oval Wood Dish Company, Tupper Lake, New York.

Defendants' Exhibit X½

'Will you accept ninety-five net New York one car two inch face Clear Maple flooring quick shipment. Answer today.'
(Signed) 'Sam E. Barr.'

Telegram from the Oval Wood Dish Corporation, Tupper Lake, N. Y., May 24, 1923, to Sam E. Barr, 50 Church St., New York City:

DEFENDANTS' EXHIBIT X

'Two inch Clear Maple one hundred dollars net. No commission.'

Letter Sam E. Barr, Wholesale Lumber, 50 Church St., dated May 25, 1923, addressed to the Oval Wood Dish Co.:

DEFENDANTS' EXHIBIT X-1

'Received your wire yesterday morning advising that $100 net is the best price you can make us on the car of 13/16 x 2" Clear Maple Flooring. I have therefore, placed my order with the other mill, who quoted me a lower price. I told Mr. Hodges that I would [fol. 543] gave him a chance to meet price which I would be quoted on this flooring, hence my wire to you. Please show this letter to him when he comes back from Chicago.'

Letter of October 16, 1923, from the Oval Wood Dish Corporation to Sam E. Barr, New York City:

DEFENDANTS' EXHIBIT X-2

'Your inquiry of October 15 is received, and we wired you as follows: 'Re yours fifteenth accept orders for both cars Maple flooring.' And now confirm.

This covers a carload of 13/16 x 2-1/4 No. 1 Maple flooring at $100 delivered Brooklyn, N. Y. and less your commission of $2.00 per M feet. These prices are low and we will not accept any more orders on this basis unless we are obliged to. However, we want to move a little stock as we go along and we will accept these two orders for immedate shipment.'

I should perhaps have read this inqury of October 15th, 1923. first, from Barr to the Oval Dish Company:

DEFENDANTS' EXHIBIT X-2¾

'When Mr. Hodges was in the office the other day he told us that you had about 110 M feet 13/16 x 2-1/4 No. 1 Maple Flooring ready for shipment. I think we can get an order for one car 18 M ft., but we cannot get the order at your figure. The best price

the customer will pay is $90.00. If you want the order please wire me and I will see if I can get the order for you, as the customer is now ready to buy it.

'We think we can also get an order for one car 18 M ft. 13/16 x 2¼ Clear Maple flooring at $100.00 delivered Brooklyn, N. Y. [fol. 544] If you want orders for these two cars, I will handle them on regular commission basis. Thanking you for an immediate answer, as both cars for *for* immediate shipment, and you can turn your flooring into money, we remain very truly yours.'

Then the telegram from the Oval Wood Dish Corporation, dated October 16th, 1923, to Sam E. Barr, reading as follows:

DEFENDANTS' EXHIBIT X-2½

'Re yours 15th accept orders for both cars Maple flooring.' "

A jobber or a wholesaler will very often submit orders to us at a price named by him.

"Mr. Darby: I should like to read a letter from Barr, under date of October 24, 1923, to the Oval Wood Dish Company:

DEFENDANTS' EXHIBIT X-3½

'Please quote me your very best price delivered New York City one one car 13/16 x 1½" Clear selected White Maple flooring, less regular commission, advising when shipment could be made if favored with order.

'Thanking you for immediate answer.'

Letter, October 25, 1923, from the Oval Wood Dish Corporation to Barr, reading as follows:

DEFENDANTS' EXHIBIT X-3

'Your letter of Ocober 24 is received. We regret to say that we have no 13/16 x 1½ Clear Maple in stock. We have a large carload of 13/16 x 1½ No. 1 Maple, unselected for color, at $70.00 per M feet, delivered New York, and subject to your commission, but we do not suppose that this will interest you.'

[fol. 545] Q. That letter is dated October 25, 1923. This book that I hand you, please state what that is?

A. It is a rate book of the Flooring Association.

Q. That you had on October 25, 1923?

A. Yes, sir.

Q. I wish you would read from the book the average cost of 13/16 x 1½ No. 1 Maple, f. o. b. cars at Flooring mill.

A. The price as stated here is——

Q. The price or the cost—the average cost. You are reading from what?

A. Reading from the average cost, sure.

Q. Reading from the average cost. It is so designated on the chart?

A. Yes, sir.

Q. Read from that now the heading in that book.

A. Average cost chart. Average cost 13/16 Maple flooring f. o. b. cars at flooring mill as per Survey of Cost, July 19th, 1923, for No. 1 13/16 x 1½" Maple flooring $82.00.

Q. $82.00 per M feet?

A. Yes, sir.

Q. How did you happen to quote this man $70.00 per M feet?

A. Well, I had a year's accumulation of that stuff and I wanted to sell it.

Q. Does that move freely in the east or not?

A. It does not move at all.

White Maple is selected for color but No. 1 Maple is not selected as to color. What I was quoting him was the ordinary No. 1 Maple Flooring. I do not consider that the figures given on the average cost chart which were made pursuant to a survey of costs were to be used as price lists and I never made any such use of them.

[fol. 546] "Mr. Darby: Telegram, October 24, 1923, from Sam E. Barr to Oval Wood Dish Corporation:

DEF'TS' EX. X-4½

'Have order immediate shipment twenty-seven thousand one by three Clear Maple, one hundred dollars delivered Spring Lake, N. J. stop. Thirty thousand same width, thickness number one Maple ship about two weeks New York City, New York Central delivery eighty-seven. Wrote several manufacturers and have their reply. Can purchase their prices, offer immediate acceptance. Wire answer prices subject regular commission.'

Letter from the Oval Wood Dish Corporation, dated October 24, 1923, addressed to Sam E. Barr as follows:

DEF'TS' EX. X-4

'Your telegram is received, and we have wired you as follows: 'Your telegram 24th accept both orders.' And now confirm.'

This covers twenty-seven thousand feet of thirteen sixteenths x 2¼ Clear Maple flooring at $100, less commission, delivered Spring [fol. 547] Lake, N. J. for immediate shipment. Also 30 M feet

of 13/16 x 2¼ No. 1 Maple Flooring for shipment in two weeks at $87.00 less commission, delivered New York City. We are satisfied that the stock can be purchased for these prices, and are, therefore, meeting the competition. However, we do not believe we want to accept any further orders on this basis.'

I would like to introduce a Mill Order from Sam E. Barr, being order number 4221, made to the Oval Wood Dish Corporation on Barr's letterhead, wherein, after specifying the commission and the price and the grade and dimensions or face of the flooring, the following words are added:

DEFENDANTS' EXHIBIT X-5

'Flooring to be thoroughly kiln dried, side and end matched, hollow backed and graded according to MFMA rules.'

Barr always specifies that flooring is to be manufactured according to M.F.M.A. rules.

"Mr. Darby: A letter from the Jones Harwood Company, 161 Devonshire Street, Boston, dated August 4, 1923, addressed to Oval Wood Dish Corporation:

DEFENDANTS' EXHIBIT X-5¾

'I have just been offered an order f. o. b. Newburyport, Mass. as follows:

12,000' 13/16 x 2¼ Clear Birch flg. at $96.00.

6,000' 13/16 x 3¼ #1 Birch flg. at 78.00.

The car to contain if possible, 3,000' of ⅜" x 2" face, Clear Birch flooring at $59.00. The market seems to be in rather a fluctuating condition. But we would like to know by wire Monday whether or [fol. 548] not you care to accept this order and as to time of shipment.'

Telegram, dated August 6, 1923, from the Oval Wood Dish Corporation to the Jones Hardwood Company, Boston, Mass.

DEFENDANTS' EXHIBIT X-5½

'Will accept Newburyport order without three-eighths Birch'

Letter from the Jones Hardwood Company of Boston, dated August 27, 1923, addressed to the Oval Wood Dish Corporation:

DEFENDANTS' EXHIBIT X-6½

'We seem to be losing out on whatever few inquiries we get on Birch flooring by several dollars per thousand. When does Mr. Hodges expect to be down here? I would like to go over this situation with him carefully, although there does not seem to be much call now for anything in the flooring line.'

Letter from the same corporation to the Oval Wood Dish Corporation dated October 29, 1923:

DEFENDANTS' EXHIBIT X-6

'At the time our order #832 of August 31st was placed with you for a carload of 13/16 x 3¼" face, matched, #1 Birch flooring, the list price was Seventy-nine seventy-five Boston. I took the matter up with you by telephone, and you made a concession of $2 per M off of that price, in order that we might send you the business.

In making out the order it was sent out at the regular price 77.75 less $2 per M commission, and in auditing our accounts, I just run across that and also the fact that the duplicate of the order which was #915, of September 20th, was sent in the same way.

Now, as we allowed the Wyman-Allen Lumber Co. their wholesale commission of $2 per M we are out of pocket, or rather we [fol. 549] have no profit at all in those two transactions. I wish you would look into the matter and see if I am not correct. We really should have sent you the order at $75.75 less $2 per M commission.'

"Q. I see some of the letters here from them asking for your pricelist, some of them do. Do you occasionally send out pricelists?

A. We formerly sent them out; we have not sent out any lately.

Q. With $2.00 off the list price, was that?

A. That was my list price delivered Boston.

Q. Your list price?

A. Delivered Boston. I have forgotten the date.

Mr. Darby: Letter Jones Hardwood Company, dated December 7, 1922, addressed to the Oval Wood Dish Corporation, reading as follows:

DEFENDANTS' EXHIBIT X-7

'On receipt of your wire with reference to the #1 3¼" face Maple flooring, we immediately called our customer, but he lost the business. He had a quotation from a Michigan concern of $78.00 delivered so that we are out of it anyhow, but even at this his competitor got the business on a closer basis, possibly we may get an order on this stock elsewhere subject to prior sale.'

Letter, April 6, 1922, from the Jones Hardwood Company to the Oval Wood Dish Corporation:

DEFENDANTS' EXHIBIT X-8

'I thank you for your new stock list on both the flooring and hardwood lumber; I am also very much interested in the price list on the lumber and I cannot see how it is possible for you to get these prices here at the present time. We are unable to obtain such prices from the trade we have and it seems to us that your hardwood [fol. 550] price makes it cost, delivered, much more than we would have to pay if we bought from Michigan or Wisconsin; in fact, we know that is the case.

We note that you have a considerable quantity of 2¼" face, Clear Maple flooring. Is the price still $99.00 delivered, Boston rate, subject to our commission? One of your neighbors unloaded quite a bunch of 3¼" face, Clear Maple flooring delivered here at $80.00.

We still have a car of No. 1 Flooring to come from you, but the going price seems to be about $71.00 and we have not been able to sell it at cost. We hope to do so within the near future, but not right at present.'

Letter, May 27, 1922, from the Jones Hardwood Company addressed to the Oval Wood Dish Corporation, reading as follows:

DEFENDANTS' EXHIBIT X-8¼

'Your letter of May 23rd with new price and stock list came to hand while I was away, and I would like to know if these new prices are subject to the special arrangements for discount which you gave me when you were here last. I want to know about this as we are quoting prices continuously and want to be sure where to place the business. It seems to the writer that your price on 2¼" Factory of $39.50 is pretty stiff. The Western mills as a rule, are asking $34.50 less commission, while your price on the 3¼" face Factory is lower than theirs somewhat.'

Letter from the Jones Hardwood Company of Boston, dated May 2nd, 1923, addressed to the Oval Wood Dish Corporation, reading as follows:

DEFENDANT'S EXHIBIT X-8¾

'I have at hand your price list of April 24th. I still think you [fol. 551] are much too high on your Birch and Beech Flooring prices by $5.00 per M on #1 and Clear grades. I have some quotations out on the 2¼" Clear Beech at $98.50. If they come in, I can place them with Michigan at a profit."

Letter, May 3, 1923, from the Oval Wood Dish Corporation, addressed to the Jones Hardwood Company, Boston, reading as follows:

DEFENDANTS' EXHIBIT X-8½

'Your letter of May 2 is received, and we note what you say about Beech prices.

'We have a quantity of 2¼ Clear Beech on hand, and will accept some orders from you at $98.50 to meet the Michigan prices, providing that the stock can be shipped promptly.

'On the 2¼ #1 Beech, however, we would not want to make any concession as we have none of it in stock, and probably will not be able to make any for some time.'

Letter, August 1, 1923, from the Jones Hardwood Company, addressed to Mr. F. M. Hodges, Hotel Parker House, Boston, Mass., reading as follows:

DEFENDANT'S EXHIBIT X-9½

'Enclosed you will find order 801 for a less than carload lot shipment to Thompson, Morris Co., Boston, Mass., which please arrange to get off immediately. I am also enclosing an order for a mixed car of Clear and #1 2¼ Birch flooring for shipment August 10th. I have just been advised that one of our customers has a telegram from Michigan advising that they would take orders for five cars of Clear 13/16 x 2¼ Maple flooring, delivered Boston at $103.50, or #1 at $93.50. Apparently, there is considerable cutting going on.'

[fol. 552] Letter, August 4, 1923, from the Oval Wood Dish Corporation addressed to the Jones Hardwood Company, Boston, Mass.:

DEFENDANTS' EXHIBIT X-9

'We acknowledge receipt of your orders Nos. 710 and 801, given our Mr. Hodges while in Boston, and have entered these orders for shipment as specified.'

"The Court: I notice this correspondence is something that has occurred since the commencement of this suit.

Mr. Darby: Some of it, and some of it did not.

The Court: Most of this that you are reading now, seems to be in 1923.

Mr. Darby: Yes. Some of it, however, was in 1922. Here is one in February before the institution of this suit. However, I can introduce them into the record without reading them all."

(Correspondence marked Defendants' Exhibits X to X 24 and received in evidence.)

The correspondence that has been read into the record is typical of our experience in the sale of flooring. From our correspondence we learn what other mills are quoting and sometimes we lower our price and sometimes we are unable to do so. Sometimes the purchaser will name a price or a commission man offers to accept an order at a certain price.

The Defendants' Exhibits X to X-24 not heretofore set forth are as follows:

Letter, dated July 28, 1923, from Oval Wood Dish Corporation to F. W. Baird, 401 Chamber of Commerce, Boston, Mass., reading as follows:

[fol. 553] DEFENDANTS' EXHIBIT X-10

"DEAR SIR: Your letter of July 26th, is received, and we regret that our prices were too high to secure the car of Birch flooring. We know that some manufacturers are cutting prices but do not think that they will continue to do so very long as there is no surplus of Factory flooring. We are glad to have this information and [fol. 554] will be glad to have you furnish us with any authentic quotations that are lower than ours.

With kindest regards, we are."

Letter, dated July 26, 1923, F. W. Baird, Boston, Mass., to Oval Wood Dish Co., Tupper Lake, N. Y., reading as follows:

DEFENDANTS' EXHIBIT X-10½

"Gentlemen: Thank you for your wire on the 24th. 2¼" face Birch Factory flooring.

I regret very much to advise that the customer considered the price too high and so, of course, we could not get the order.

We thank you just the same for quoting us.

Yours truly."

(P. S.)—"Some one has offered him a car at $52.00. F. W. B."

Letter, dated February 1, 1923, from Oval Wood Dish Corporation to F. W. Baird, Boston, Mass., reading as follows:

DEFENDANTS' EXHIBIT X-11

"GENTLEMEN: Your letter of January 30 is received.

We are enclosing herewith our credit memorandum for an additional $2.00 per M feet on the recent car of Clear Flooring shipped you of 25,500 feet. This is as you state in accordance with your conversation with our Mr. F. M. Hodges in your office.

[fol. 555] We are hoping that you will be able to secure this order for 2¼ Clear Beech Flooring.

Yours very truly."

Letter from F. W. Baird, Boston, Mass., to The Oval Wood Dish Corporation, Attention F. M. Hodges, Tupper Lake, New York, dated January 30, 1923, reading as follows:

DEFENDANTS' EXHIBIT X-11½

"DEAR SIR: We have just received and settled for the first car of 25,500 ft. on the Boston College order of which I spoke to you when you were in the office not long ago.

We made a little concession to the College people so that we might get the balance of about 100 M feet, when the building was ready to receive it. When you were here in the office you made a concession on this order of an additional two dollars per thousand feet, but I think we made no notation of this fact on our order, consequently we are paying the bill as per your invoice, and I was wondering if you would call this matter to the attention of your Treasurer and have him give us credit for the additional two dollars per thousand on this 25,500 ft.

We have an inquiry this P. M. for 150 M ft. 2¼" Clear Beech flooring and I have wired you asking if you could entertain such an order. First two cars to be shipped about March 1st, and the balance a car every 10 days or two weeks until the order was completed. I have not quoted a price because I was afraid your prices might have [fol. 556] changed and my wire, I have asked if you could supply and also price. I hope you can furnish this order, provided that we get it and I think we could get it at the old price quoted by you November 18th on 2¼" Beech flooring.

Yours truly."

Letter, dated May 16, 1923, Oval Wood Dish Corporation to Boyd-Sinclaire Lumber Company, 30 Church Street, New York City, reading as follows:

DEFENDANTS' EXHIBIT X-12

"GENTLEMEN: Your telegram of May 16 is received, and we wired you today as follows:

'Accept one car three and quarter Factory Beech immediate shipment sixty dollars delivered Boston.'

and now confirm.

Undoubtedly you are aware that Flooring stocks are moving rapidly and we, therefore, would ask you to forward your formal order for this car promptly.

Thanking you for the inquiry, we are."

Telegram, dated Tupper Lake, N. Y., May 16, 1923, Oval Wood Dish Corporation to Boyd Sinclair Lumber Company, 30 Church St., New York City, reading as follows:

DEFENDANTS' EXHIBIT X-12½

"Accept one car three and quarter Factor Beech immediate shipment sixty dollars delivered Boston."

Telegram, dated May 16, 1923, Boyd Sinclair Lumber Company, New York City, to Oval Wood Dish Corporation, Tupper Lake, N. Y., reading as follows:

DEFENDANTS' EXHIBIT X-12¾

[fol. 557] "Have chance secure order 13/16 x 3¼ Factory Beech 60 Boston. Can you accept. Wire."

Letter, dated May 18, 1923, Oval Wood Dish Corporation to Boyd-Sinclaire Lumber Co., Inc., 30 Church St., New York City, reading as follows:

DEFENDANTS' EXHIBIT X-13

"GENTLEMEN: Your letter of May 17 in regard to our recent wire to you on Beech Flooring is received.

We note that you have given your New England man our price and wish to advise in connection with this particular stock, namely 3¼ Factory Beech, that we have today sold two cars of this stock at seventy-five cents per M feet more than we quoted you on the Boston rate, and in view of the fact that we have but a little more than once car left, we are asking you should you receive this order, to forward it to us promptly, as this quotation was made subject to prior sale."

Letter from Boyd-Sinclaire Lumber Company to Oval Wood Dish Company, reading as follows:

DEFENDANTS' EXHIBIT X-13½

"GENTLEMEN: We thank you very much for your wire and letter confirming price on the Beech Flooring. Perhaps our wire was not quite explicit. We had a wire from our man in New England, in regard to this, stating that he thought he could get an order in competition of the other shippers for $60.00. We wired him on receipt [fol. 558] of your wire to close the business if possible.

Should we get this, we will wire you order."

Letter, dated June 30, 1922, from Oval Wood Dish Corporation to George H. Storm & Company, 71st to 73rd Sts.; New York, N. Y., reading as follows:

DEFENDANTS' EXHIBIT X-14

"GENTLEMEN: We wired you yesterday as follows which we now confirm:

'Advance prices on two and quarter Clear number one and Factory Maple Flooring five dollars per M. Will accept Lowry order if sent promptly.'

Kindly correct our New York list as above. The other items are unchanged and are subject to our special terms with you.

The demand for 2¼ Maple Flooring is very insistent and we believe that these advances are warranted. We will appreciate it if you will advise us how these prices compare with those of other manufacturers who are selling stock in your territory.

We have your letter of June 27 and are very glad to know that you secured the Lowry order. As stated in our telegram we will accept this order at the old price provided you send it in promptly.

We are in receipt of your telegram for the rush order of 2¼ Flooring and will protect the price on this order and ship immediately. Ordinarily we are not able to secure switching service on Friday but [fol. 559] have succeeded in getting the promise of a car today and will get it out immediately.

Thanking you for this order and with kindest regards, we are."

Telegram from Oval Wood Dish Corporation to George H. Storm & Company, New York City, dated June 29, 1922, reading as follows:

DEFENDANTS' EXHIBIT X-15

"Advance prices on two and quarter Clear number one and factory Maple flooring five dollars per M—Will accept Lowry order if sent promptly."

Letter, dated June 27, 1922, from George H. Storm & Company, New York City, to Oval Wood Dish Company, Tupper Lake, N. Y., reading as follows:

DEFENDANTS' EXHIBIT X-16

"GENTLEMEN: We have been doing a lot of scrapping lately over the big order of Maple Flooring for John Lowry. He has been a good customer of ours for years, and we could not let the order pass. He has offered us the job at the other man's figure, and we

have today agreed to accept it, although it is altogether too low considering the class of work that he expects. He had a combination figure from some wholesaler and some lumping floorlayer here in town, which was what caused all the trouble.

We received your telegram that you could not cut the price, and suppose you are right in your stand, although it did seem that con-[fol. 560] sidering the special conditions surrounding this order, and the fact that you have been so anxious to move your Clear stock, you should have been able to help us a little.

We have submitted samples of your flooring and we want to supply your stock, so that you may expect to receive an order from us very shortly. It will be for about 150,000′ for shipment between now and September 1st. We believe this ought to make you feel good."

Letter, dated September 4, 1922, from Oval Wood Dish Corporation to George H. Storm & Co., 71st to 73rd Sts., East River, New York City, reading as follows:

DEFENDANTS' EXHIBIT X-17

"GENTLEMEN: Your letter of August 30, is received and we note what you say about the shipment of the stock to the Burke Bros., Company and we will hold the stock until they notify us that they are ready to receive it.

We regret very much that we did not get the Leavitt order. We know that some members of the association are selling 3¼ at a very low price, but did not suppose that anyone would sell it at $80.00 f. o. b. Brooklyn."

[fol. 561] Letter, dated August 30, 1922, from George H. Storm & Company, New York, to F. M. Hodges, 7th Avenue and 32nd Sts., New York City, reading as follows:

DEFENDANTS' EXHIBIT X-18

"DEAR MR. HODGES: The order for the Burke Bros. Company cannot be shipped in September as contemplated. The building will not be ready for the stock until the middle of October, so it should come out the fore part of October. Very sorry we could not ship it now.

Leavitt has just telephoned that he has bought a carload of 13/16 x 3¼" No. 1 Maple @ $80.00 F. O. B. somebody's warehouse in Brooklyn, so there's a perfectly good order gone to waste. Isn't it too bad the way people cut prices. It certainly is discouraging."

Letter dated June 25, 1923, Oval Wood Dish Corporation to George H. Storm & Company, reading as follows:

DEFENDANTS' EXHIBIT X–18½

"GENTLEMEN: Your letter of June 22nd, is received.

Our Mr. F. M. Hodges is now in New York City and will undoubtedly call on you and give you full information as to our present depleted stock and prices on same."

Letter, dated June 22, 1923, George H. Storm & Company to Oval Wood Dish Corporation, reading as follows:

DEFENDANTS' EXHIBIT X–19

[fol. 562] "GENTLEMEN: Recently the Kalt Lumber Company repeated to the writer that they could buy Clear Maple for less than $110.00. Yesterday, Mr. W. D. Magovern stated that he could sell us Clear Maple at $109.00. This morning Mr. Sam E. Barr states that he can sell it at $108.00 and make money.

Evidently the market has slipped off in Maple, as it has in Oak, and your good firm has not seen fit to reduce your prices. Now, this makes it very bad for us, and does not help us any with our customers. We try to be the first to cut and the first to raise, or, in other words, to be just a little bit ahead of the other fellows; and in this case, we are behind.

Can it be that we did not receive your revised prices? Please let us hear from you at once."

Letter, dated September 24, 1923, Oval Wood Dish Corporation to George H. Storm & Company, reading as follows:

DEFENDANTS' EXHIBIT X–20

"GENTLEMEN: Referring to your letter of September 21, and confirming our conversation by telephone this morning, we can furnish the car of Maple Flooring wanted by the Kalt Lumber Company, as follows:

13/16 x 3¼ No. 1 Maple Flooring, $89.25.
13/16 x 2¼ No. 1 Maple Flooring, 93.25.

Hoping that you may be able to send us this order, and with kindest regards."

[fol. 563] Letter, dated September 21, 1923, from George H. Storm & Company to Oval Wood Dish Corporation, reading as follows:

DEFENDANTS' EXHIBIT X–21

"GENTLEMEN: The Kalt Lumber Company is in the market for a car of Maple Flooring, containing 10,000' of 13/16 x 3¼" No. 1, balance of car 13/16 x 2¼" No. 1, for immediate shipment.

Kindly wire your very best price Saturday morning. Kalt, as you know, is the closest buyer in New York, and there are lots of sheap Maple prices coming in these days."

(P. S.)—"Have enquiry for 105,000' 13/16 x 3¼ Factory f. o. b. Gastonia, N. C. shipments to start Oct. 15. Are offered 56.00. Wire at once, if interested would handle for 2.00 commission."

Letter, dated October 3, 1923, from Oval Wood Dish Corporation to George H. Storm & Company, reading as follows:

DEFENDANTS' EXHIBIT X–22

"GENTLEMEN: Your letter of October 1 is received.

We are practically marking time in the Flooring business for the reason that we do not care to meet some of the ridiculously low prices that are being made by other manufacturers. However, there are some items that we are overstocked on and are willing to reduce to the following prices, delivered New York, subject to your commission.

13/16 x 2" Clear Maple Flooring, $93.25.
13/16 x 2¼ No. 1 " " 93.25.
13/16 x 2¼ Clear Beech " 88.25.

[fols. 564 & 565] We would also accept an order for one carload of 13/16 x 2¼ Clear Maple Flooring at $103.25.

The writer will probably be in New York next week, and will call and see you.

With kindest regards."

Letter, dated October 1, 1923, George H. Storm & Company to Oval Wood Dish Corporation, which reads as follows:

DEFENDANTS' EXHIBIT X–23

"GENTLEMEN: The latest price list we have received from you is dated June, 1923. Will you not kindly send us a revised copy?"

Letter, dated October 30, 1923, from George H. Storm & Company to Oval Wood Dish Corporation, which reads as follows:

DEFENDANTS' EXHIBIT X–24

"GENTLEMEN: We enclose herewith our formal order for Clear Maple Flooring, for shipment to Kingston. Please consign this to Edward S. Murphy Company billing us at your 'F. O. B. Mill' price, and we will pay the freight."

[fol. 566] T. M. RALSTON, being duly sworn, testified as follows:

Direct examination.

By Mr. Darby:

I am the Sales Manager for the Indiana Flooring Company of New York with a plant at Reed City, Michigan. We have four machines and our present output is about eleven to twelve million feet a year of maple, beech and birch flooring. We have not manufactured birch yet, but we probably will. The Indiana Flooring Company is not a member of the Maple Flooring Manufacturers Association. It has been engaged in the manufacture of flooring at Reed City since June 4, 1923. The plant at Reed City was formerly owned by William Horner and was purchased from the Grand Rapids Trust Company as Receiver. The Receiver was appointed for William Horner by the Federal Court on January 1, 1922. Before January 1, 1922 I had been connected with the William Horner business for about eleven years. After the appointment of the Receiver I continued to work for the Receiver until May, 1923. The Grand Rapids Trust Company as Receiver for William Horner is a member of the Maple Flooring Manufacturers Association. When the Grand Rapids Trust Company was appointed Receiver for William Horner, I received instructions from the Receiver with respect to my duties. I was not informed or advised that in the sale of flooring I was to maintain any uniform price or any Association prices in view of the fact that the Receiver was a member of the defendant Association. I was not informed that any rules or data contained in any of the freight rate books were to be binding on me or were to be followed by me in the sale of flooring. I don't remember any specific instructions were given to me except to get the highest price possible for the flooring in order to make the [fol. 567] largest possible profit.

The Court: As a matter of fact, Mr. Birdsall was not versed in the manufacture of flooring at all, and he simply took over the agents and officers of William Horner practically as it then existed?

A. Yes, sir. I think I could go further than that and say that for practically all the period I was there, for the first few months at least, Mr. Birdsall did not give any instructions; he simply told me to go ahead and use my own discretion in handling the sale of flooring.

Q. How long did you continue there from January 1, 1922?

A. Until May, 1923. I talked matters over with Mr. Birdsall, of course, at different times.

I never at any time received any instructions from him limiting my discretion so far as following the rules of the Association was concerned, or using any of that data as a basis for making my prices, or as a price list.

I began to work for William Horner some time in the fall of 1910 as Sales Manager and continued in that capacity until the appointment of the Receiver. Horner built a plant at Newberry in 1913 or 1914. As I remember Horner was a member of a Maple

Flooring Manufacturers Association for three or four months in 1915 or 1916. Then we dropped out and joined in the fall of 1919 or some time during 1919 and continued to be a member until the appointment of a Receiver.

"Q. I wish you would state generally what your duties were, I mean how you kept in touch with market conditions and how you performed your duties as a sales agent during those years.

A. We were very large manufacturers of flooring—our output was very large.

[fol. 568] Q. How large?

A. Well, from the period that we built the Newberry plant, after that we were making thirty to thirty-five million feet yearly. It was a very large output. We had no salesmen on the road, and my practice was to have personal representatives in the large centers throughout the country. I made it a poist to go and see those representatives at least once or twice a year. In other words, I was on the road perhaps a third of my time during that period, travel-

[fol. 569] ing about; not so much selling as just seeing the representatives, keeping in touch with them, keeping in touch with the general conditions. Our flooring to a large extent, I could not say what per cent, was sold by these representatives. We sent them our price list, allowing a commission; in some cases, we invoiced direct to the representatives, who were wholesalers, if their credit rating was satisfactory. The balance of the flooring was sold through personal inquiries that came to Reed City, for which I quoted myself, if I was there; or if not, someone else in my place. I think I am safe in saying eighty per cent of our flooring during that time was sold through representatives in various cities in the country."

We sold flooring all over the United States and exported to England and a little to the continent.

"Q. Did you in making these trips about once a year, that is, covering the entire ground in the United States once a year, become acquainted with conditions in those various markets?

A. Yes, I think I was pretty well acquainted with them, because I kept in close touch.

Q. I wish you would describe what you found with respect to competitive conditions, if any, that existed during that time?

A. I would say that there was always a very strong competition in Maple, Beech and Birch flooring, all kinds of flooring. I have had some little experience in handling other kinds of lumber as well, and I do not believe there is any article in lumber in which there is more competition than in flooring. The prices obtained

[fol. 570] have always been very close. As a rule, on inquiries we would receive, we would have to quote against anywhere from ten to twenty or twenty-five different concerns. I have seen innumerable times—I have been in offices of our representatives and in the office of people handling flooring—and I have seen lists of I would say, ten to twenty or twenty-five concerns quoting on the same item, and I have never seen anything but a wide range of price, as high as ten to fifteen dollars a thousand difference between the highest and lowest price. I have seen that all over the country, different places, and

so I would say that at no time have I seen prices running the same to any extent.

Q. That condition which you have briefly described, was that a constant condition or merely sporadic?

A. It was a constant condition.

Q. Does it exist today?

A. Absolutely.

Q. And has existed so long as you have had knowledge on the subject?

A. Yes, sir; as long as I have had connection with it.

Q. How about the Canadian competition? Is that any factor, the Canadian flooring, is that a factor in the American market?

A. It is to a certain extent. In some parts of the United States markets where they can get into on account of favorable freight rates. The Canadian mills manufacture quite a large amount of flooring.

Q. About how many prominent mills are there over there?

A. I cannot say; in guessing, I would say, five or six that get in here.

[fol. 571] Q. Large?

A. Fairly large; one or two quite large. Of course I imagine the larger percentage of their product is sold there, but I do know of many occasions when they would have a surplus stock they would come into the American market and sell at prices lower than they were selling in their own market at the same time.

Q. Have you seen pricelists on both sides of the border?

A. Yes. sir.

Q. They would cut their price, or as economists call it, dump their goods in the United States?

A. I can give you one specific instance that happened in the last year. I was in a town in Canada, and visited a flooring mill there. I was talking to the sales manager of that mill. He showed me his price, the prices at which they were selling at this particular time in Canada, and he told me that those were the prices that were generally being obtained there. I was in Boston within three or four days—in fact, I came back through Boston and I saw prices from Canadian manufacturers that averaged five to eight dollars below what they were selling for over there.

Q. State whether or not the Boston Manufacturers ship a considerable portion of their product to New England and New York?

A. The Canadian?

Q. I mean the Canadian?

A. Yes, I think the eastern market is their principal market. I have known of Canadian flooring coming into Boffalo and Detroit; never farther west than Detroit.

Q. I believe there is a duty on Maple flooring into Canada?

A. Yes, sir.

[fol. 572] Q. Do you recall what it is?

A. Twenty-five percent at the present time.

Q. Twenty-five percent of the value?

A. Yes, sir.

Q. State whether or not there is a duty on Maple flooring coming from Canada into the United States?

A. None.

Q. There is none?

A. No, sir.

Q. This competition that you have spoken of, does that apply among members of the various manufacturing associations, during those years?

A. I didn't get that.

Q. You spoke of the variation in prices, competition among the different manufacturers. Did that group of manufacturers include the members of the Maple Flooring Manufacturers Association?

A. Yes, both members and non-members.

Q. You say there has always been active competition not only among members, not only by members among themselves, but of members against non-members?

A. Absolutely, yes, sir.

Q. How do you explain the existence of that condition, when you consider the fact that during the previous years there was supposed to be in force and effect, at least, the so-called Minimum Price Plan in the Maple Flooring Manufacturers Association?

A. I really don't know, unless, if there was any such agreement, it was not carried out. Whatever I saw of prices that were being quoted, my own opinion would be that the law of supply and de- [fol. 573] mand for flooring controlled it.

The Court: It must have been one of two things: Either they didn't carry out their bargain, or the prices quoted must have been above the minimum price.

Q. What was your observation as to whether those Minimum Price Plans were observed in the practical conduct of the business?

A. I would say absolutely that they were not.

Q. How do you know that?

A. From prices that I have seen at different times and my own personal knowledge of the prices that other mills were quoting.

Q. You compared the prices that you saw and were able to get, with the minimum prices, so-called, in force at that time?

A. With the prices——

Q. So-called minimum prices. I think in some of the articles they set forth what shall be the minimum price Frame "A." Did everybody get higher than that price, or get that price all along?

A. My judgment would be that there wasn't much attention paid to it. In some cases, the price would be higher and in some cases lower.

Q. Each fellow got the business on such terms as he could?

A. Yes, sir.

Q. That is the way you conducted the sales department of Horner?

A. Absolutely, at all times.

Q. Was it your observation the others compared their business along the same line, the other members?

A. I would judge from the quotations I have seen, and what I know of their business, that they did.

Q. You were getting statistics, were you, that were issued by the [fol. 574] Association?

A. Yes, sir.

Q. Did you ever have occasion to compare the reported sales with the so-called minimum prices which were supposed to be in effect?

A. I don't know as I ever did, because I never paid much attention to the prices that were given in the completed list.

Q. What would you take into consideration when you fixed the price of your flooring? You had to arrive at some price at which you would sell it; how did you arrive at the price, what factors did you take into consideration?

A. Our cost of production based on the cost of the rough lumber, manufacturing costs, selling costs, and a profit.

Q. And the conditions in the respective markets where you wanted to sell?

A. And market conditions very largely.

Q. The amount of inquiries you received, did you take that into consideration?

A. Not so much that as the amount of business on our books, or our wish to move a certain articles, certain size or grade, of maple flooring; all those things entered into it.

Q. Did you feel free to exercise your own independent judgment during all that time, or did you feel constrained by some rule or data that were issued by the Association, or any recommendations of the Market Conditions Committee?

A. I always felt free to make my own prices, and I always did make them.

Q. You always did?

A. Yes.

Q. How did you advise your trade as to what your prices were, [fol. 575] or your representatives, or special agents?

A. We sent out lists on our own stationery, showing the different items and our price f. o. b. cars mill, freight at the bottom, the amount to add for freight in dollars and cents to cover the point which that representative covered.

Q. You made out and distributed your own price lists?

A. Yes.

Q. Did you use any books or data that were issued by any of the associations as price lists?

A. None whatever.

Q. How about the freight; you say you added the freight; how did you add the freight? Did you have a traffic department, or did you use these Rate Books as they were gotten out?

A. We had a traffic man, traffic department and full tariffs to all points in the country at our Reed City mill. We also had a traffic man at Newberry, although he handled more the outbound shipments and inbound shipments and had nothing to do with looking up rates on stock that we were selling. We based our prices en-

tirely on Reed City. Our traffic man there would give me the rates as I needed them. Our Newberry plant—the difference in freight between Newberry and Reed City to points in the East is about an average of about three cents, that is, to eastbound points.

Q. Three cents a hundred?

A. Three cents a hundred pounds.

Q. How much is that a thousand?

A. About sixty cents a thousand. To western points, most of them, the far west especially, the Newberry rate is five cents lower than Reed City. We figured, and always have found it worked [fol. 576] out very well, to base all of our prices on Reed City, and that would practically equalize the rate from both mills. When we took an order for the Pacific Coast, we shipped from Newberry. If we took an order for eastern points, we shipped from Reed City. I believe there were many cases where we shipped from Newberry, although the rate was higher, when the Reed City plant could not supply it.

Q. I take it, you did not sell your flooring F. O. B. Cadillac?

A. We sold F. O. B. Reed City.

The Court: That is twenty-eight miles from Cadillac?

A. Yes, sir.

Q. What is the difference between the rate from Cadillac and Reed City? Is there any difference?

A. No difference—I say, no difference, there may be points where there is a small difference, but practically the same.

Q. I notice from this sheet, "Freight Rates on maple flooring carloads, from seventeen producing points in Michigan and Wisconsin to thirty representative markets in the United States, the average from Cadillac to these places is 44.7, and the average from Reed City is 44.7 per cent, but there is a fraction of a cent's difference to some points.

The Court: They are in the same territory, they are only twenty-eight miles apart."

Before the war our average commission was $1.50 per M.

At the time of the war a great many commission men and *and* wholesalers claimed their costs of doing business were very much higher and wanted more and we paid them at that time $2.00. Since then the commission has remained the same. There was not [fol. 577] a fixed commission. We paid all the way from 50¢ to $2.00 and in a few cases a little more than $2.00. Lately our prices have been subject to $2.00 a thousand commission as a rule, although in some cases I quoted net prices. In fact, I would say up to about two or three years ago I quoted net price about half the time and sometimes a price that was subject to a commission. When I quote net prices, it is up to the wholesaler or commission man to add whatever profit he can get. There were cases where the commission man would cut his commission in order to get an order. We have cases where the commission man will get only 50¢ a thousand. I never considered myself bound by any data appear-

ing in the rate books or any so-called official terms of sale with respect to commissions.

When I was with Horner, the terms of sale were 2% 10 days from date of shipment, or 60 days net. I don't know how long *how long* before I went with Horner he had used those terms. They are the usual terms in the lumber business. I know of no Association rule that limited me in any way with respect to what the terms of sale should be. I do not regard those appearing in the freight rate books as binding upon me in any way.

I conducted the business for the Grand Rapids Company as Receiver the same way as I had been conducting it for William Horner. Between January 1, 1922 and May, 1923, when I left the Receiver, Mr. Klesner worked with me. I think he was there from February or March, 1922. He is the present representative of the Receiver.

[fol. 578] "Q. What do you think about the statistics that were furnished from time to time by the secretary of the various maple flooring manufacturers associations?

A. The Statistics, as a rule, are very, very, valuable, especially as regards the production and the stocks on hand and the general information given in these statistics that we received from time to time.

Q. What about the weekly sales report. What features of that did you consider?

A. The principal feature, as I said before, the principal feature I considered of that, is the total shipments. I never felt, couldn't feel, that the prices obtained or shown in that weekly sales report were of much value, and I never considered them; in fact, some weeks I never even bothered to look them over or check them up. The total output of maple flooring, total number of mills represented or manufacturing maple, beech and birch flooring, is very large, much larger than the membership of the Association, so that it lessened their value very materially.

Q. You say the statistics with respect to prices?

A. Yes. In other words, I don't think that an estimate of that kind indicates what market obtained for flooring. They could not do it unless they showed nearer one hundred per cent of the flooring sales made throughout the country.

Q. In other words, there are a large number who are not members?

[fol. 579] A. Yes, sir; not only that, but it was very seldom that it showed even the sales of the total membership of the Association.

Q. About what percentage—you say you went the country over, selling Maple flooring for a great many years—about what percentage would you say of the total production of Maple, Beech and Birch is made by the members of the present defendant Association?

A. I am not sure just of the present membership, who they are, but as I know it, as I remember, of the total of the woods made, I wouldn't say over fifty to fifty five per cent is made by members of the Association at the present time.

The Court: About what percentage of the total output in this country of Maple, Beech and Birch flooring did the Horner mills, when running at their fullest capacity produce?

A. Of the total output in the country perhaps fifteen per cent.

The Court: They were the largest producers in the country, were they not?

A. Yes, by far.

Q. There is a list. There is some question about the Wisconsin Land and Lumber Company, which is not a member at the present time, so in making a calculation you can consider that company out.

A. What is it you want?

Q. I just wanted to show you the list of the present Association.

A. What is your question.

[fol. 580] Q. I just wanted to show you the list. You said you were not absolutely certain.

A. I would say this is about right, fifty or fifty-five per cent would be my judgment.

Q. State whether or not in different communities in West Virginia, Tennessee, Michigan, New York, Pennsylvania and other states, Vermont and New England states, there are not many lumber companies who have merely one machine and who are not known to the trade as manufacturers of Maple flooring?

A. I know of several such cases, and there is no question but what there are a lot of saw-mills that have one flooring machine, or perhaps two, making flooring at odd times and do not advertise the fact much at all. They have a mixed grade trade; perhaps they are supplying certain yards throughout the country with different material, different kinds of lumber, and they ship a great deal of their Maple flooring to these yards.

Q. They supply the small communities without shipping to the big markets all over the United States?

A. Not necessarily the small communities; it might go anywhere, that stock.

Q. Is that so?

A. Yes, sir.

Q. Either in L. C. L. or mixed car lots to their regular trade?

A. Yes.

Q. Getting back to that matter of statistics, you say that you did [fol. 581] not consider these statistics so valuable as they might be if they covered one hundred per cent of the dealers?

A. Yes, sir.

Q. Of the manufacturers?

A. Of the manufacturers; yes, sir—statistics as to prices.

Q. Is that correct? Do you limit it merely as to prices, or the entire subject matter?

A. The entire subject matter. There is no question about that; it wasn't nearly as valuable as it might be if you had a hundred per cent.

Q. You say you considered, however, the figures with respect to production as more important than the figures with respect to the prices realized?

A. Yes, sir.

Q. Why was that so?

A. Because your figures of production, your figures of stocks on hand, and figures of that kind could be made to show—or you could tell from those more what the state of the market and of the stocks that the other mills had to offer was. As far as the figures on prices go, your market is pretty near the lowest price at all times. There was nothing in those figures as to prices; there could not be any full report because there were so many outside of the Association selling flooring that your data was necessarily very incomplete.

Q. With respect to prices, you were kept pretty well informed as to prices that you obtained from your representatives and the whole-
[fol. 582] salers and other prices from day to day?

A. My information was absolutely, as I thought, accurate, because it was gotten from our personal representatives, and from letters and things that I had seen myself from day to day. In fact, there wasn't a week passed but what I would see quotations from a dozen or more letters.

Q. State whether or not in the conduct of the flooring business, quotations may be made, especially to distant points and the order will not be accepted, or a contract become definitely into existence until maybe a month or two or three weeks after that.

A. That is very often the case. We make a price that goes to, perhaps, a contractor that is just bidding on a job, putting in his figures, and it may be a month, before it is closed. You may say that you will hold that price open for thirty days or such time as he knows he is awarded the contract?

Q. You say that is quite usual?

A. It is so far as we are concerned. I know it has happened a great many times, with us. I can't say as to others.

Q. So if a sale were reported as being made, we will say on December second, it might reflect prices thirty days or six weeks before?

A. Absolutely, in many cases I think it would.

Q. In that respect, the statistics were not so good as they might be?

A. No.

[fol. 583] Q. They did not at all times—that is, at least every sale reported there, did not necessarily reflect the price at the time you received the report, did it?

A. No, there was statistics, as a rule——

Mr. Fowler: I wish to object to the method of examining the witness. It has been an argument a good part of the time. I did not want to raise any objection.

The Court: Of course this witness is your witness, Mr. Darby.

Mr. Darby: I appreciate that and I am sorry the Judge did not speak before. I will try to observe the rule.

Q. State whether or not the fact that you saw some one sale reported at higher prices than what you had been getting, would necessarily in and of itself cause you to immediately raise your prices?

A. No, it would not.

Q. State what other factors you would take into consideration, if any?

A. The principal factor would be the demand and the condition of our stock on the particular item that the inquiry was on. If we wanted orders badly, if we had a lot of orders on the book unfilled, or oversold, naturally we would keep our prices up. If, on the contrary, we have no orders and the stock is piling up in our shed, the prices naturally go down. To a very large extent last year, the need of money governed that a good deal—the last year before the Receivership.

Q. Would you take into consideration the phase of the economic [fol. 584] cycle then existing?

A. We try to, yes, sir.

Q. Whether it is a period of inflation or deflation?

A. Yes, sir.

Q. So far as your own line is concerned?

A. Yes, sir.

Q. State whether or not you take into consideration your own financial needs at that time?

A. At certain times we did very much.

The Court: Those were matters that were of great importance to the Horners?

A. Yes, sir.

Q. You take into consideration, you say, your own stock conditions?

A. Absolutely, yes.

Q. I believe you stated also your own unfilled orders?

A. Yes, sir, absolutely.

Q. How about your stock of rough lumber on hand, or your logging operations?

A. Until the last few years we had very little logging operations; we were buying merely the rough lumber.

Q. Would you in fixing your price take into consideration the stock of rough lumber you had on hand?

A. Especially during the last year or two, yes, because we had to work that lumber up into flooring—when I say the last year or two, I mean the last year or two before the Receivership.

Q. How about the market price of your lumber. Do you give that consideration?

[fol. 585] A. Yes.

Q. How about what you considered the future prices of rough lumber would be?

A. All these things entered into it.

Q. So that the statistics——

Mr. Fowler: Your Honor, if he is to make an argument on that, I will object before hand.

Mr. Darby: I don't think I am.

The Court: As a matter of fact, you entirely misjudged the future trend of rough lumber in 1920?

A. Absolutely.

Q. Notwithstanding the fact that you had these statistics furnished you by the Maple Flooring Manufacturers' Association?

A. Yes, sir.

Q. And the test runs, and etc.

A. Yes, sir.

Q. By the way, what was your opinion of the value of those test runs and the data furnished with respect to average manufacturing costs?

A. They were very valuable to us from a standpoint of keeping our own costs in shape and of knowing how our costs compared with those of the other plants. At Reed City we didn't have any accurate cost; at Newberry we had a very thorough one and we were naturally very interested in knowing what the other manufacturers, it cost them to manufacture their stock, and in that way trying to check up and seeing that we were making them as cheap as possible.

[fol. 586] The Court: Isn't it a fact that a very large factor in your being able to produce at a lower cost than the average cost so to speak at Newberry grew out of the proximity of your mill to the raw material?

A. Yes, that had very much to do with it, no question of that at all. Our freight rates into Newberry on our raw material was very considerably lower than our freight rates to Reed City, that was on the inbound material and at Newberry we had that tract of timber of our own from which we were cutting, and on which our freight was nothing at all, inbound freight, practically.

Cross-examination.

By Mr. Fowler:

Q. You guess that the portion of production by members of the Association to the entire production of the country was about 50%?

A. That is just an opinion, yes, sir.

Q. Of course that is just a mere guess, is it?

A. I have a pretty good idea of what was manufactured I think.

Q. Give us a guess at the ratio of production of the members of the Association who are located in Michigan to the entire production of the Michigan mills.

A. To the entire production of the Michigan mills?

Q. Yes.

A. Might I see that list again? I would have to check up on what mills are in Michigan to make a guess at that and what are located in Wisconsin.

Q. You guessed offhand at the other?

A. That is a very difficult question to answer because I would have to check up and see which mills are in Michigan. I know something of the product of each mill.

[fol. 587] The Court: Of course in answer to that question you will include the Reed City plant which now belongs to the Indiana Flooring Company because at the time this bill was filed that plant did belong to the Horner state?

A. Your question is the percentage that the Michigan mills manufacture to what?

Q. The percentage of the members of the Michigan mills that belonged to the Association, to all the mills that manufacture, by all the mills in Michigan?

A. All the mills in Michigan? That is probably 80%.

Q. Give us a guess as to the members of the Association that are located in Michigan and Wisconsin to the entire production in Michigan and Wisconsin.

A. It would run hardly as much I guess, in my opinion.

Q. How much would you guess?

A. About 75, probably it is a little less because I think that there are more mills in Wisconsin out of the Association than in Michigan, that is my recollection.

Q. Were you ever down south?

A. Some parts, yes, sir.

Q. Did you ever go through the mills down south?

A. Quite a few of them, yes, Nashville, Memphis, Little Rock and places.

Q. Of course you haven't got actual statistics in making that estimate from them at all or anything like that?

A. It is just simply an opinion, that is all.

Q. Did you sign that petition that said that the Association members produced 70%, that petition to the Federal Trade Commission?

A. I don't remember. I may have.

Q. Do you know what that estimate was based on?

[fol. 588] A. No, I don't remember. I don't just remember what it was now.

Q. You said these statistics that you get from the Association you regard as very valuable?

A. In the main, yes.

Q. And you emphasized the "very," as a matter of fact, you repeated it. You regard that as one of the most valuable activities in which the Association engaged, don't you?

A. The statistics?

Q. Yes.

A. Yes, as to costs and production and etc.

Q. Taking statistics as a whole, regardless of prices and production.

A. I said before that there are some features of those statistics that I don't regard of any value at all and never did.

Q. And there are some other features that are more valuable than other features?

A. Absolutely.

Q. And of course those statistics are valuable in that they aid you in getting more money for your lumber?

A. For our flooring?

Q. More money for your flooring?

A. Some cases and some cases the opposite.

Q. If it didn't aid you in getting more money for your flooring they wouldn't be of any value, would they?

A. There is something in that, true.

Q. Isn't that absolutely true?

A. Not always.

Q. Not every little incident of course, taking it as a whole, if they didn't aid you in getting on an average more money for your lumber you wouldn't want it at all, would you?

[fol. 589] A. I presume that is true, yes.

Q. You were on the Market Conditions Committee, weren't you?

A. Yes, our firm was a member of that Committee.

Q. How long did you function on that Committee?

A. I think a year to a year and a half perhaps, I am not sure.

Q. What were your duties in connection with that Committee, I mean what were the duties of the Committee?

A. The Committee simply gathered information as to the costs of manufacture, test runs, the average of the test runs and general information on the markets and on conditions for the benefit of the members of the Association.

Q. And then made your report to the Association?

A. There was no report made of any kind to amount to anything, generally just simply the Market Conditions Committee talked in the general meeting of what they had found.

Q. That is, you discussed in the open meeting of the Association:

A. Discussed what?

Q. Your report?

A. The report? Yes, absolutely. That was talked over, certainly.

Q. As a matter of fact that is one of the principal things that was discussed in those meetings, was it not, the general market conditions?

A. The general market conditions were always discussed, yes.

Q. And the range of prices?

A. Sometimes.

[fol. 590] Q. Wasn't that one of the things that was generally discussed, range of prices?

A. Not always, no.

Q. Didn't you consider where the prices were, going down or going up or had been going down or going up?

A. There was probably some talk of that, more or less, yes.

Q. That was the interesting thing, wasn't it, whether prices were going down or up?

A. Absolutely it is to any manufacturer, it might be.

Q. When you were talking about general market conditions, it was with reference to whether it would justify prices going up or whether it would necessitate their going down?

A. Not necessarily, it was merely the talk from that Committee was merely on general conditions and on the general state of the market.

Q. Wasn't the ultimate thing you had in mind whether or not the price should be advanced or whether you would have to lower the price?

A. That may be true, I couldn't say what was in their minds.

Q. Really, wasn't that true that that is what you were driving at all the time?

A. There is no question at all if I went to one of those meetings, I went there to get information if I could as to market conditions and the reason I wanted that information was to know what I would do with my prices, yes.

Q. That was the ultimate object you had in mind all the time?

A. Absolutely.

Q. That is what you wanted all of this information for?

A. Why, it would be useless to us for any other purposes.

Q. And that is the reason all of you exchanged all this information about yourselves, was it?

A. Yes, it was spoken of that way.

[fol. 591] Q. You said something about there being as much competition or more competition I believe in maple flooring than any other branch of the lumber business. Do you know of any branch of the lumber business that is not organized into an Association?

A. I don't know anything about the other branches. I know that there are other Associations.

Q. Don't you manufacture raw lumber?

A. Some.

Q. For sale?

A. Yes, sir.

Redirect examination.

By Mr. Darby:

Q. That discussion as to future conditions and to the prices of flooring, that took place at what time, did you say?

A. As to what?

Q. State whether or not that took place in the Market Conditions Committee or in the Association meetings and at what years that took place.

A. I don't quite understand.

Q. Judge Fowler examined you with respect to the Market Conditions Committee and to discussions that were had. What time now was it that you last served on the market conditions Committee?

A. I really couldn't say, it would be I would say a year and a half or two years ago anyway. A year and a half or two years ago, I really couldn't say as to the exact date.

Mr. Fowler: That is when you were on the Committee?

A. Yes, I don't know the dates.

Q. That was when you were on the Committee, the Market Conditions Committee?

A. Yes.

[fol. 592] Q. State whether or not you ever served on the Cost Survey Committee of the present Association?

A. No, I never did.

Q. Has the present Association ever had any market conditions Committee?

A. Not that I know of, I don't know.

Q. Did you attend Association meetings say after the organization of the present defendant Association in March or April 1922?

A. 1922?

Q. Yes.

A. Yes.

Q. Just when did you cease to attend the meetings? That was in July of this year or last year?

A. No, it would be about May of this year.

Q. Were you acquainted with the conditions surrounding the organization of the present defendant Association?

A. Yes, to some extent.

Q. State whether or not you knew of the opinion rendered by Mr. Newman when the Memphis case decision came out in the District Court in 1920.

A. Yes, sir.

Q. Did you receive any opinions—did you know of any given by counsel for the Association just prior to the organization of the Association, the present defendant Association.

A. Yes, at some time there was an opinion given, I couldn't give the date now though just when it was.

"Q. I wish you would state generally what was discussed or what had been discussed at the Association meetings say from March 1922 until you left.

A. The discussion was the cost of production, market conditions to some extent, advertising, the Association put on a very elaborate advertising campaign a year or so ago, and general conditions of the [fol. 593] lumber industry and the flooring industry. I think that was practically the——

Q. About how long did those sessions last, how long did you use to stay at the Association meetings?

A. Sometimes only in the morning. Occasionally I stayed for lunch, sometimes I was there awhile in the afternoon. Sometimes I got in trouble, was called down for leaving, I was accused of going out to get business and let the Association run itself.

Q. State whether or not at the Association meetings since its organization in 1922 they discussed at those meetings the future prices of maple, beech or birth flooring.

A. No, not at all.

Q. Were you ever present when there was any understanding or agreement, either express or implied, as to what the future prices of maple, beech or birch flooring should be?

A. Absolutely none.

Recross-examination.

By Mr. Fowler:

Q. You discussed past prices?

A. Past prices, yes, and general market conditions.

[fol. 594] Q. Did you stop right at the minute you were talking or did you stop an hour or two beforehand?

A. I really couldn't say where the stop was. The talk as a rule was all general.

Q. Just discussed the prices until you got up to the present and then you quit, is that it?

A. I didn't say that, I just simply said I really couldn't say.

Mr. Fowler: That is all.

Mr. Darby: That is all."

F. C. KLESNER, being duly sworn, testified as follows:

Direct examination.

By Mr. Darby:

I am with the Grand Rapids Trust Company, Receiver for William Horner, and have been in the employ of the Receiver since March, 1922. I have charge of the sale of flooring. The present mill of the Grand Rapids Trust Company, Receiver is at Newberry, Michigan. Before the sale of the Reed City Plant, I worked with Mr. Ralston in the sale of flooring there for a while. He was there in the capacity of salesman under my direction as representative of the Receiver. Since Mr. Ralston severed his connection with the Receiver, I have had exclusive charge of the sale of flooring under the direction of the Receiver.

We send in test runs occasionally, I think quarterly, and I remember one that we sent in showed that our manufacturing cost was in the neighborhood of $34.00 a thousand. At a meeting in Chicago Mr. Keehn told me that our costs were too high and that he could not use it because it would throw the average costs too far out of line with the costs of other manufacturers. He said that he [fol. 595] couldn't use our manufacturing costs in arriving at the average costs. Our costs were high because during the past year considerable claims were allowed against William Horner and we have eventually to pay interest on these claims, which are large. We set up a reserve for interest as well as for the receivership expenses, attorneys' fees, and all that extra expense added to our manufacturing costs resulted in our cost being higher. If it were not for such expense, our costs probably would not be higher than the costs of some of our competitors. It was the overhead expense of the receivership which brought our cost up. The claims against the estate are quite large.

Q. State whether or not you heard Mr. Ralston testify as to the statistical information given the members by the Secretary of the Association—were you in the Court room?

A. I was, yes, some of it I didn't hear, I couldn't hear him very distinctly.

Q. Did you hear him discuss or give his opinion as to the value of the statistical information?

A. Yes, sir.

Q. It might be shorter for you to point out wherein you differ from Mr. Ralston, if you do?

A. Well, we personally don't pay a great deal of attention to the data we receive any more than the amount of orders that are booked and also the stocks on hand, and as far as the average price, we pay very little attention to that; in fact I don't know as I have consulted it very often and personally I think that the Association, especially in their advertising is very strong, for the average concern couldn't make the expenditures that we, as a class can and for the past several months have been putting on extensive cam- [fol. 596] paign advertising maple, beech and birch flooring, which we couldn't do individually. Another thing is, particularly as I see it, on the grade, when we invariably receive an order or quotation, we specify and our customers specify to be in accordance with the rules of the Maple Flooring Manufacturers Association, which of course every one is familiar with. Another thing is on disputes. I might say that just recently we had a car of flooring, order for a car and it was for a specific face flooring, they have been after us to make consignment and we didn't have the stock on hand, so took it up with our superintendent, Mr. Curtis and asked if it wouldn't be advisable inasmuch as we had some clear grade, to ship that on the order of No. 1. We did, we shipped something like 13,000 feet of Clear giving price of No. 1. One car was received. I even wrote them and told them what we had done, figured we were doing them a courtesy, instead of that the car received at destination, they refused the car. Immediately we wired the Association to send chief inspector to this particular place to go over contents.

Q. Where was this shipped to?

A. I was in Wisconsin, and the report came back that the quailty of the flooring was exceptionally good, in fact better than the grade, but it was due to the fact that a little—well, take for instance in running the narrow flooring sometimes they might not be particular in sorting out strips that are wide enough so that the tongue would be probably on the end, but possibly six inches, maybe less, where the tonue would be sort of square, in other words, wouldn't be a ful tongue. The rules really give leeway for that, for the reason [fol. 597] that no matter who the grader is invariably he might put a piece of the factory into the clear or vice versa. So they allow 5% if I remember correctly, on the rules for just such defects as that. Well, that really saved us, we paid the expences of the chief inspector over there. They come back and said that they would settle in full otherwise we would have been to considerable expense and probably couldn't have gotten some settlement. They were familiar with the fact that the inspectors are versed in the grade. We think that that is a great thing.

Q. A good thing for the shipper and the purchaser too?

A. Yes, we do.

The Court: That ought to teach you not to send too good grades.

A. You are right, Judge.

We think the field representative work of Mr. Robertson is very valuable.

Never to my recollection was I given any instructions by the Grand Rapids Trust Company that I was to maintain Association prices or observe any uniformity of price. I was not instructed that I should use the data furnished by the Association as the basis for fixing our prices. We simply went along the same as Horner had been doing before. Mr. Horner is still with us and we confer and determine our prices by the general conditions and the stocks we have on hand. We manufacture about 50,000 feet a day and if we accumulate stock in the warehouse so that they are full, we have simply got to get rid of it. We couldn't shut down and disorganize our crew so we simply get out and sell the flooring.

[fol. 598] In the conduct of the business we have exercised our own discretion in the making of our prices. We are governed to a great extent by our representatives. They write in and say that they can procure an order for a certain amount of a certain commodity at certain prices. We either have to accept that or turn it down. That is a common occurrence.

Q. You have stated generally what you did. You may state in answer to this question, just I wish you would make a brief resumé of what factors you have taken into consideration in determining at what prices you should sell.

A. Well first usually is whether we are "long" on a certain face flooring or not and if we are "long" on it naturally we will reduce our price, and if we are short on it probably won't reduce it so much as we do some other commodity. Another by our representative, they write very frequently and say our competitors are quoting such and such a price below our price list and what will we do, will you allow us a leeway and in some instances we do tell them to, we will say for instance, allow them two dollars leeway, to use their judgment as to whether they place the order at the list price or below the list price.

From my knowledge of the flooring business, I will state that competition exists among the members of the defendant Association. We come into competition also with non-member manufacturers. We ship practically all over, north, south, east and west.

[fol. 599] I know of no understanding or agreement among the members of the Association that flooring shall be sold on an f.o.b. Cadillac basis or that freight shall be charged from Cadillac regardless of the point from which the flooring is shipped.

The matter of spreads depends largely upon demand and stock conditions. For instance, one manufacturer might be very long on No. 1 and we might be short of it. Hence the price will vary. Stock conditions are constantly changing. The mere fact that I saw that some other manufacturer was getting a higher price than I had been getting in and of itself would not cause me to raise my prices.

Q. Would you or would you not take other factors into consideration besides that one factor that someone else had received a higher price?

A. No, wouldn't consider it at all because that would be entirely as to how our stock conditions were and how the market conditions were.

The Court: Suppose you were carrying the average stock that you do carry of the different grades, upon the receipt of a report from the Secretary of the Association, you discovered that other members, all other members of the Association, were getting higher prices than you were, what would you do?

A. Well, if we had the stock, was long on the stock we would naturally reduce our price irrespective of the other fellow.

The Court: Even though you were getting the lowest price of any member of the Association who reported?

A. Well that is—I don't quite get your connection there.

[fol. 600] The Court: Perhaps you don't. Let me put it in this way: Suppose that you had your average stock on hand of the different grades and upon receiving your report from the Secretary of the Association you discovered that all other members of the Association were getting a larger price, a higher price than you were receiving, would you not immediately raise your price to some extent?

Mr. Darby: Just a moment, if I may note an objection to the question. With all due deference to your Honor, it seems to me that the assumption that there would be an average stock is not true to the facts. For instance, an average stock of what grade, an average stock of what face, an average stock of what thickness, and if, for instance, he were carrying a large stock or an average stock in other grades or other thicknesses or other faces, that wouldn't have any effect whatsoever on the low stock of other grades or thicknesses that he might have, or an unusually large stock of the particular grade or face or thickness for which other manufacturers were receiving larger prices.

The Court: If counsel has sufficiently educated the witness, I will withdraw the question.

Mr. Darby: Such was not my intention. I merely didn't want—it seemed to me that it might be misleading.

The Court: Proceed.

Mr. Darby: I think that is all.

Mr. Johnston: May I ask just one question: When you received statistical information with reference to prices and take that into account in the determination of your prices—determination to change your price, do you take that into account both ways, that is to say, that on some instances do you take into account the statistics of [fol. 601] prices showing a higher trend of prices in raising your prices?

A. No, sir.

Q. Do you take those statistics into account?

A. Scarcely none, no, sir.

Q. You give very little attention to them?

A. Very little.

Q. Or do you give such attention to the lower prices quoted by your competitors, other members of the Association, as to the higher prices.

A. No, I think I might say this that you take for instance if the

price—we will say we might be lower than our competitor, naturally every day we make a good many quotations. Now if the orders were coming in, naturally we know we are a little lower and we also know by our representatives, they advise us both ways. On the other hand, if we are not getting the business and only getting an occasional order we know we are way out of line, if we are long on a certain commodity we have to move it and we do.

Q. Suppose the statistics that you receive from the Secretary of the Association show that your prices are out of line in that they are considerably higher than the average price being charged for a given size and grade of maple flooring, the average price by the other members of the Association, would that have a tendency to cause you to lower your price, the other conditions being equal?

A. No, sir, I don't think so.

Q. Do you give any more attention to the higher prices charged as reflected in the statistics and the higher prices charged by other members of the Association than you do to the lower?

A. Well, no, I can't quite get your connection there.

[fol. 602] Q. I am trying to find out this, whether or not the effect of your examination of these statistics so far as it has any effect upon your setting of a future price, is not to lower your prices as often as it is to raise your prices?

A. I say we pay very little attention—personally I pay no attention at all practically, in fact, we receive some and never look at it at all because I have too much to look after. We base our price just as I say, on the market conditions and whether we are long on a certain commodity, that is what really governs our price.

Recross-examination.

By Mr. Fowler:

Q. You are sales manager of Horner Company?

A. Well, particularly in connection with Mr. Sam Horner. In other words, I am manager—assistant manager to the Grand Rapids Trust Company.

Q. And you mean to say that you don't give any attention to information of that kind that you get in fixing prices?

A. Not necessarily, no, sir.

Q. I am not talking about necessarily. Do you mean to tell me you don't give any attention to it in fixing prices, are you running a thing like that?

A. Well sir, yes, sir.

Q. How long have you been running it?

A. Well I have been there since January 1st, 1922.

Q. Now take Clear, suppose you have got a reasonable stock of Clear maple-flooring you are selling at 95, suppose that you get a report from the Secretary that shows all the others are selling at ninety, of course if you can continue to sell at 95, you do so, don't you?

[fol. 603] A. Yes, sir, but here is a point, if we are long——

Q. Tell me the point, you said, here is the point.

A. Well, if as you say all of them are getting 95, if I was short on that stock, naturally I would raise my price.

Q. I was going to come to that next.

A. But if I am long on it——

Q. If you were selling at 90 and they were selling at 95 and you got the information through that report of the fact that they were selling at 95, you would go up to 95 at once, wouldn't you, or you will go at least to 94?

A. Well possibly.

Q. Well, wouldn't you do it, isn't that common sense?

A. Yes, that is common sense.

Q. Why of course, and that is the way you run your business, isn't it?

A. I will tell you, as I say, we pay very little attention to the report, we are simply governed by the market conditions, the price for lumber, the cost of manufacture, we try to get as near that price as we can, but if we can't get our price and we have to meet legitimate competition, naturally we do it if we need the business.

Q. When you speak of market conditions the price is a part of the market condition?

A. Yes, sir.

Q. And the price revealed in those statistics is a part of the market conditions, isn't it?

A. Yes, sir.

Q. And the stock on hand is a part of the market conditions—that is true, isn't it?

A. Yes, sir.

Q. That is, the stock that belongs to everybody else and the stock that you have got is a part of your market conditions?

A. Yes, sir.

[fol. 604] Q. And you are controlled by all of those things; as a matter of fact, you are controlled by the stock on hand and the price at which the flooring is moved—that is the fact, isn't it?

A. That is the fact.

Q. And all those things are revealed by those statistics, aren't they?

A. Yes, sir.

Q. You were engaged in the lumber business before you went with Horner?

A. Yes, sir.

WILLIAM H. GREENE, being first duly sworn, testified as follows:

Direct examination.

By Mr. Darby:

The correspondence which you hand me and which has been marked Defendant's Exhibits W, W1 to W25, was taken from our files and was either received by us or sent out in the ordinary course

of business. The name of my plant is the West Michigan Flooring Company of Manistee, Michigan. I have been in business there since 1907. We do not own any stumpage and have never owned any. We buy all our rough lumber in the open market.

The West Michigan Flooring Company is a copartnership composed of Edward Bolmer, Mrs. Mary Bolmer and me. We manufacture from 4½ to 5 million feet per year. We have three machines. We joined the Association in existence in 1910. I prepared a statement for Mr. Keehn of the prices paid by us for rough lumber from [fol. 605] 1912 or 1913 to 1922 or 1923. The figures contained in said statement are true and correct. They were taken from our records and represent actual business transactions.

The lumber that we manufacture into flooring is not obtained locally at the present time. We did obtain it locally three or four years ago. However, we now buy the greater part of our product in Wisconsin and Upper Michigan. It comes to Manistee by both rail and water. I don't recall that we have ever made any purchase of rough lumber from manufactures who are members of the Maple Flooring Manufacturers Association. There is no particular reason for this. We have been able to pick up desirable stocks in other localities where the freight rates perhaps have been more advantageous. We buy from the Louis Sands Salt and Lumber Company of Manistee about a million feet a year. We buy some stocks from the Crocker-Chair Company of Antigo, Wisconsin, the Oconto Company at Oconto, some from the Tippler Lumber Company at Tippler, Wisconsin, the G. W. Jones Lumber Company at Appleton, Wisconsin, J. O. Nessen Lumber Company at Chicago and from others in the Copper Range in the upper peninsula.

Defendant's Exhibit W is a letter of January 29, 1920 from the Adams & Kelly Company to the West Michigan Flooring Company wherein they ask us to keep them advised as to market conditions on maple flooring. The answer of the West Michigan Flooring Company is dated February 4, 1920 and is as follows:

"In response to your letter of January 29th, in which you ask if we would keep you advised from time to time just what the market on maple flooring is.

We really are not in position at this time to give you any intelligent [fol. 606] information on this subject as there seems to be a wide variation in prices being quoted by various mills, but just as soon as we have any information along this line that we think will be of value to you we shall be pleased to advise you."

Letter from A. W. Willis, Wholesale Lumber and Manufacturers' Agent, Milwaukee, Wis., January 5, 1922, addressed to the West Michigan Flooring Company:

DEFENDANTS' EXHIBIT W-1

"In answer to yours of the 22nd Dec.

I find that my customer lost out on the 1½" face clear maple flooring. The Schroeder Lumber Co. beat him out. He was not

able to get the price at which it was sold at. But as the Schroeder people had the lumber bill they had the inside show at it.

I hope we have not lost our foothold here, but as I wrote you several times our prices were always too high, from $3. to $5., and you know this town is a cheap town always, but what you say about during the time of big prices did not seem to count with some who should not have forgotten the times.

I did not like to keep asking you for lower prices as you might think I was made of the same stuff, but I did not sell a foot that did not come from you and propose to stand or fall with you and will keep you posted as well as I can. I don't think there will be any trade for two or three weeks, but I am quoting your prices most every day and will continue doing so."

Letter from the same person, date March 29, 1922, addressed to the West Michigan Flooring Company:

DEFENDANTS' EXHIBIT W–1½

[fol. 607] "Herewith please find my order #3103, 5 M ft. 3 x 8" x 1½" face clear maple flooring, shipment to Devere & Schloegel Lumber Co., this City. Please ship this soon as possible. We understand the boats are now running up to your City so you will not have to ship by rail. Doubtless you know of this. They have not ordered any flooring by carload as yet, are still getting it from Beck at $90.00 and $65.00 in any small lots and delivered on the job and think this the cheaper way of doing.

I find that it is the Wis. Land and Lumber Co. that is making the low price on maple flooring, $88.50 for Clear and $21.50 Factory. As I get other prices will give you the names.

Weather is bad here and building is slow."

Here is a telegram, August 6, 1923, telegram from Strable Hardwood Company at Oakland, California, addressed to the West Michigan Flooring Company, Manistee, Michigan:

DEFENDANTS' EXHIBIT W-2½

'Quote delivered F. O. B. Sacramento forty thousand feet one by three also one by four number one maple flooring tongue and grooved for delivery sixty days competition unusually keen some firms shading prices Rush wire protecting quotation up to and including August fifteenth."

DEFENDANTS' EXHIBIT W-2

Answer, Telegram dated August 7th, 1923, addressed to Strable Hardwood Co., by the West Michigan Flooring Company:

"Your wire sixth meet legitimate competition other reliable manufacturers.'

[fol. 608] The foregoing letters are typical instances of conditions that existed right along before the beginning of this suit. The Strable Hardwood Company of Oakland, California are wholesalers and retailers. They represent us exclusively in California. I do not know whether Mr. Strable of the Strable Lumber & Salt Company of Saginaw, Michigan is a member of the Oakland, California concern. I believe he was at one time and may now be financially interested in the Oakland Company. Mr. Strable of the Strable Lumber & Salt Company is a member of this Association.

Mr. Darby: Telegram from the Strable Hardwood Company, dated January 17, 1922, to West Michigan Flooring Company, Manistee, Mich.:

DEFENDANTS' EXHIBIT W-3

'Have new price list from J. W. Wells reducing all prices Wire present prices all grades manufactured by you advising if you will protect for one hundred twenty days also if you will accept business on the prices for May and June delivery. Rush reply.'

Telegram of January 18, 1922, from the West Michigan Flooring Company, addressed to Strable Hardwood Company, Oakland, Calif.:

DEFENDANTS' EXHIBIT W-3½

'Your night letter seventeenth effective January thirtieth freight rate this territory to Pacific Coast minimum sixty thousand will be reduced to eighty five cents enabling price reduction five dollars and half on one by three and corresponding reductions other sizes from list fifty five. Our letter sixteenth covers this subject. Will accept orders this basis shipment within ninety days.'

List 55 mentioned in the foregoing telegram referred to our own Company's price lists, which we issue from time to time and number [fol. 609] so that they may be conveniently identified in correspondence and telegrams. When the new freight rate reduction went into force and we were advised that Wells had put out new prices, we also reduced our prices.

"Mr. Darby: Telegram of March 9, 1923, addressed to the West Michigan Flooring Company from the Strable Hardwood Company, Oakland:

DEFENDANTS' EXHIBIT W-4

'We are quoting today straight carload one by three factory at sixty seven f. o. b. Madera sixty to ninety days' delivery. Will you accept order if we secure business need ten days' protection.'

Telegram of March 10, 1923, addressed to Strable Hardwood Company, Oakland, by the West Michigan Flooring Co.:

DEFENDANTS' EXHIBIT W-4½

'Your wire ninth will protect quotation to quarter factory ten days shipment in ninety days.'

Telegram of June 2, from Philadelphia, Pa., addressed to the West Michigan Flooring Company, from Lawton Flooring and Shingle Company, reading as follows:

DEFENDANTS' EXHIBIT W-5

'Referring to our wire today We find one of the large maple flooring manufacturers has made a reduction of five dollars per thousand on both no one and clear from your list.'

Telegram from the West Michigan Flooring Company dated June 4, 1923, to the Lawton Flooring and Shingle Company, Philadelphia, reading:

DEFENDANTS' EXHIBIT W-5½

'If necessary to meet legitimate competition will authorize five dollar reduction number one and clear two and quarter inch.'

Telegram from Strable Hardwood Co., addressed to the West Michigan Flooring Co., reading:

DEFENDANTS' EXHIBIT W-6

[fol. 610] 'An order will be placed here tomorrow for thirty one thousand feet one by three clear grade at one hundred seventeen delivered for immediate shipment. Will you accept this business at above price quoted to the purchaser by one of our competitors. Wire answer before ten A. M. July 14th.'

The date of that telegram is July 13, 1923.

Confirmation of telegram addressed to the Strable Hardwood Company, Oakland Calif., sent by the West Michigan Flooring Company, reading:

DEFENDANTS' EXHIBIT W-6½

'Will accept order car one by three clear price your wire thirteenth.' "

[fol. 611] "Letter from West Michigan Flooring Company to Sam E. Barr, 50 Church Street, New York City, dated November 2, 1920:

DEFENDANTS' EXHIBIT W-7¾

'We regret to advise you of our inability to quote you on the items of maple flooring to which you refer in your inquiry of October 28th as we have neither the two inch or two and a quarter inch clear nor two and a quarter inch number one in stock in carload quantities and our flooring plant is still closed down due to the recent loss of our power plant by fire.

'On October 11th, we wrote you at length in response to your letter of October 8th in which we sent you a list of our offerings in maple flooring together with our ideas of prices. We were expecting to hear from you in reply to that letter with an expression as to what you thought of our ideas of the values of maple flooring. Conditions of course are very much unsettled with but little demand and we presume a great variation in the prices on this product as quoted by the various manufacturers. It was our idea in asking for an expression form you as to values, that we might be able to get together whenever a live opportunity presented itself for such sizes that we could actually furnish. Being closed down as we are now with some stock on hand which we desire to move, we trust you will keep us in mind and if any business comes up for immediate shipment on which there is real competition, we trust you will not hesitate to give us a line on the sort of a price that will secure the business and which we will be very glad to consider.'

[fol. 612] "Letter of November 4, 1920, from Sam E. Barr, 50 Church St., New York, addressed to the West Michigan Flooring Company:

DEFENDANTS' EXHIBIT W-7

'Your letter of the 2nd received and in reply wish to say that prices on maple flooring are lower than they have been for a long time. This situation no doubt you know about, and I can't find where two manufacturers are quoting the same prices on any one item. I have

prices on 13/16 x 2¼" number one as low as $125.00, and as high as $145.00; factory as low as $75 and as high as $90, clear as low as $140.00 and as high as $148.00. There seems to be quite a surplus of maple flooring among the different manufacturers, but conditions are such at the present time, that no flooring or lumber is wanted, and very few jobs are being figured on that will require flooring during the next three or four months.

When you start running again trust you will keep me in mind when you have flooring for sale, and if I have an opportunity to figure on what stock you have at the present time, will be very glad to take the matter up with you.'

Letter of November 11, 1920, addressed to Sam E. Barr, 50 Church St., New York City from the West Michigan Flooring Company:

DEFENDANTS' EXHIBIT W-7½

'We wish to thank you kindly for the information contained in your letter of Nov. 4th, a reply to ours of the 2nd, inst., with reference to maple flooring. We shall be very glad to have you keep us in mind on what flooring items we now have for sale and if opportunities present themselves, will you kindly take the matter up with us and suggest to us what in your opinion should be the right price on anything which you can use and which we may have to offer."

[fol. 613] Letter dated August 20, 1920, from Sam E. Barr, Wholesale Lumber, 50 Church Street, New York City, to West Michigan Flooring Company, Manistee, Michigan, readings as follows:

DEFENDANTS' EXHIBIT W-7 EXTRA

"GENTLEMEN: Please quote me by wire immediately on receipt of this letter delivered Boston, Rate for immediate shipment:

48,000 Ft. 13/16 x 2¼ Factory Maple Flooring.
10,000 " 13/16 x 2¼ #1 do.

We are going to secure this business and I will have it to place tomorrow, and it will take a low price to get it, as we had to meet some very keen competition.

Awaiting your wire quotations, remain"

Letter dated August 23, 1920, West Michigan Flooring Company to Sam E. Barr, New York City, reading as follows:

DEFENDANTS' EXHIBIT W-7½ EXTRA

"DEAR SIR: We will be unable to quote you on the Maple Flooring for which you make inquiry in your letter of August 20th as we haven't in stock the 48,000 ft. 13/16" x 2¼" face Factory.

We were unfortunate in losing our power plant by fire on July 21st which has put our flooring Factory out of commission for a time at least. Our warehouses were not destroyed and we have some items of Maple Flooring available for sale and prompt shipment as per the enclosed stock list and if you are interested in any of these sizes, we shall be pleased to quote you."

[fol. 614] Letter from Sam E. Barr, New York City, to West Michigan Flooring Company, Manistee, Michigan, dated June 12, 1920, reading as follows:

DEFENDANTS' EXHIBIT W-8

"GENTLEMEN: I have your letter of the 10th advising that you have about 120,000' 13/16 x 2¼" Factory Maple Flooring on which you can quote me price of $157.25 delivered New York City, less $1.50 per thousand commission.

At the present time I have no inquiries or orders that I could apply this stock on, but I will keep your letter before me and if I have an opportunity to quote on some of it will be very glad to use your price.

My Maple Flooring inquiries have dropped off 75% in the last month, and I would like to know what you think of general business conditions, and if you anticipate lower prices. I notice that building and general business in the Central West is practically at a standstill.

Trusting to hear from you at your earliest convenience, I am."

Letter from West Michigan Flooring Company to Sam E. Barr, dated June 15, 1920, reading as follows:

DEFENDANTS' EXHIBIT W-8½

"DEAR SIR: We have your letter of June 12th in which you acknowledge ours of the 10th inst. in which we quoted you on 12/16" x 3¼" Factory Maple Flooring. You refer in your letter to our quotation on 120,000 ft. 2¼" Factory and we direct your attention to the [fol. 615] fact that we quoted you on 3¼" and not on 2¼".

We note your remarks to the effect that your inquiries for Maple Flooring have dropped off fully 75% in the last month. We have felt some effects in the slowing up of Maple Flooring business during the past four or five weeks especially in the eastern market, but we think this is due largely to transportation conditions which of course are in a terrible state at the present time. We hear a great deal of talk about lower prices especially from Eastern buyers but we do not anticipate anything serious in this direction. We have had some cancellations from the east but our western connections, that is in territory west of Chicago, are feeling differently about conditions and they are paying the prices and taking in stock about as fast as they can get it. We of course have not been embargoed at any time against shipping west.

The northern hardwood lumber manufacturers seem to be holding their prices right up and of course after all the prices on Maple Flooring are governed by the prices on Maple lumber. There seems to be a scarcity of northern hardwood and while there perhaps hasn't been as much business booked by the manufacturers during the past 30 days as there was prior to that date, the fact still remains that most of the mills are still in an oversold condition and many of them have orders on their books now that will keep their plants running to capacity for some time to come. This refers to Maple Flooring [fol. 616] manufacturers. So taking all these things into consideration we can see no indication of prices dropping to any extent. Yours truly."

Letter dated February 6, 1920, From the George N. Comfort Lumber Company, Cleveland, Ohio, to The West Michigan Flooring Company, Manistee, Mich., reading as follows:

DEFENDANTS' EXHIBIT W-9

"GENTLEMEN: Your letter of February 3rd in reference to Maple Flooring is received.

This letter will be your authority to reserve for us such portion of your product as we are entitled to under the proposition outlined in your letter. We, naturally, would like to know by return mail about how much this will be as there is a limit to what we would want to consider.

It is understood that this business will be booked and a price attached to conform with the market price at the time shipment is made. We would not, however, wish to place this business unless shipment would be made within ninety days from date."

Letter dated February 9, 1920, from West Michigan Flooring Company to The George N. Comfort Lumber Company, which reads as follows:

DEFENDANTS' EXHIBIT W-9½

"GENTLEMEN: In answer to your letter of Feb. 6th with reference to Maple Flooring and in which you advise that you would not want to place any business with us along the lines suggested in our letter of February 3rd unless shipment could be made within ninety days from date.

[fol. 617] It would be absolutely impossible for us to furnish you anything in 2¼" flooring for shipment in ninety days, in fact the only thing that we could take on now for shipment within that time and which could be loaded as near as we can estimate within three to five weeks, would be one car each 13/16" x 3¼" face Clear, No. 1 and Factory. So for shipment within the ninety day period it is the very best that we can offer you and if you are interested we shall

be pleased to handle your order for these three cars of 3¼" to be shipped as soon as we can furnish the stock within sixty days, and to be invoiced at the price in effect on our "Acme" Brand Maple Flooring at time of shipment.

We will admit that we do not altogether like this method of doing business and we have already notified all of our customers that we are not going to take on any more business in Maple Flooring until our unfilled orders are reduced to a considerable extent as we figure that we are already carrying too many unfilled orders for the size and capacity of our plant.

In accepting this business to be invoiced at the market price, please understand that we would not accept this mill or that mill's quotation as a basis of price. We will expect to invoice to you at the actual prices that we might be able to obtain for our stock at time of shipment or at the same price at which we might have made the last sale prior to shipping to you. It will be our idea that as soon as the flooring is about ready for shipment, to notify you in advance as to what price we propose to invoice at before shipping and if for any reason you are not satisfied with the [fol. 618] price, you will be at liberty to cancel.

Please let us hear from you promptly as to whether you will be interested in the placing of your order for these three cars."

Letter dated January 30, 1920, from The George N. Comfort Lumber Company, Cleveland, O., to The West Michigan Flooring Co., Manistee, Michigan, reading as follows:

DEFENDANTS' EXHIBIT W-9½ EXTRA

"GENTLEMEN: We have some trade that needs Maple Flooring and according to letters we received from you some time ago you intimated that possibly you would be in a position about this time to take on some business.

In the past we have sent you some business and would like to be able to get enough for our customers. We realize that Maple Flooring is scarce and do not ask you to give us any special consideration, but would like to be put in a position to get a few cars. Can't you arrange to accom-odate us?"

Letter from West Michigan Flooring Company to The George N. Comfort Lumber Company, dated Feb. 3, 1920, as follows:

DEFENDANTS' EXHIBIT W-9¾

"GENTLEMEN: In response to your letter of January 30th with reference to Maple Flooring. We have really had very little to offer in this product during the past six months as we have been and are still in an oversold condition on everything that we produce

[fol. 619] in this product. As near as we can estimate now we are sold ahead of our machines to at least April 15th on everything in both 3/8" and 13/16".

We are not quoting any prices although we have recently taken on a little business at open prices to be invoiced at the prices in effect on our 'Acme' Brand Maple Flooring at the time of shipment. If such a proposition appeals to you and if you will submit a list of your requirements, we will be pleased to consider the matter of booking same in such amounts or sizes that we may be able to furnish within 90 days but we will not care to take on any orders even at the open price for shipment later than ninety days.

It is our policy while the demand for Maple Flooring is as great as it is now to take on no new accounts as we find that we cannot begin to supply the wants of our old established trade. You have handled more or less of our Maple Flooring in the past and we want to recognize you by offering you at least a fair proportion of our stock. Our output of Maple Flooring is comparatively small being about 6,000,000 ft. per year and when divided among our various connections, it doesn't mean very much for any one during these unusual times."

Letter dated November 26, 1920, from Ft. Wayne Builders Supply Company, Fort Wayne, Indiana, to West Michigan Flooring Company, Manistee, Michigan, reading as follows:

DEFENDANTS' EXHIBIT W-10

"GENTLEMEN: Kindly quote us on one car (approximately 30,-[fol. 620] 000 feet) 13/16 x 3¼" Factory Maple Flooring. Price to be F. O. B. cars, Ft. Wayne, Ind. In making quotation advise how soon you can make shipment if given the order. Thanking you in advance for a prompt*ly* reply, we remain."

Letter from West Michigan Flooring Company, dated November 29, 1920, to Fort Wayne Builders Supply Company, reading as follows:

DEFENDANTS' EXHIBIT W-10¼

"GENTLEMEN: In response to your letter of November 26th your inquiry for Factory Maple Flooring. We are pleased to quote you our 'Acme' Brand Michigan product f. o. b. Fort Wayne, Ind. rate less $1.50 Per M. and the usual 2% cash discount:

30,000 ft. 13/16" x 3¼" fc. Factory Maple Flooring @ $82.50 per M.

We have this item in stock available for immediate shipment and for which we will welcome your order."

Letter dated December 1, 1920, Fort Wayne Builders Supply Company to West Michigan Flooring Company, as follows:

DEFENDANTS' EXHIBIT W-10½

"GENTLEMEN: We acknowledge receipt of your quotation under date of November 29th, but regret to inform you that we lost the order to other parties. Our prospect purchased his requirements at $75.00 F. O. B. Ft. Wayne.

We thank you for your quotation and hope that the next time we both may be more successful."

[fol. 621] Letter from West Michigan Flooring Company to Fort Wayne Builders Supply Company, dated December 3, 1920, reading as follows:

DEFENDANTS' EXHIBIT W-10¾

"GENTLEMEN: We wish to thank you kindly for the information contained in your letter to us of December 1st, regarding our recent quotation on Maple Flooring. We are sorry to have lost out on this business and hope that we may have better success on future opportunities."

Letter from West Michigan Flooring Company, under date of May 12, 1920, to Giffen & Pfeiffer, Bank Block Building, Denver, Colorado, as follows:

DEFENDANTS' EXHIBIT W-11

"GENTLEMEN: We have established prices on our Maple Flooring as per List No. 41, herewith enclosed at which we will invoice such unfilled open price orders now on our books, that we may be able to ship prior to July 1st, 1920. We will also apply these prices on any new business that we may be able to handle in the meantime for shipment prior to July 1st.

At the present time, the only available item which we have for sale is a quantity of about 100,000 ft. 13/16 x 3¼" face Factory Grade.

We have your unfilled orders No. 207 for B. F. Salzer Lumber Co., also your order No. 1203 for Frank Kirchhof Lumber Co., each a car of 13/16 x 2¼" face Clear. We expect to have the car for Frank Kirchhof Lumber Co. ready for shipment within the next [fol. 622] four or five days so will you please notify them as to the price at which we propose to invoice and advise us promptly if we may proceed with the loading of their order accordingly. Also take this same question up with the B. F. Salzer Lumber Co. so that we may proceed with the loading of their order as soon as we can get to it without further taking the matter up with you.

You will note that our List No. 41 carries a margin or commission of $1.00 per M., and this, we realize, is not a sufficient margin under present high prices however, we figure the values quoted in our List No. 41 are enough below the average of other mills to permit you to add a reasonable commission.

We will await your instructions before proceeding with the loading of your order No. 1203."

Letter from Wyman-Allen Lumber Company, Boston, Massachusetts, to West Michigan Flooring Company, Manistee, Michigan, dated September 23, 1921, reading as follows:

DEFENDANTS' EXHIBIT W-12

"GENTLEMEN: We are in receipt of your quotation on #1 Maple Flooring, but your price is considerable higher than our customer bought for. We thank you for quoting us."

Letter dated September 27, 1921, West Michigan Flooring Company, to Wyman-Allen Lumber Company, Charlestown, 29, Massachusette, reading as follows:

DEFENDANTS' EXHIBIT W-12A

[fol. 623] "GENTLEMEN: We have your letter of Sep. 23rd in which you ask for price on a car 13/16 x 3¼" face Clear Maple Flooring for your yard stock. We have only a small quantity, or less than a carload of this size and grade on hand today and as 3¼" Clear accumulates very slowly with us it would be at least 30 days before we could furnish a car.

Subject to prior sale we could make prompt shipment of one half car 3¼" Clear and one half car 3¼" No. 1 on which we quite you the price of $85.50 per M for the Clear and $60.50 for the No. 1 delivered Boston rate.

We have your letter of Sep. 23rd, advising that our recent quotation on 2¼" No. 1 was out of line and that your customer bought at a lower price. It has become evident to us that we must revise our values particularly on No. 1 and Factory grades, and accordingly we are enclosing herewith our List No. 52, the basis upon which we trust you will be able to send us some business.

It has always been our policy when establishing prices on our product from time to time to stand pat on these prices and we possibly are making a mistake in doing so under present conditions as there are three or four mills in this territory who evidently do not take costs into account in arriving at selling values, who have no fixed price and are out to meet competition regardless.

Having faith in your good selves to treat us right on any leeway

that we may give you in the question of quoting our Maple Flooring to meet competition, we will until further notice authorize you to quote our product at any reasonable concession necessary from [fol. 624] Price List No. 52, excepting 2¼" Clear, to meet competition of any of the Wisconsin or Michigan mills providing the business can be secured for our Maple Flooring on an equal basis of price. We will not care to make any concession on 2¼" face Clear at this time as we find a ready sale for it at our asking price, in fact, we are sold ahead on it to some extent, and most of the manufacturers are situated in the same way.

All the way 'round, it would seem to us that our List No. 52 is low enough to compete with reliable manufacturers although, if not, we are going out to meet their competition."

Letter, dated November 12, 1921, from Wyman-Allen Lumber Company, Boston, Mass., to West Michigan Flooring Company, Manistee, Michigan, as follows:

DEFENDANTS' EXHIBIT W-12B

"GENTLEMEN: We are in receipt of your detailed letter of the 9th relative to the price basis of your list #53.

We thank you for the privileges given us in your letter for the disposition of your stock. We will keep you fully advised as to inquiries we may receive, and think it best to let you make special prices by wire on such items as you can handle promptly.

Trusting this arrangement is satisfactory, we remain."

[fol. 625] Letter from West Michigan Flooring Company, dated November 9, 1921, to Wyman-Allen Lumber Company, reading as follows:

DEFENDANTS' EXHIBIT W-12C

"GENTLEMEN: The thought has come to our minds since we sent you our revised Price List No. 53 on Nov. 4th that we should have been more explicit in our letter to you relative to these advances. You of course appreciate the fact that any outstanding quotations that you may have made on the old basis of price we will protect for acceptance within a reasonable length of time providing we can furnish the stock and assuming that the same would be for reasonably early shipment. Also please take into account that we wrote you under date of September 27th authorizing you to meet legitimate competition providing it develops that our prices on any particular items may be out of line with those quoted by other reliable Michigan or Wisconsin mills. This same proposition holds good with respect to our revised prices as quoted in list No. 53.

It is not our idea to burden you with prices at which you cannot secure orders in competition with other reliable manufacturers. The situation regarding Northern Hardwoods develops that there is a considerable scarcity of rough stock on hand among the mills due to many of them having been closed down for the past several months and those who now have rough stocks to offer have made some sharp advances in prices on the same during the past thirty days which [fol. 626] must necessarily mean an advance in prices on the finished product. We may be a little previous in the large advance we made on 2¼" No. 1. However we are in an oversold condition on this particular item, being in position now to accept orders for 2¼" No. 1 only in part cars for loading in mixed cars with other items of Maple Flooring. So as a protection to ourselves in the fact of an advancing market on the raw material, we considered it advisable to withdraw the prices at which we were quoting this stock."

Letter dated October 28, 1921, from Webber Lumber & Supply Company, Fitchburg, Mass., to West Michigan Flooring Company, Manistee, Mich., reading as follows:

DEFENDANTS' EXHIBIT W-12-D

"GENTLEMEN: We are quoted by three different concerns on 2¼ Clear Maple Flooring, the price of $90.00 subject to our usual commission.

Is this your price? If so, advise by wire, as we are going to buy a car right away. It is such a long time since we have bought from you, as your prices have been out of line, that we are going to give you this chance on this particular car."

Letter from West Michigan Flooring Company, dated October 31, 1921, to the Webber Lumber & Supply Company, Fitchburg, Mass., reading as follows:

DEFENDANTS' EXHIBIT W-12-E

"GENTLEMEN: We are this afternoon in receipt of your letter of [fol. 627] October 28th advising that you are in the market for a car of 2¼" face Clear Maple Flooring that you have been quoted a price of $90.00 per M subject to commission from three different mills and we infer that you would offer us this business on an equal basis of price.

We thank you very kindly for your consideration in this matter, however we would not be interested in taking the order at the price to which you refer. The very lowest price that we would consider for a car of 13/16" x 2¼" face Clear Maple Flooring delivered to you on a Boston, Mass. rate and subject to $2.00 per M. commis-

sion would be $94.50 per M. or $92.50 net no commission. This is the lowest price at which we have sold any of our 2¼" Clear, in fact we are considering at this time the proposition of advancing our price on this particular size and grade $5.00 per M.

If you are able to buy a good standard make of 2¼" face Clear Maple Flooring at $90.00 less commission, it would look to us like a mighty good buy under existing conditions. We believe we are making no mistake in predicting that those manufacturers who have not already done so will very shortly be advancing their prices on both 2¼" Clear and No. 1 grades. You may be interested to know that both of these items are now in a considerably oversold condition among the manufacturers.

We look for No. 1 particularly to be advanced anywhere from $10.00 to $15.00 per M. and Clear from $5.00 to $10.00 per M. The spread in price at the present time between Clear and No. 1 grades is altogether out of proportion and this condition is bound [fol. 628] not to exist very long with a reasonable demand for this product. The Factory grade of course is the weak sister on the list right now.

We will appreciate your order for a car of our 'Acme' Brand Clear Maple Flooring at the price above quoted providing we could make quick shipment on the same."

Letter from John C. Hill Lumber Company, St. Paul, Minn., dated November 28, 1921, to the West Michigan Flooring Company, Manistee, Michigan, reading as follows:

DEFENDANTS' EXHIBIT W-12-F

"DEAR SIRS: For your information our Mr. Kirkpatrick saw quotations of the Tozer Lumber Company made to a very good customer of ours delivered small lots F.O.B. the job:

13/16 x 1½"	#1	Maple at $55.
13/16 x 2¼"	"	" 66.
13/16 x 2¼"	#1	Beech 55.00."

Letter from West Michigan Flooring Company, dated December 1, 1921, to John C. Hill Lumber Company, St. Paul, Minnesota, reading as follows:

DEFENDANTS' EXHIBIT W-12-G

"GENTLEMEN: We have your letter of November 28th in which you give us a list of prices recently seen by your Mr. Kirkpatrick as having been quoted by Tozer Lumber Company to a very good customer of yours and which ranged considerably lower than our prices.

When we sent your our list No. 54 on November 18th, we were [fol. 629] under the impression that there would be little if any

variation in these prices from what the large northern producers would be quoting. Would it be a fair question if we asked you to make us up a schedule of prices at which you are authorized at the present time to take orders for J. W. Wells and the Horner stock, so that we may compare our prices as quoted in our List No. 54 with what you are authorized to sell for other mills with whom you have connections? We are not only interested in having this comparison on the 2¼" but on all widths and grades of ⅜" and 13/16".

In all of our experience in the manufacturing and marketing of Maple Flooring, we have never been at sea to such an extent regarding competitive prices as we are at the present time. It has always been our object to keep in line with the market as near as we know how and we want to put you on a basis where you do not have to go out and ask more for the 'Acme' brand than you do for other makes of Maple Flooring that you are handling. The other manufacturers whom you represent do not compare notes with us at any time and the only way we can get together intelligently on this subject it seems, is through your cooperation with us in the matter. So if you will be kind enough to submit a schedule of the prices that other Maple Flooring mills whom you represent authorize you to sell at, it will give us something to work on and we see no reason why we will not be able to meet such prices with the 'ACME' Brand.

If you have lower prices from your other connections it is not [fol. 630] good business to have to ask higher prices for 'Acme', but at the same time we do not wish to establish unreasonable competition with prices on 'Acme' below the other manufacturers when we fully realize that our stock is just as good in every way.

We wish you would give this matter your prompt attention and write us fully on the subject so that we may understand what we are required to do if necessary to get down to meet the other fellow.

Yours very truly, West Michigan Flooring Co.

P. S.—The writer does not recall the brand of Maple Flooring that Tozer Lumber Company handles."

Letter dated September 28, 1921, from M. J. Dunne, Hardwood Lumber Sales Agent, Chicago, Illinois, to West Michigan Flooring Company, Manistee, Michigan, reading as follows:

DEFENDANTS' EXHIBIT W-12-H

"GENTLEMEN: Your price list #52, and letter of the 27th inst., received and very much appreciated. There is no question but what the policy you are now adopting, is warranted by conditions, for while you were trying to religiously adhere to your fixed scale of prices and trying to maintain even a semblance of stability in the so-called market, others were several laps ahead of you in the race downwards; and instead of being satisfied to meet legitimate com-

petition for whatever little business happened to be going, some of them went one better, and evidently quoted on some inquiries, $5.00 to $10.00, or perhaps more, cheaper than they thought any of their competitors would be likely to quote.

[fol. 631] It is hard to believe all you hear about prices; but I will give you one example, as given to me by a man whom I have known for very many years, and whose word I have no reason to doubt. At the time your price on 13/16 x 2¼" #1 Maple Flooring was $69.75, this man advised me that there was some of this kind of stock sold here at exactly $55.00, and from what I could gather from him, it was sold directly by the mill to a contractor who is not in the lumber business at all. You can draw your own conclusions as to whether this information is authentic or not; but I believe that some of them have been trying to sell to contractors, consumers, and to anybody who would buy, regardless of trade ethics or anything else. I would not like to have anybody form the impression that either in the hardwood lumber or flooring business I was disseminating false information for the purpose of bearing down on the price; but in the past I have seen so much of this underhand price cutting going on in the flooring business, that with all respect to your judgment and hoping that you will accept this suggestion in the spirit in which it is given, I would respectfully recommend that in the future, or at least until conditions show signs of improvement, you do not place too much faith in the information you may receive from any of your competitors regarding the prices which they are supposed to be quoting, as it is quite probable that they might be confidentially trying to sell it at a very much lower price.

I am getting busy on your new schedule of prices, and hope to be [fol. 632] able to send you some business in the very near future.

Thanking you, I am."

Letter dated September 27, 1921, West Michigan Flooring Company, Manistee, Mich., to M. J. Dunne, 4451 Congress St., Chicago, Ill., reading as follows:

DEFENDANTS' EXHIBIT W-12-1

"DEAR SIR: Although we have not had any advice from you, one way or the other, as to the condition of the maple Flooring market in Chicago, we assume that you are fairly in touch with the situation, and judging from what information we have been able to gather, our prices on our product, generally speaking, have been too high.

We, under the circumstances, have decided to revise our prices and we are enclosing herewith a new List our No. 52, which quotes considerably lower prices on No. 1 and Factory than any prices we have named you heretofore.

The thought occurs to us that we have been making a mistake this year in establishing prices on our "Acme" Brand Maple Flooring from time to time and holding our lists ironclad, as it seems that some of our competitors do not have such a thing as a fixed price but

are simply out to meet competition regardless. We have about decided to do the same thing, with the exception of the item of 2¼" face Clear, we will entertain reasonable concession on any of all of the other sizes and grades from prices quoted in our List No. 52 if necessary to meet the competition of other reliable Michigan and Wisconsin mills providing business can be had on an equal basis [fol. 633] of price with them. We would suggest therefore, that when soliciting for our account, that if you run up against lower prices and can get the business on an equal basis, kindly wire us at our expense and if the necessary concession is within reason, we will meet it. We will not want to apply this to 13/16 x 2¼" face Clear as we find a ready sale for this item at our price. We are now sold ahead of our machines on it to some extent and we understand that most of the manufacturers are sold ahead on 2¼" Clear. Yours truly."

Letter from M. J. Dunne, 4451 Congress St., Chicago, Ill., dated October 7, 1921, to West Michigan Flooring Co., Manistee, Michigan, reading as follows:

DEFENDANTS' EXHIBIT W-12-J

"GENTLEMEN: On receipt of your letter enclosing inquiry from the Sterling Lumber & Supply Co., for the car of 13/16 x 2¼" #1 Maple Flooring I took this matter up with them but at that time they did not have all the quotations in. I quoted them $56.00 on the #1, and as they also wanted a price on the Clear I quoted them $89.00.

On taking this matter up again today with their Mr. Dick, he advised me that they had bought a mixed car, of ¾ Clear and #1, and while we were not so very much out of line on the #1, our price was altogether too high on the Clear; and on asking him as a special favor to let me have an idea of what he paid for the Clear, he said that he had bought it at $84.00, which is exactly $5.00 less than our price delivered Chicago; so in view of this there does not seem to be any chance of getting any business on the Clear and #1 at $89.00 [fol. 634] and $56.00. It is evident that some of the mills are so desperate for an order that supposed market prices mean nothing to them; and while there is not very much more room to go down on the Factory grade, it is evident that the end of the price-cutting on the Clear and #1 is still a long way off. However, I believe that a turn for the better is soon coming; and if they would only have backbone enough there would be enough business for all of them; but when they make a price war and cut each other's throats on every little inquiry that is sent out, there can be nothing but demoralization. I suppose the next thing we will see, will be some of them offering Clear at about $75.00 and #1 at $50.00. It reminds me of the time the oak flooring market was racing downwards about the first of the year, when the manager of a retail lumber yard here showed me one quotation on a car of 13/16 x 2¼" Select Plain White Oak

Flooring at $115.00, and another on the same kind of stock for $85.00.

I will continue to keep you advised of any information considered reliable, which I receive with reference to prices, and shall be glad to have any suggestions you may have to offer in this connection. Yours very truly."

Letter dated October 11, 1921, West Michigan Flooring Company to M. J. Dunne, Chicago, Ill., reading as follows:

DEFENDANTS' EXHIBIT W-12-K

"DEAR SIR: We have your letter of October 7th regarding your experience in quoting Maple Flooring in the Chicago market. We note that Sterling Lumber Company who recently made inquiry for Maple Flooring purchased a mixed car of the Clear and No. 1, and [fol. 635] for which they claim to have paid $84.00 for the Clear. We do not doubt this as we believe we could name a couple Northern Michigan and Wisconsin mills that would quote this price and we are wondering if the quality of their product is not in keeping with the price they ask for it.

It is our experience with respect to 2¼" Clear that we have no difficulty in getting all of the business that we can handle for this particular size and grade at our asking price, in fact we are sold ahead on 2¼" Clear to a considerable extent and during the past thirty days we have been confining our sales of this item to less than carlots for loading in mixed cars with other items of Maple Flooring. Under the circumstances and with the demand that we have for our 2¼" Clear, we cannot consistently meet the low prices of some two or three mills who evidently haven't the connections or reputation for their make of flooring to command a better price. Yours very truly."

Letter dated December 1, 1921, B. W. Cross Lumber Company, Pittsburgh, Pa., to West Michigan Flooring Company, Manistee, Mich., reading as follows:

DEFENDANTS' EXHIBIT W-12-L

"GENTLEMEN: Your favor of the 29th confirming wire regarding Maple Flooring received. We also acknowledge receipt of your price list. Customer could not be induced to buy anything but 2¼" face No. 1. At first he stated he might want a little Clear in this car, but he cut this out and yesterday bought a car of No. 1 from another dealer here, or possibly from a Commission man, at $68.50 for 2¼" face. This, you will note is your price on 2" face, but customer [fol. 636] would not consider this width, so we had to pass the burgh, Pa., reading as follows:

There may be some Maple flooring business in this territory soon

after the first of the year, and we would be glad if you would let us have your stock lists regularly, and when any changes are made in prices, send us revised price list. Yours very truly."

Letter dated December 3, 1921, from West Michigan Flooring Company, Manistee, Mich., to B. W. Cross Lumber Company, Pittsburgh, Pa., reading as follows:

DEFENDANTS' EXHIBIT W-12-M

"GENTLEMEN: This acknowledges receipt of your interesting letter of December 1st regarding our quotation No. 430 on Maple Flooring. We are impressed with the manner in which you have informed us regarding this particular transaction and we thank you kindly for the information you have given us on the subject.

We have you on our mailing list for stock sheets and any changes in prices that may take place and we trust that we may eventually get together on some Maple Flooring business. We are manufacturing in the "Acme" Brand Maple Floring a quality of product that we have reason to know is the equal in quality to the best of its kind in the market. We do not have any established trade in the Pittsburgh district, in face we have made no special effort to establish a connection in Pittsburgh to push our product.

The thought occurs to us that if you are interested to the extent [fol. 637] of giving the "Acme" brand preference on an equal basis, that we might be able to work together in the matter and secure some of the Maple Flooring business in your territory. We realize the necessity under present conditions, of not establishing "iron-clad" prices, in other words if a connection with whom we might be dealing could be relied upon to give us reliable information as to any lower prices that might be quoted to prospective customers on other makes of flooring that would compare favorably with our make, we would be very glad to consider such competition with the object in view of meeting it if possible.

The values quoted in our list No. 54 copy of which we mailed you on November 29th, are supposed to be representative of the market at this time and we believe these prices on the 13/16" x 2¼" particularly Clear and No. 1 grades, are being well maintained as both the Clear and No. 1 2¼" are now in an oversold condition taken as a whole, among the manufacturers. We are not so sure about the 13/16" x 2" and 3¼" and we presume if any particular manufacturer has a large stock or a surplus of these items, that he will consider concessions on orders for prompt shipment. It is these conditions that in our judgment should make our prices elastic to some extent so that the wholesaler in his efforts to secure business for our account should be considered by being authorized if possible to meet just such conditions.

Do you command a fair volume of trade in Maple Flooring in the Pittsburgh district and are you favorable to any other particular make of Maple Flooring and if not would you be willing to work with [fol. 638] us in the sale of the "Acme" Brand along the lines above

suggested? Kindly let us hear from you on this subject. Yours very truly."

Letter from B. W. Cross Lumber Company, dated December 14, 1921, to West Michigan Flooring Company, Manistee, Michigan, reading as follows:

DEFENDANTS' EXHIBIT W-12-N

"GENTLEMEN: Your letter of the 12th received and in reply would say that the proposition as you put it up to us is entirely satisfactory. We will work with you on all straight carload business we can dig up, and should we occasionally be obliged to figure on only part cars of Maple flooring to be filled out with Pine or Hemlock, we will go to some of the concerns that are in position to handle business in this manner.

We are satisfied from the contents of your letter that you are very well posted on general conditions at present. There are always a few fellows who will cut the price to get an order, and under present market conditions we believe, as you state in your letter, that some concerns may cut as much as $5.00 per M if they think it's necessary.

On the inquiry for 2¼" face No. 1 we had up with you recently we found very few of the concerns to which we mailed our inquiry were in position to quote on 2¼" face No. 1, and what few quotations we did get were right in line with your list. We believe one concern quoted us more than your list on the Clear. The chances [fol. 639] are that stock conditions at all of the Maple Flooring mills are such that a cut in price on 2¼" face Clear or No. 1 was hardly justified.

Send us your lists regularly and as stated above, we will use your prices when figuring on carload lots, and if your prices will not get the business and we can find out what cut is necessary, and against what competition we are figuring, we will follow your suggestion and give you the information and thus give you an opportunity to meet the price and enable us to take the order if you consider the business desirable. We will try at all times to give you reliable information.

Hoping 1922 business may amount to considerable on our books with your Company, and wishing you the compliments of the season, we are, Yours very truly."

Letter from West Michigan Flooring Company, Manistee, Michigan, to the B. W. Cross Lumber Company, Pittsburgh, Pa., dated Dec. 12, 1921, reading as follows:

DEFENDANTS' EXHIBIT W-12-O

"GENTLEMEN: The writer who was absent the greater part of last week notes upon his return your very interesting letter of De-

cember 5th which is a reply to ours of the 3rd inst. on the subject of Maple Flooring.

We realize the fact that many of the big jobs are figured direct with the contractor by some of the manufacturers. We do not conduct our sales along these lines, in fact we do not aim to sell any contractory.

We would be unable to meet your requirements in shipping Hemlock dimension or White Pine Flooring, Siding, etc. in mixed cars [fol. 640] with Maple Flooring as ours is a strictly Maple Flooring proposition and we have no other lumber products that could be loaded with it.

In view of the situation and taking into account the conditions as you have outlined them, it perhaps would not be altogether fair to either of us to enter into a definite selling arrangement. We think it would be a better plan to leave this matter open and if you will submit your inquiries to us as they come up, we will use our best efforts to put you on the right track to secure the business when we are able to supply the stock.

Such a thing as a price list of iron-clad prices on any particular make of lumber product looks almost like a joke today in view of the scramble that is going on among us all to secure business. We do issue a price list and our latest issue is what we call our 'List No. 54' and copy of which we are enclosing herewith. This list is supposed to represent in a general way the present market or asking prices among the various manufacturers at this time.

This list we adopted on November 18th and we have since received various reports from our different connections to the effect that some of the mills are holding to this list also while others are making concessions here and there all along the line. It seems to us that if we can have your confidence it would be a better plan to make our prices elastic to some extent to as to enable you to meet reasonably lower prices that may be quoted by other responsible mills who put out a first class product. We could say to you that the prices in the [fol. 641] enclosed list are iron-clad but we are sure that with such a proposition you would not be getting anywhere.

If you will work on the basis of our list No. 54 and it should develop that you run up against lower prices and can secure the business on an equal basis, we wish you would use the telegraph wires and get in communication with us at our expense telling us just what we must do to meet the other fellow and we assure you that we will do our level best from this end.

We will take as an example our prices on 13/16" x 3¼". We understand that some of the manufactures will quote 3¼" factory practically as low as 2¼" Factory and there isn't any question in our minds but what 3¼" Clear and No. 1 is being sold here and there at $5.00 per M. below our list No. 54 the 2¼" Clear and No. 1 prices we believe are being fairly well maintained although of course we do not know just how conditions are in the Pittsburgh district.

Kindly consider carefully our ideas as above suggested and let us hear from you further on the subject. In the meantime it is our thought that if we can work together in this matter we will get

somewhere and secure a reasonably fair volume of business. We are manufacturing a quality of product in our 'Acme' Brand Maple Flooring which we do not hesitate to offer in competition with the best of its kind on the market. Yours very truly."

[fol. 642] Letter dated August 15, 1921, West Michigan Flooring Company, Manistee, Mich., to Charles H. Bracken, 17 Lindsey Street, Boston, Mass., reading as follows:

DEFENDANTS' EXHIBIT W-13

"DEAR SIR: In response to your letter of the 11th inst. in which you advise that in your opinion we would have to reduce our prices on our Maple Flooring more than the $5.00 referred to in our letter of the 9th inst. if we are to get any business from your territory. We do not believe conditions are quite so bad as you picture them and we will not under the circumstances make any lower prices.

We know of considerable Maple Flooring going into your territory from Michigan and while some of it is being sold at almost the same prices we quoted you and possibly some of it at lower prices, we do know of about twenty-five carloads that have moved into the New England market during the past three weeks at prices $5.00 per M. higher than those which we are now quoting, this stock having been sold not over thirty days ago. Yours very truly."

Letter from West Michigan Flooring Company, dated September 7, 1921, to B. C. Baer & Son, Reading, Pa., reading as follows:

DEFENDANTS' EXHIBIT W-14

"GENTLEMEN: Since we wrote you on August 30th in which we sent you our present Price List No. 51 on our 'Acme' Brand Maple [fol. 643] Flooring, we have decided to offer a special concession on our 13/16" x 2¼" and 3¼" face Factory grade of which we have quite a large stock, our object being to reduce these items as quickly as possible to provide piling space for other items of Maple Flooring.

We accordingly will accept orders for prompt shipment against the 2¼" Factory at a concession of $3.00 per M. from our list No. 51 and the 3¼" Factory at a concession of $5.00 per M. from our list No. 51. As you made inquiry to us on Aug. 24th, for 11,000 ft. 2¼" and 7,000 ft. 3¼" Factory, we trust these special prices will appeal to you on this particular inquiry providing the business has not already been placed.

We are not sending out these prices broadcast, merely offering these concessions to a few from whom we have in mind we may get satisfactory response. You will understand that these prices apply for quick shipment only. Yours very truly."

Letter dated August 9, 1921, from West Michigan Flooring Company, Manistee, Michigan, to American Sash & Door Company, Kansas City, Missouri, reading as follows:

DEFENDANTS' EXHIBIT W-15.

"GENTLEMEN: Under date of July 23, we sent you copy of our Price List No. 50 covering our 'Acme' Brand Maple Flooring.

With the object in view of meeting some of the lower prices that are being passed around, we will make a concession of $5.00 per M [fol. 644] from this list on anything that we may be able to furnish for Prompt Shipment in 13/16" Maple Flooring, all widths and grades. This concession does not cover 3/8".

We trust that we may be able to serve you in your Maple Flooring trade requirements on this basis. Yours truly."

"The above letter sent to firms on reverse side of sheet."

(Reverse Side of Sheet)

Wistar, Underhill & Nixon	Philadelphia, Pa.
R. A. & J. J. Williams Co	"
Wm. Whitmer & Sons	"
White Gratwick & Mitchell, Inc	North Tonawanda, N. Y.
Wiles-Chipman Lumber Co	St. Louis, Mo.
Julius Seidel Lumber Co	"
O. H. Sample Lumber Co	"
Bert L. Stephenson	Wichita, Kansas.
Woodward & Son	Richmond, Va.
The Stevens Lumber Co	Boston, Mass.
Stevens-Eaton Co	New York City.
G. M. Stanton	Carroll, Iowa.
The H. A. Savage Lumber Co	Boston, Mass.
The John C. Orr Co	New York City.
Palburn, Inc	Buffalo, N. Y.
Picket, Hyde & Langgans Co	Johnstown, Pa.
R. B. Ragon	Oklahoma City, Okla.
Kirkpatrick Lumber Co	Cincinnati, Ohio.
A. J. Levy Lumber Co	Philadelphia, Pa.
Wm. M. Lloyd Co	Charlotte, N. C.
Clifton F. Leatherbee	Boston, Mass.
Northern Lumber Co	North Tonawanda, N. Y.
The Hedden-Clark Lumber Co	New York City.
H. A. Hollowell & Co	Cincinnati, Ohio.
Thomas B. Hammer	Philadelphia, Pa.
Hess Lumber Co	St. Louis, Mo.
Charles H. Bracken	Boston, Mass.
The Chicago Lumber Co. of Omaha	Omaha, Neb.
Baker Lumber Co	Worcester, Mass.
Boeckeler Lumber Co	St. Louis, Mo.

Wyman-Allen Lumber Co.	Charlestown 29, Mass.
E. J. Sterner & Co., Inc.	New York City.
H. I. Isbell	Elkhart, Ind.
Geo. N. Comfort Lumber Co.	Cleveland, Ohio.
The Central Lumber Co.	"
Erie Lumber Co.	Erie, Pa.
John Buffum	Boston, Mass.
G. H. Hyatt	Whitehall, N. Y.
Boston Lumber Co.	Boston, Mass.
Webber Lumber & Supply Co.	Fitchburg, Mass.

[fol. 645] Letter dated July 28, 1921, from Sam E. Barr, Wholesale Lumber 50 Church Street, New York, to West Michigan Flooring Company, Manistee, Michigan, reading as follows:

DEFENDANTS' EXHIBIT W-16

"GENTLEMEN: I wired you yesterday as per copy of message enclosed and have your reply quoting $68.50, less commission on the 13/16 x 2¼" No. 1 Maple Flooring for Lansing, Michigan. Also note you could furnish only about 100,000'. Your price will never get the business, as customer already has a price on it of $60.00, and I expect they will buy it for $59.00 before they get through dickering with this particular mill, as they seem very anxious for the business.

Thanking you for your wire, I am, yours very truly."

Letter dated Aug. 1, 1921, from West Michigan Flooring Company, to Sam E. Barr, 50 Church St., New York City, reading as follows:

DEFENDANTS' EXHIBIT W-16½

"DEAR SIR: This acknowledges receipt of your interesting letter of July 28th with reference to our wire quotation of $68.50 per M less commission on the 2¼" No. 1 Maple Flooring for Lansing, Mich., and in which you advise that customer already has a price of $60.00 and that you expect they will eventually buy for $59.00.

When we quoted you our price, we had no idea that we stood any chance as we felt that someone would be so anxious for this busi-
[fol. 646] ness that it would eventually be placed at a figure that would doubtless result in a loss to the mill. We would very much like to know the name of the mill that will eventually furnish this flooring, and if you have this information, and are willing to give it to us, we will appreciate it, however, if you do not feel disposed to do so, we doubtless will learn of the deal through some one of our friends in this territory. It is always interesting to know the sort of competition we have to buck up against. We know pretty

well about who is putting out a strictly first class make of Maple Flooring and who is not, so that sometimes a low price does not mean very much to us as it often happens that the low priced fellow puts out a product in keeping with the price he asks for it. Yours truly."

Letter dated January 23, 1922, from Currie & Campbell, Lumber, Philadelphia, Pa., to West Michigan Flooring Company, Manistee, Michigan, reading as follows:

DEFENDANTS' EXHIBIT W-17

"GENTLEMEN: We beg to acknowledge receipt of your telegram on Flooring for Reading, and beg to advise we received a price of $64.00 for the 13/16 x 2" Face #1, and $27.50 for 2¼" Face Factory, delivered Reading, subject to our commission of $2.00. We wired the order to the mill on the evening of the 18th, and received the car number from them on Thursday, the 19th. This was good quick action.

Along the line of our communication of the 16th, we are interested in making a connection with you for the sale of your flooring, [fol. 647] and while we do not compliment ourselves to the point that we feel we could sell all the Flooring you make, still we believe in the course of the year we could probably send you some very satisfactory orders, and our idea in doing this would be to work just as closely as possible giving you the benefit of any extra price that we could secure over and above your regular list, and as suggested in our letter of the 16th, we should want to feel if we were in very close competition and were compelled to make an adjustment below your list price, that we would be able to do it, providing however, that the cut would not be a very heavy one. Of course, if we were considerably out of line, we would either drop the matter or take it up with you by wire. We believe that we could get in many instances somewhat better prices on your stock than you list, and probably enough to offset any lower prices that we might have to contend with.

We think that your prices on your Clear and No. 1 are all right, but we do think you are a little bit high on your Factory, and as an illustration, this particular order which went to Reading, our customer had a price of $27.00 on the Factory, Michigan stock, which we were forced to meet. You will note that we bought it at $27.50 less $2.00, which left us a net profit of $1.50.

On all of our purchases of all kinds of lumber, we carry the account. We have always done this, and feel that this is really the only way a wholesaler can be of benefit to a manufacturer, otherwise, the distributing agency might very readily get the manufacturer into some bad accounts, and his value as a distributor would very soon become void to the manufacturer.

[fol. 648] We discount all of our purchases and sell only to the better class trade.

We note that you do not make any 5/4 flooring. While we occasionally have calls for this and sell some of it, we would have to rely on some other source of supply for this thickness.

We should like very much to have you forward us each time you get out a price list and stock list, three copies. This enables us to keep one here in the office and two to our outside people.

We like that particular clause in your letter in which you advise you are not in the habit of making promises in taking orders, unless you are pretty sure just what you are going to be able to do. This fits in very nicely with our methods, and ought to work for a good smooth running proposition.

We should like very much indeed to get started with you and are going to make an effort to do so, and perhaps if we are able to demonstrate we can handle your stock satisfactorily in this market, you might at some near future date, think it advisable to give us the exclusive sale of your product in a certain, well defined, eastern territory.

Perhaps it might be better for us to leave this rest temporarily, and we will see just what we can do towards sending you a certain amount of business, although we do not think we will be doing a lot of Maple Flooring business probably for the next thirty days.

We will be glad in the meantime to have you outline any particular thought you have in mind regarding a working arrangement, whereby we might advertise your flooring and solicit for your prod-
[fol. 649] uct, and awaiting the receipt of your further favor, we are, Yours truly."

P. S.—Please send us two additional price lists #55, with stock lists attached."

Letter from West Michigan Flooring Company dated January 27, 1922, to Currie & Campbell, Philadelphia, Pa., reading as follows:

DEFENDANTS' EXHIBIT W-17¼

"GENTLEMEN: We beg to acknowledge receipt of your letter of January 23rd on the subject of the sale of our Maple Flooring through you and the contents of which are carefully noted. In line with your request we are enclosing two additional copies of our price list No. 55 with stock lists attached and we are marking up our mailing list so that you will hereafter receive of these lists and stock sheets whenever we issue them.

We note in the third paragraph of your letter that you consider our prices on the Clear and No. 1 all right, but that you think we are a little bit high on our Factory. This does seem to be the case as evidenced by reports which we have received recently from various sources. While we will not issue a Revised Price List as a result, we realize that it will be necessary for us to make concessions from this list on the Factory if we expect to secure any volume of business in this particular grade which just now happens to be the items on which we are long.

We would dislike awfully to go below $29.00 less commission delivered Philadelphia rate on 2¼" Factory but judging from your [fol. 650] experience in quoting this stock the $29.00 price would also be out of line to some extent. The Factory grade flooring which we are now producing we think is better than the average quality and it is running especially good to long lengths for this particular grade. Possibly within another thirty days the price may stiffen up a little.

The general feeling in this territory in which Maple lumber is produced is that rough Maple suitable for flooring purposes is bound to advance a little this Spring over prices that were being obtained last Fall. The input of northern hardwood logs is not going to be anywhere near normal this winter and with anything like a fair demand for Maple Flooring it looks to us as though rough flooring stocks will be rather a scarce article and you of course know what this will mean.

We note that it is your idea to work with us as closely as possible in the sale of our flooring, giving us the benefit of any extra price that you could secure over and above our regular list and at the same time having our permission to make reasonable adjustments below our list prices when necessary to meet competition providing however that the cut would not be a very heavy one. Perhaps this would be the most satisfactory way in which to handle the proposition. It develops however that our present prices on the Clear and No. 1, also the Factory so far as that is concerned, are now so close to production cost as to leave a very small margin in the transaction for us. We have realized the necessity of this very close figuring under existing conditions, however with an improved demand the [fol. 651] thing ought to work back to a basis where we can again figure a reasonable margin of profit and base our lists accordingly and in which event we can consider more substantial concessions here and there when necessary to meet competition.

The thought also occurs to us that we may cross wires and compete with ourselves if we are not very careful in the way of making concessions through you especially in view of the fact that you will not at the start at least be acting as our exclusive representative. This might come about by other wholesalers in your territory having our quotations and you competing with them on the same Maple Flooring. In any event we are willing to try this proposition out with you, having faith in your good judgment to handle the matter in a way that will prove most profitable to us both.

We like the idea of your carrying the accounts and we agree with you that this is really the only way a wholesaler can be of benefit to a manufacturer.

We are anxious to get started with you and if you are able to demonstrate that you can handle our stock satisfactorily and are satisfied with our methods of doing business, we can see no good reasons why at some near future date it would not be advisable to give you the exclusive sale of our product in a certain well defined eastern territory. We would be pleased to know if you have any demand or

call for 13/16" x 3¼" face or does your trade run largely to 2¼". We of course produce a certain amount of 3¼" which is usually a rather slow seller and for which orders are always welcome.

[fol. 652] It develops that at the present time we are sold up quite close to our machines on 13/16" x 2¼" face No. 1. We have in stock however a very fine lot of 2¼" Clear available for immediate loading. Yours very truly."

Letter dated February 6, 1922, from Sam E. Barr, Wholesale Lumber, Philadelphia, Pa., to West Michigan Flooring Company, Manistee, Mich., reading as follows:

DEFENDANTS' EXHIBIT W-17½

"GENTLEMEN: This will acknowledge receipt of your letter of Jan. 27th with price list on Maple Flooring to apply on orders for shipment during February. We thank you very much for same and will be glad to send you any orders that we can secure, but of course you know as well as we do the present chaotic condition of the Maple Flooring market. If our old friend Horner succeeds in getting rid of the stock he has it will probably help some, as he is the only one I have heard of who is making a price as low as $25.00 on Factory, although I have had several of my customers tell me that they have had prices as low as $27.00.

Prices on 2¼" No. 1 seem to range from $68 to $73.00 and on Clear, $95.00 seems to be the average.

There is quite a variation in prices on 3¼". Your price on 3¼" Factory is as low as any I have seen, but 3¼" No. 1 has been quoted as low as $63.00 and 3¼" Clear as low as $83.00, so there you are.

I certainly do wish that business would get good enough so that prices could be made more stable. It gives me a great deal more pleasure to send an order to a mill that I know they can make a [fol. 653] profit on, than to send at some of those competitive prices that I know when they get the order they are bound to lose money on.

I will be very glad to keep you posted as to price conditions in this particular territory, and will be glad to have you keep me posted as to any surplus stock that you may want to move from time to time. Yours very truly."

Letter from West Michigan Flooring Company, dated Feb. 8, 1922, to Sam E. Barr, 50 Church St., New York City, as follows:

DEFENDANTS' EXHIBIT W-16¾

"DEAR SIR: We are today in receipt of your letter of the 6th inst. an acknowledgment ours of January 27th in which we sent you our price list on Maple Flooring. We wish to thank you kindly for the information contained therein as to market conditions as you find them on Maple Flooring in the Philadelphia territory.

We realize that we have been quoting a very low price on the 3¼" Factory and in fact we are today sold up on all of the 3¼" Factory which we have in stock as a result. During the depression we were caught with a considerable quantity of low grade Maple on our hands which we were forced to move and which resulted in the producing of a considerable quantity of Factory and as we had to have warehouse space for other items of Maple Flooring in order to keep our plant in operation, we were simply forced to make prices that would move it quickly. It also develops that we are today sold up [fol. 654] to our machines on 13/16" x 2" Clear and we are oversold now to the extent of about 30 days on the 2¼" No. 1.

We like that paragraph in your letter in which you express yourself as being in hopes that business will soon get back to a basis where there will be at least a reasonable margin of profit in Maple Flooring. There are a great many buyers who today consider that the Maple Flooring mills are asking altogether too much money for their product but these fellows are not familiar with the flooring manufacturing operation or they would not feel that way about it. At present prices as an average proposition we are all playing pretty close to the cushion, in fact too close for comfort and one or two things must shortly happen if business conditions get back to a normal basis, either the rough Maple must be had at lower prices or the finished flooring must command higher prices.

We assure you that we will appreciate any information you can give us from time to time as to conditions in your particular territory and in the meantime if we make any price changes, we will advise you. Yours very truly."

Letter dated August 15, 1923, from The Ohio State Lumber Company, Cleveland, Ohio, to The West Michigan Flooring Company, Manistee, Mich., reading as follows:

DEFENDANTS' EXHIBIT W-18

"GENTLEMEN: Our intelligence department composed of two salesmen, Mr. A. B. Phillips and the writer, advise that neither you [fol. 655] nor ourselves have lost out on any maple flooring business during the past few weeks because there has been very little of this commodity purchased. We, of course, cannot and do not sell every consumer in Cleveland, but we do know that our regular customers have been reluctant in placing orders for maple flooring and, in fact, all other commodities.

We anticipated the instructions in your letter of the 13th inasmuch as all of our other connections have instructed us to meet any legitimate competition. This is the time when salesmanship does not count for anything, but is the time when offer and order-takers are in their proper element.

We assure you that when we have an opportunity to quote on maple flooring and find that your prices will not secure the business

we will emulate the average commission man and wire you our customer's offer. Yours very truly."

Letter from West Michigan Flooring Company, dated August 13, 1923, to The Ohio State Lumber Company, Cleveland, Ohio, reading as follows:

DEFENDANTS' EXHIBIT W-18-A

"GENTLEMEN: In the course of following up quotations made by us on the 'Acme' Maple Flooring during the past few weeks, we have been advised in many instances of the loss of the business on account of our prices being higher than others. Our latest prices are represented in our price list No. 67, copy of which you have in your files.

[fol. 656] It is our desire to keep in line as nearly as possible with values quoted on other reliable makes of Maple Flooring and assuming that you give us the preference on an equal basis, we would greatly appreciate an expression from you as what your experience has been in this direction. In other words if the prices we authorize you to quote do not meet competition in your market, will you frankly tell us so and we will endeavor to put you and ourselves on the right track so that business will not escape us as a result of competitors naming lower prices on a quality of product that may be somewhere the equal of ours.

These are times apparently when everyone is out hustling both tooth and nail for an order so if we may have your cooperation in this matter, we will endeavor to work with you in a manner which we hope will result profitably to both you and ourselves.

An expression from you at your convenience will be appreciated and if at any time there is desirable business offered on which our authorized prices do not compete, we would suggest that you wire us at our expense just what the situation is and in which event it will receive our careful consideration. Yours truly."

Letter dated August 16, 1923, from The Tombaugh Lumber Company, Canton, Ohio, to West Michigan Flooring Company, Manistee, Michigan, reading as follows:

DEFENDANTS' EXHIBIT W-18-B

"GENTLEMEN: Nothing carefully yours of the 14th we are frank [fol. 657] to say that we have not booked a single car of Maple Flooring for several weeks, having lost out in every case. As an example, just the other day our salesman advised that he could get an order for a car of 13/16 x 2¼ Clear on the basis of $95.00 to $97.00. The writer immediately quoted this prospective customer,

who advised him that he had placed the order at $97.00 Sharon rate.

The point we wish to make is the same one brought out in your letter, which is to the effect that we have both been losing out on this business, due to the fact that there seems to be no established price whatsoever.

The P. L. Frank Lumber Company of Ravenna, Ohio, need a car of 13/16 x 2¼ Clear for shipment about October first. We have been trying to obtain this business, and can get it on an equal basis. We know that the order is still unplaced, and that they have been quoted $105.00, $102.50 and refused to give us the order the other day at $100.00.

It is going to be our policy for a little while to get the order on the best basis possible, and then submit it to you for acceptance or rejection. We dislike this very much, but we cannot continue our business unless we sell lumber. Yours very truly."

Letter dated August 21, 1923, West Michigan Flooring Company to the Tombaugh Lumber Company, Canton, Ohio, reading as follows:

DEFENDANTS' EXHIBIT W-18-c

"GENTLEMEN: We wish to thank you very kindly for the infor- [fol. 658] mation contained in your letter of August 16 regarding market conditions on Maple Flooring as you find them.

We have concluded to revise our prices downward to a few of our old friends in the trade and we accordingly are submitting herewith our Price List No. 68 which you will note by comparison represents a concession of $5.00 per M from our List No. 67 right straight through on all items of Maple Flooring. These values are figured right down mighty close to the dead line and the basis upon which we hope you may be able to secure an occasional order for our account.

Conditions in the Maple Flooring Industry are peculiar in that the cost of production has not been reduced to any extent and the present prices of raw material are being fairly well maintained. These conditions, however, we presume will adjust themselves in the course of time.

Kindly keep in mind the fact that we have in stock about 30 M' 2" Clear; 33 M' 2" No. 1 and 30 M' 2" factory all of which is exceptionally nice stock. We, of course, also have a good assortment of the other sizes and grades, excepting the 2¼" Factory on which we are still oversold to some extent, although we could accept orders for this size and grade in part cars for loading with other items. Yours truly."

Letter dated August 15, 1923, W. M. Klenk Lumber Company, St. Louis, Missouri, to West Michigan Flooring Company, Manistee, Michigan, reading as follows:

DEFENDANTS' EXHIBIT W-18-D

"GENTLEMEN: This to acknowledge receipt of your favor of the [fol. 659] 14th inst., same having reference to prices. In response we want to say that we have been quoting on Maple Flooring right along here for the past ten days or two weeks, but have been unable to secure any business. We were advised the other day in quoting on an inquiry, which thus far has not developed into an order, having used your latest basis, that our price was slightly higher than other quotations that they had received. We told them however to take it up with us again if they secured the business and give us an opportunity of putting it up to you. As you indicate in your letter everybody seems very eager for business and just as we hear it every day, all kinds of prices are being quoted on all kinds of woods. It is just more than likely that some of your worthy competitors have been beating around the bush and making lower prices, but we have no positive evidence to that effect.

If any inquiries come up that we feel are worthy of taking the matter up with you direct we shall certainly be very glad to do so. Yours very truly."

Letter dated August 14, 1923, from West Michigan Flooring Company to W. M. Klenk Lbr. Co., Railway Exchange Bldg., St. Louis, Mo., reading as follows:

DEFENDANTS' EXHIBIT W-18-E

"GENTLEMEN: In the course of following up quotations made by us on the 'Acme' Maple Flooring during the past few weeks, we have been advised in many instances of the loss of the business on account of our prices being higher than others. Our latest prices [fol. 660] are represented in our price list No. 67, copy of which you have in your files.

It is our desire to keep in line as nearly as possible with values quoted on other reliable makes of Maple Flooring and assuming that you give us the preference on an equal basis, we would greatly appreciate an expression from you as what your experience has been in this direction. In other words, if the prices we authorize you to quote do not meet competition in your market, will you frankly tell us so and we will endeavor to put you and ourselves on the right track so that business will not escape us as a result of competitors naming lower prices on a quality of product that may be somewhere the equal of ours.

These are times apparently when everyone is out hustling both tooth and nail for an order so if we may have your cooperation in this matter, we will endeavor to work with you in a manner which we hope will result profitably to both you and ourselves.

An expression from you at your convenience will be appreciated and if at any time there is desirable business offered on which our authorized prices do not compete, we would suggest that you wire us

at our expense just what the situation is and in which event it will receive our careful consideration. Yours truly."

Letter from Erie Lumber Company, Erie, Pennsylvania dated August 15, 1923, to West Michigan Flooring Company, Manistee, Michigan, reading as follows:

DEFENDANTS' EXHIBIT W-18-F

"GENTLEMEN: Replying to your letter of the 13th.
[fol. 661] We are using your price list $67 in quoting our trade. We made several quotations on the basis of this list in the last couple weeks but have lost out in every case, customers telling us prices were out of line.

We advised our representatives to follow out the suggestion you make in this letter which is that if they cannot secure the business at price list #67 we will try and find out what price will secure the order and wire same to you for your approval.

We have an idea that Maple Flooring is like other woods which we find being quoted at a variation of several dollars per M. Oak Flooring, for instance, is being quoted by the best class of mills showing price differences of $7.00 to $8.00 per M. Yellow Pine is not quite that bad.

Thank you for writing us and we hope it will enable us to secure some business for your account. Yours very truly."

Letter from West Michigan Flooring Company, dated August 23, 1923, to Erie Lumber Company, Erie, Pa., reading as follows:

DEFENDANTS' EXHIBIT W-18-G

"GENTLEMEN: We wish to thank you for your letter of August 15 regarding market conditions on Maple Flooring as you find them in your territory.

We have concluded to revise our prices to a lower level, the object of meeting competition and we accordingly enclose herewith our price list No. 68, the basis upon which we trust you may be able to secure your share of the business for our account.
[fol. 662] Operating conditions do not warrant these low prices as the cost of production has so far not been reduced to any extent. This condition, however, we assume will adjust itself in the course of time either as the result of a better tone to the flooring market or by a reduction in the cost of raw material entering into the manufacture of this product. Yours truly."

Letter dated August 16, 1923, from Wyman Allen Lumber Company, Boston, Mass., to West Michigan Flooring Co., Manistee, Mich., reading as follows:

[fol. 663] DEFENDANTS' EXHIBIT W-18-G

"GENTLEMEN: Replying to your letter of the 13th relative to market conditions, your price list #67 seems to be in line with what several other Michigan Mills are asking for their stock.

Your price on 3¼" Clear is higher than is being quoted. We know of quotations at $94.75 and 3¼" #1 at $89.75, but there seems to be a wide range of prices.

We have heard of quotations on 2¼" as low as $103.50. It does not seems to be a stable market on Hardwood Flooring. Factory has been holding firm until last week we noticed that there seemed to be some concessions in Factory grade. This, however, was more with local mills than with Michigan stock.

Flooring prices seem to have slumped considerable and we think there is a larger range of prices in Oak than in Maple. Yours truly."

Letter dated August 13, 1923, from West Michigan Flooring Company to Wyman-Allen Lumber Co., 325 Medford St., Boston, Mass., reading as follows:

DEFENDANTS' EXHIBIT W-18-I

"GENTLEMEN: In the course of following up quotations made by us on the 'Acme' Maple Flooring during the past few weeks, we have been advised in many instances of the loss of the business on account of our prices being higher than others. Our latest prices are represented in our price list No. 67, copy of which you have in your files.

It is our desire to keep in line as nearly as possible with values quoted on other reliable makes of Maple Flooring and assuming that you give us the preference on an equal basis, we would greatly appreciate an expression from you as what your experience has been in this direction. In other words if the prices we authorize you to quote do not meet competition in your market, will you frankly tell us so and we will endeavor to put you and ourselves on the right track so that business will not escape us as a result of competitors naming lower prices on a quality of product that may be somewhere the equal of ours.

These are times apparently when everyone is out hustling both tooth and nail for an order so if we may have your cooperation in this matter, we will endeavor to work with you in a manner which we hope will result profitably to both you and ourselves.

[fol. 664] An expression from you at your convenience will be appreciated and if at any time there is desirable business offered on which our authorized prices do not compete, we would suggest that you wire us at our expense just what the situation is and in which event it will receive our careful consideration. Yours truly."

Letter dated July 16, 1920, from Wyman-Allen Lumber Company, Boston, Mass., to West Michigan Flooring Company, Manistee, Mich., reading as follows:

DEFENDANTS' EXHIBIT W-19

"GENTLEMEN: We are in receipt of your price list of July 13th, also your stock sheet. We will see what we can do to secure some business for you, but we think your prices are a little higher than some others are at the present time.

Thanking you for the price and stock lists, we remain, yours truly."

Letter dated November 4, 1920, from Wyman-Allen Lumber Company, Boston, Mass., to West Michigan Lumber Company, Manistee, Mich., reading as follows:

DEFENDANTS' EXHIBIT W-19-A

"GENTLEMEN: We have a customer who is in the market for 135 M Feet of 1 x 4 13/16 x 3¼" #1 Maple Flooring, Dressed, Matched, End Matched, etc., to be delivered on a Boston rate of freight; time of delivery to be in January and February 1921.

Can you quote us on the whole or any part of this? Awaiting your prompt reply, we are your- truly."

[fol. 665] Letter dated November 8, 1920, from West Michigan Flooring Company, Manistee, Mich., to Wyman-Allen Lumber Co., Charlestown 29, Mass., reading as follows:

DEFENDANTS' EXHIBIT W-19-B

"GENTLEMEN: In response to your letter of Nov. 4th in which you advise that you have a customer for 135,000 ft. 13/16" x 3¼" No. 1, Maple Flooring. As matters now stand with us we could furnish in this item only such stock that we actually have on hand amounting to about 35,000 ft. In all probability we will not be operating our flooring plan again until February 1921.

We hardly know what to say to you with respect to price on the 35000 ft. 3¼" No. 1 which we now have to offer as there seems to be such a variation in values as quoted by the different manufacturers that it becomes merely a matter of guess. Our idea on this item however is a price of $140.00 per M less $2.00 per M commission delivered on a Boston rate of freight and if you can favor us with the business at this price and for early shipment, we will appreciate your order. If in the meantime our price does not secure the business, would you mind telling us to what extent we are out of line?

We trust you will give this matter due consideration and we shall hope to hear from you favorably at an early date. Yours very truly."

[fol. 666] Letter dated June 29, 1920, from S. W. Morrison, Wholesale Lumber, Salt Lake City, Utah, to West Michigan Flooring Company, Manistee, Mich., reading as follows:

DEFENDANTS' EXHIBIT W-19-C

"GENTLEMEN: Replying to your letter of June 24th, the adjustment on car 33133 is satisfactory.

I note you say there has been an adjustment of prices a little bit and will you revise your price list #41 sent me.

With regard to my unfilled order #58, the Eastern & Western Lumber Company say that the outlook is so very uncertain they think they had better cancel it. Business is almost at a standstill here in Salt Lake City and has been for over two months. With a strike and a lock-out the lumber yards all closed down for about a month, but have been opened up for about two weeks. None of the big work has started owing to the financial stringency, and with no new work starting it looks at the present time as though it was going to be very slow until late in the fall. For that reason the dealers are not buying anything whatever.

I look for a good trade in Idaho this fall as the crop prospects are very fine. I would like to get some of your flooring in that section, but have never been able to heretofore, as they have been able to get lower prices from someone else.

Kindly keep me posted on your lowest prices at all times. Yours very truly."

[fol. 667] Letter dated November 2, 1920, from West Michigan Flooring Company, Manistee, Mich., to Clifton F. Leatherbee, 88 Broad Street, Boston, Mass., reading as follows:

DEFENDANTS' EXHIBIT W-19-D

"DEAR SIR: In response to yours of October 29th your inquiry No. 49 for prices on Maple Flooring, we regret to advise you of our inability to quote you on the car of 2¼" Clear as we haven't this in stock.

We believe we have already advised you of the recent loss of our power plant by fire which necessarily closed down our flooring plant. We do have in stock in our own make of Maple Flooring the 'Acme' Brand, about 26,000 ft. 3¼" Clear Maple Flooring, about 32,000 ft. 3¼" No. 1 Maple Flooring, about 7,500 ft. 3¼" Clear Birch Flooring and about 3,500 ft. 3¼ No. 1 Birch Flooring. Our ideas of prices on 13/16" x 3¼" Clear both Maple and Birch delivered Boston rate is $152.00 per M. and on the 3¼" No. 1, both Maple and Birch is $142.00 per M. less $2.00 per M. Commission and the usual 2% cash discount.

We fully realize the small demand that there now is for this product and we presume that a wide range of prices are being quoted by the various manufacturers depending upon how eager some of them are to want to move their stock. If you can favor us with an order for

the Clear and No. 1, at the prices above referred to, we shall be pleased to handle the same for our best attention and if for any reason this quotation does not get us the business, we would appreciate it very much if you would tell us to what extent we are out of line. [fol. 668] As above stated our flooring plant is now closed down and it is very likely that we will be unable to resume operations again until some time around February 1st. Yours very truly."

Letter dated November 6th, 1920, from Paul H. Knolk, Lumber, Milwaukee, Wis., to West Michigan Flooring Company, Manistee, Mich., reading as follows:

DEFENDANTS' EXHIBIT W-19-E

"GENTLEMEN:

Attention Mr. Greene

We are pleased to receive your favor of Nov. 2d, and note you will not have your plant in operation until after Feb. of next year. Also note the items you have to offer, and since Oak Flg. in 2¼" face Clear sold as low as $125.00 per M in Milw. from Southern Mill, a price of $125.00 per M. on Maple looks high comparatively. However if you will attach your low price on the Warehouse items you have, we will put this on our trade letter without referring to brand, if you so desire. Facty. Flg. is in large supply on the market and we are offered 2 lots of 2¼" face @ $70 and $75.00 deld. It seems the Mills are also forcing as much #1 on the Market also,—shipping as much as the customer will possibly stand.

The writer will indeed be pleased to see Mr. Greene, when again in Milwauke. Would suggest at such a time as you plan a visit to Milwaukee, to advise a few days beforehand, in order to be sure the writer is in the city. Occasionally run up to the Minneapolis office. Respectfully."

[fol. 669] Letter dated November 2, 1920, from West Michigan Flooring Company, Manistee, Mich., to Paul H. Knolk, P. O. Box 748, Milwaukee, Wis., reading as follows:

DEFENDANTS' EXHIBIT W-19-F

"DEAR SIR: This acknowledges receipt of your letter of Oct. 29th with reference to Maple Flooring. We haven't yet come to any definite decision as regards the rebuilding of our power plant which was lost by fire the latter part of July. This is a matter that we expect to have settled definitely within the next ten days however in any event a new power plant cannot be installed and made ready for use much before February 1st.

We haven't anything to offer in 13/16" Clear Maple Flooring at the present time either 2" or 2¼". We do have on hand about 26,000

ft. 3¾" Clear but we presume this particular width would not interest your trade. Below is a list of the sizes which we now have in stock in our 'Acme' Brand Maple Flooring in the widths used mostly in your territory:

About 30,000 ft. 2" face No. 1.
" 30,000 ft. 2" face Factory.
" 13,000 ft. 2¼" face Clear.
" 12,000 ft. 2¼" face No. 1.
" 34,000 ft. 2¼" face Factory.

We have had so little flooring to offer recently that we have made no particular attempt in the direction of moving it with the result that we are a little off our base so far as the present market is concerned, although we can hardly believe that a manufacturer will sell [fol. 670] his clear flooring even under present conditions at a price as low as $125.00.

If you have any prospective customers who may be interested in any of the above items listed, we wish you would take the matter up with us and state to us frankly the very best prices which in your judgment you can secure for any or all of this stock.

When we again get into the manufacturing game we trust that it will be our pleasure to be able to do some business with you in the sale of our product. We are pretty well satisfied that our make of Maple Flooring the 'Acme' Brand will hold up its end alongside the very best makes on the market.

The writer upon his next visit to your territory will make it a point to call on you so that we may become better acquainted. Yours truly."

[fol. 671] Letter dated June 28, 1920, from West Michigan Flooring Company, to John C. Hill Lumber Company, St. Paul, Minn. reading as follows:

DEFENDANTS' EXHIBIT W-19-G

GENTLEMEN: We are enclosing herewith an inquiry which we received today from the Secretary of our Association and which we have in mind may interest you.

We wrote Mr. Hill the other day asking for his ideas as to the present market prices on Maple Flooring and not having heard from him on the subject, we are submitting herewith a list of prices which as near as we are able to determine represent the market values at the present time. We will be glad to have you check these prices over and advise if in your judgment you can make sales of the "Acme" Brand on the basis of the same, if so we will handle orders that we may be able to furnish on this basis for prompt shipment or we will apply these prices against your open price unfilled orders which we now have on our books and for which we will be glad to have shipping instructions. Yours very truly."

Letter dated June 25, 1920, from John C. Hill, Saint Paul, Minn., to Mr. W. H. Greene, Manistee, Michigan, reading as follows:

DEFENDANTS' EXHIBIT W-19-H

"MY DEAR MR. GREENE: I have been diligently trying to get at something definite regarding the market. It is a very hard matter to do. In the first place, things are very quiet and they are adopting the policy of the Dutchmen in Milwaukee, buying just as little as they can and therefore they are not as hungry as they were six [fol. 672] months ago, and as some of the mills are taking care of their orders better now, they are not anticipating their wants ahead.

I have gathered up the following information, however, which you can look over and govern yourself accordingly.

Wish that you would kindly treat this confidentially, because I may want to get you information later on, and I don't want to let them know that I am passing it on.

Harmansville claim are filling open price orders at $185.00 for Clear; $175.00 for #1. (This is their idea of market prices.)

Foster-Latimer & Connor claim to be getting $200.00 for Clear; $190.00 for #1; and $150.00 for Factory, on new business.

I. Stephenson Company authorize new business on basis of prices Foster & O'Connor.

J. W. Wells have nothing to sell as they have strike on and not running.

Twin City Hardwood Lumber Company representatives for Cooperage Company, claim they have recently bought 1¼" Clear at $191.00; 2¼" Clear for $186.00 and ⅜ x 1½" Clear at $155.00.

Chicago market-Factory is offered as low as $131.50, up to $160.00., we are trying to get $150.00 to $155.00. in C/L; #1 is $185.00 and Clear is $195.00 to $200.00.

This information from Chicago is Nashville Hardwood Flooring Company, which account we have West of the Miss. River,—

Oak market is weak and unsettled.

Horner thinks the market is $185.00 for Clear, $180.00 for #1, and $140 for Factory, is as low as it should be quoted.

With kind personal regards I am, yours very truly."

[fol. 673] Letter dated November 8, 1920, from West Michigan Flooring Company to John C. Hill Lumber Co. St. Paul, Minn., reading as follows:

DEFENDANTS' EXHIBIT W-20

GENTLEMEN: This acknowledges receipt of your letter of November 4th in which you submit a list of ten cars of Maple Flooring for which you have inquiry and in which you ask us to give you a line on the going prices on these items. To be candid with you we would not know what kind of price to put on the stock ourselves if we had the flooring for sale.

At the last meeting of the Association held on September 29th the Market Conditions Committee recommended as a fair value for 13/16" Maple Flooring of Full List for Clear, $5.00 Off List on No. 1 and 40.00 Off List on Factory. This refers to the list of March 1st, 1920, using CJ freight for delivery to Twin Cities.

We expect there will be another meeting of the Association sometime this month although we do not know the exact date. However, in any event the Association does not have iron clad prices. Our Market Conditions Committee after analyzing stocks on hand, production, unfilled orders, new business, etc. merely recommends what in their judgment ought to be the asking price. This is merely a guide to the manufacturer and he is at liberty to quote his stock at any old price either more or less than the recommended values.

The flooring business is certainly in a demoralized condition and everybody seems to be running wild. We have reports from some of our Eastern connections to the effect that no two manufacturers are quoting within gun shot of the other and that prices are varying from $5.00 to $15.00 and $20.00 on the same items. This [fol. 674] certainly is not a healthy conditions and it of course is due to the fact that there is very little demand and some mills are very anxious for business and some disregard altogether the cost of production.

The fact that we are now closed down perhaps is not as serious as it might seem and if we do not get started until the middle of the winter or until early Spring, we believe it is not going to hurt us very much when taking into consideration the general condition of things. We understand that quite a number of flooring plants in the Southern Peninsula of Michigan are already closed down and it seems to us that most all of them will have to shut up shop for the winter.

If there are developments of any importance at the next meeting of the Association, we shall be pleased to advise you. We really have no idea what the IXL and the Cooperage people are quoting today. Yours truly."

Letter dated July 22nd, 1920, from John C. Hill Lumber Company to West Michigan Flg. Company, Manistee, Michigan, reading as follows:

DEFENDANTS' EXHIBIT W-21

"DEAR SIRS: Under date of July 16th we had word from Madsen and Peterson we could ship the balance of their 2¼" #1 to Kenosha but were waiting to see if we could get the big order of 80 M feet for you before informing you of this fact, thinking you wished to apply their amount on the 80 M feet if we would get it.

I guess we have lost out on it, as prices are again all shot to pieces, [fol. 675] one concern quotes 1½" Clear at $176.00, per M Twin Cities prompt shipment,—you therefore can let the Madsen balance come ahead. Yours very truly."

Letter dated October 4, 1920, from John C. Hill Lumber Co. of Saint Paul, Minn. to Mr. W. H. Greene, Manistee, Michigan, reading as follows:

DEFENDANTS' EXHIBIT W-22

"MY DEAR MR. GREENE: I was called up from the house the other day telling me a basket of peaches had just been sent to me from you, and they happened to arrive when Sam was there (he is our vegetable man) and he said they were the nicest lot of peaches he had ever seen and I verified that when I went home, and I want to say for your own satisfaction, that is the nicest basket of peaches I have ever seen, and there wasn't a bad peach in the whole basket, and I sure do want to thank you for your consideration, and for the pleasure it has given us all in getting them, and I hope the latter part of the month, I will be able to thank you personally when you come to St. Paul.

It seems that J. W. Wells are breaking loose. They have accumulated in 2¼" Clear, #1 and factory, over half million feet, and they are out for business, making prices f.o.b. Twin Cities:

	1½"	2¼"
Clear	$150.00	$154.00
#1	136.00	144.00
Fact.	86.00	97.00

less our $2.00 per M commission. It seems that they are trying to follow in the footsteps of the Honorable Henry.

Don't think you are losing any business by these prices, because there is very little that we know of that's being bought or even [fols. 676 & 677] asked for.

With kind personal regards and again thanking you for your kindness, I am, yours very truly."

Letter dated Oct. 7, 1920, from W. H. Greene to Mr. John C. Hill, c/o John C. Hill Lumber Co. St. Paul, Minn., reading as follows:

DEFENDANTS' EXHIBIT W-22½

"MY DEAR MR. HILL: I have just returned to the office after an absence of a few days and note your letters of Sept. 30th, Oct. 2nd and 4th, and I am very glad to know that the peaches which I recently shipped to you were delivered in good order. I should have written you at the time I made shipment but was very busy with other matters and had to get away on a business trip so did not get to it. I, too, thought that the peaches were especially nice and I was glad of it as I know that you and your family are fond of Michigan peaches. The fruit crop in Michigan has been very large this year and all of excellent quality.

Now with reference to your suggestion that I go to St. Paul the latter part of October. I would prefer, if it would be just the same to you, to make the trip sometime during the early part of December. Assuming that we are going to resume operations, I would like very much to be able to fix up a deal with the Thompson Yards but I do not feel that we ought to talk to them on this subject until I positively know just what we can do for them in the way of deliveries, etc. and by the early part of December if things go well, I ought to know about where I am at in this respect. Please consider this and give me your views on the subject.

I note from your letter of October 2nd that J. W. Wells Lumber [fol. 678] Company has again cut prices. The list we sent you on Oct. 1st our No. 45 we think is pretty closely in line with what most of the mills are quoting and I believe as you do that their breaking loose with prices is not going to have any material effect in increasing buying. I look for things to be very quiet until after the first of the year or at least until after election, but I do believe that building will again start up in good shape by Spring.

I would like very much to move what flooring we have in stock but I doubt if price cutting is the proper course to pursue in order to do it, however if there are live orders in sight that will fit our stock and if the question of price is involved and you will give us a line on how far we are out of the way as quoted in our list No. 45, we shall be glad to consider reasonableness concessions for prompt shipment.

With kind personal regards, I beg to remain, yours very truly."

Letter dated Jan. 17, 1920, from Adams & Kelly Co. to West Mich. Flooring Co. Manistee, Mich., reading as follows:

DEFENDANTS' EXHIBIT W-23

"GENTLEMEN: We simply must get hold of one car of 13/16 x 2¼ Clear Maple Flooring and one car including 20,000 feet each of ⅜ x 1, ½ and ⅜ x 2" Clear Maple. We do not need this right away, but must have it coming in the spring.

Please quote us on same, if you possibly can, otherwise let us know where we might get shipment. Yours truly."

[fol. 679] Letter dated Jan. 21, 1920, from West Michigan Flooring Co. to Adams & Kelly Company, Omaha, Neb., reading as follows:

DEFENDANTS' EXHIBIT 23½

"GENTLEMEN: We have your letter of Jan. 17th in which you advise that you must have for spring delivery, one car of 13/16" x 2¼"

Clear and one car to consist of 20,000 ft. 3/8" x 1½" and 20,000 ft. 3/8" x 2" face Clear Maple Flooring.

We are sold ahead of our machines now on all of these items, in fact we are not quoting prices on Maple Flooring and have not been accepting any orders for the past six weeks due to our somewhat oversold condition and our desire to clean up on unfilled orders to some extent before reaching out for new business.

The market situation on lumber is such that we cannot consistently quote prices at this time for delivery in the spring, however if you can see your way clear to place your order with us for the items above referred to for shipment at our convenience as we can furnish the stock and estimated for delivery in the month of April 1920, and to be invoiced by us at the market prices in effect on the "Acme" Brand Maple Flooring at time of shipment, we shall be pleased to handle your order in this way for our best attention.

You no doubt have a fairly good idea of what the market values on this product have been during the past sixty days. To give you a line on the situation with respect to the "Acme" Brand Maple Flooring, we can say to you that the last sales we made on 13/16" x 2¼" Clear would figure $132.25 per M delivered Omaha and on the 3/8" x 1½" and 2" Clear @ $105.00 per M f. o. b. Omaha.

Since we recorded these sales there have been some substantiall ad- [fol. 680] advances in prices on rough Maple which necessarily will have its effect in prices on Maple Flooring, so that it is very fair to assume that prices will be higher than those above referred to. What extent they will be advanced for shipment so far ahead as April is something that we are unable to determine.

If you are interested in the proposition as outlined above we will welcome your order for one car each of the 3/8" and 13/16". Yours very truly."

Letter dated August 6, 1923 from Oval Wood Dish Corporation to F. M. Hodges, Jones Hardwood Company, 161 Devonshire street, Boston, Mass., readings as follows:

DEFENDANTS' EXHIBIT W-24

"GENTLEMEN: Your letter of August 4 is received, and we wired you as follows:

"Will accept Newburyport order without three eighths Birch."

and now confirm.

As the writer explained to Mr. Jones, it is very difficult and expensive for us to make small lots of 3/8" Flooring and for that reason do not want to furnish any of it. However, we have the 13/16 x 2¼ Clear Birch and the 13/16 x 3¼ No. 1 Birch in stock and would be able to ship this at once at the prices named in your letter. Yours very truly."

Letter dated March 7th, 1923, from John S. Helfrich, Baltimore, Md. to West Michigan Flooring Co. Manistee, Michigan, reading as follows:

DEFENDANTS' EXHIBIT W-25

"GENTLEMEN: Kindly quote us price F. O. B. Baltimore, subject [fol. 681] to our usual commission of $2.00 per M, on the following items:

39,000 ft. 13/16 x 2¼" face Clear Maple Flooring.
39,000 ft. 13/16 x 2¼" " #1 " "
39,000 ft. 13/16 x 2¼" " Factory " "
Shipments: 60 to 90 days, or at your convenience not later than 90 days.

We are asking a price on these difference grades because it is not definitely decided which grade of lumber will be used, but it is very possible that #1 or Factory grade will be used.

I shall be very glad indeed to have you keep me posted as to prices and conditions pertaining to orders for Maple Flooring from time to time, as there seems to be such a wide spread between the different quotations that our customers receive that they hardly know how to make a consistent estimate.

I shall also be glad to have you advise us from time to time prices on 13/16 x 2" face, in Clear, #1 and Factory. If you manufacture any Beech Flooring, kindly advice what will be the difference in price between the Clear, #1 and Factory grades in 13/16 x 2" and 2¼" face.

Trusting to be favored with a reply by return mail, I am Yours very truly."

[fol. 682] The foregoing letters dated in 1920, 1921 and 1923 are typical of our experience in the sale of flooring. Sometimes we would be able to meet competition and at other times not. We are continually hearing from wholesalers, representatives and other persons with respect to market conditions. The rough lumber market in 1919 and 1920 was a runaway market. Before it started we had made purchases of No. 1 Common ranging from $30.00 to $32.00 a thousand and No. 2 Common around $20.00 per thousand, and before very long we were paying as high as $85.00 a thousand for No. 1 Common and I think $65.00 for No. 2 Common. I don't think No. 1 Common went higher than $100.00.

We use the freight rate book gotten out by the Association exclusively as a lumber tariff. The freight rates from Manistee are practically identical to all points in the United States with those from Cadillac. There may be a few points where there is perhaps a difference of one or two cents per hundred weight, but I do not recall any point where the difference in freight rate between Manistee and Cadillac would exceed 50 cents per thousand on 13/16 maple flooring. That difference would not ordinarily affect the delivered

price of maple flooring. The average freight rate on carload lots of maple flooring from 17 producing points in Michigan and Wisconsin to 30 representative markets in the United States from Cadillac is 44.7 per cent and the average rate from Manistee is 45 cents. That difference would not affect the delivered price of flooring at all. Manistee has about 9,000 inhabitants and is located on the Pere Marquette and the Manistee & Northeastern. The Manistee & Northeastern is a short line running from Manistee to Traverse City, [fol. 683] connecting with the Pennsylvania there and connecting with the Michigan Central at Grayling. Up to a comparatively short time ago we had been more or less handicapped with respect to being able to obtain reliable information as to freight rates and for that reason we found that the rate book published by the Association was very valuable. It also served as a check against the rates quoted by our railroad offices, in which errors often occur. I understand the Association rate book is compiled by traffic experts and we have found it very reliable. We sell our flooring generally throughout the United States. The morning's mail may contain all the way from 10 to 20 inquiries from Maine to California and as far south as Louisiana.

"Q. I wish you would state what your experience was there in Manistee in attempting to get freight rates from the local agents.

A. We were considerably handicapped when we first went into the business there, back in 1907, by having no railroad office with complete sets of tariffs and files at that time. While Manistee has always been recognized as a lumber manufacturing center, the lumber produced has been hardwoods, hemlock, pine and products of that kind, which were marketed very largely in the State of Michigan, Illinois, Ohio, Indiana, Eastern Pennsylvania, some in the Western part of New York; and the railroad offices in our town were not very well equipped with freight tariffs so far as that particular market was concerned. When we went into the maple flooring business, necessitating our shipping our product to all markets, like the western markets, intermediate points in the west, we could not get that information, and very often we lost out on the business as the result of having to ask for those rates of our railroad connections. [fol. 684] and by the time the rate was quoted me very often it happened the other fellow had the business on his books."

We do not make a separate charge for freight as distinguished from the flooring when we make a delivered price on flooring. The purchaser pays the freight to the railroad company. He pays the actual freight and submits the freight bill to us, deducting the amount of the expense bill from the invoice. Our commission varies from nothing up to $3.00 per thousand.

Q. Do you know of any rule of the present Association which attemps to prescribe the commission?

A. I do not.

Q. What were your commissions, before the present Association was organized, in previous years?

A. Well we paid at one time as low as fifty cents per thousand,

one dollar per thousand, a dollar and a half up to two dollars per thousand; in some instances, to the present time, three dollars per thousand; as the price of the product advances we advance it a little more; it costs a little more to the other fellow, with the responsibility of carrying the account, and therefore he is entitled to a little larger commission.

Q. Did you have all these variations in the rate of commission from 1907 up to the organization of the present association, that is, as to commission?

A. Oh yes.

Q. Do you know of any rule prescribed by the other Association in that regard?

A. No rule that I ever observed, that I can recall.

[fol. 685] Q. I noticed in some of these freight rate books there is some data or statement with respect to the amount of commission which shall be allowed, and so forth. Did you follow that, or other persons?

A. I don't recall that I did. I don't believe anyone ever observed it.

Our terms of sale are 2 per cent cash fifteen days, or 60 days net. They are what we call our regular terms of sale. However, we make special terms as conditions might require. We have for example the Pacific Coast trade, California trade, which I mentioned; we make terms to those people of two per cent discount upon the arrival of the car; recognizing the fact that there is a certain delay, for the privilege of unloading and examining the stock, and it requires a little more than fifteen days for that car to go across the continent and so they can't take advantage of the discount in the 15 day period, and so we make it more or less elastic in cases of that kind, [fol. 686] and we also recognize in selling through representatives who guarantee our accounts, that where we invoice to them, if their customers take their discount from their invoice a few days later than fifteen days, we recognize their right to also take that discount from our invoice, otherwise they would be the loser in the transaction."

I know of no rules of the present Association regarding terms of sale. I consider myself free to follow any rule I like and have always done so.

"Q. Now how do you determine what prices you are going to sell your flooring at?

A. Well there are several factors enter into that. I take those weekly sales reports as one of several factors, analyze those, and by writing special letters as you have just read, to my various connections throughout the country, getting information from them as to what they know about the conditions that exist in their particular markets, taking into account my own stock condition, and so forth.

Q. State whether or not you consider the information in the trade papers?

A. I can't say I pay any particular attention to that; I do sub-

scribe to the Babson's, try to study that to the best of my ability, and sort of anticipate, as it were. I don't know as I get very far with it.

Q. Do you take any construction or building reports?

A. I do not.

Q. What is your opinion as to the statistics furnished by the Association?

A. They are valuable to me, as I just stated, the weekly sales re- [fol. 687] port, the weekly sales report of completed transactions, I use them as one factor in arriving at the prices that I should ask for my product, or try to obtain for it, and the stock conditions reports are particularly interesting and valuable to me in enabling me to determine or outline a policy of manufacture somewhat in advance of actual operation as to the quality of flooring that I shall aim to produce in the largest quantity to take care of the particular trade at the time when that trade demands that particular kind of flooring.

Q. Illustrate what you mean by that.

A. It is generally understood in the manufacture of maple flooring, that in the process of manufacture all three of the grades, Clear, No. 1 and Factory are produced at the same time. It is also true, however, that a manufacturer can manipulate his rough lumber by putting through certain qualities of rough lumber into his plant to produce the largest percentage of any one grade at any given time.

Q. What will produce the largest percentage of Clear and No. 1?

A. Well the quality that would run largely to No. 1 common and No. 2 common, particularly No. 1 common.

Q. What will produce the largest percentage of Factory?

A. I would put in my plant 3-A and possibly straight and 3-A and B combined. I am producing that at the present time. I realize from analyzing those statistics and from other sources of information that there is a great demand for factory flooring right [fol. 688] now, and I fully realize most of the manufacturers are loaded up with orders on it, and I am putting through my plant stock No. 3-A and B which I know will produce from experience anywhere from forty to sixty percent factory grade, that is, forty to sixty percent of my total grade will represent factory. On the other hand, if I put through certain stock which I have purchased from the Louis Sands Lumber Company, which is Michigan southern maple, very high grade, running about seventy percent No. 1 Common, thirty percent No. 2, I know that particular lot of lumber when manufactured into flooring, would produce not to exceed fifteen to eighteen factory, the balance 82, 85 No. 1 Clear, therefore I avoid as much as possible the accumulation in my warehouse of Clear and No. 1 during the time this demand for factory is on. That is one of the principal benefits that I receive from those stock reports, stock conditions or stocks on hand, unfilled orders and so forth, and I consider that very valuable to me, for the reason that as a manufacturer who purchases his rough lumber on the open market it is necessary for me to purchase rather large quantities at the present time, in advance of information, and sometimes I am able to manipulate this stock from time to time to suit the market con-

ditions and may be able to turn it over quickly and get away from the congestion in the warehouse.

The Court: Do you not regard that part of the report which deals with unfilled orders of considerable importance?

[fol. 689] A. Unfilled orders; all those statistics are taken into consideration, your Honor.

Q. The unfilled orders—what feature in the report gives you an idea of what is short and so you can manipulate your rough lumber and manufacture the grade particularly in the greatest demand, that is the unfilled orders?

A. I know from looking over this report the amount of stock on hand, the amount of business booked against them, I know what unit they had oversold or undersold as the case may be.

Q. What do you do in case it is over sold or under sold?

A. I try to produce the over-sold and produce less that is undersold.

Q. And that in your opinion is the most valuable of the statistics so far as you yourself are concerned?

A. That is the most valuable to me so far as I am concerned, yes, sir.

Q. What do you think about the re-inspection service of the Association?

A. Well the standardization, taking into account the re-inspection, is to my mind the most important work that the Association has ever been able to accomplish, particularly the re-inspection must not be overlooked, that is a very valuable feature to my mind.

Q. How does it affect you or how does it benefit you and under what circumstances?

A. The re-inspection feature has a tendency to protect the manu-[fol. 690] facturer so far as a certain type of lumber merchant being able to take advantage of him in the way of making unjust claims and demands.

Q. How about the public, wherein does it protect the public if at all? Wherein does the re-inspection service protect the public if at all, the consumer?

A. Well it protects the public indirectly by enabling the manufacture- to realize and perhaps in not writing off certain losses that would not otherwise exist if he were not held up, so to speak, by that particular type of merchant. The average cost would be higher and naturally he would have to ask more money, the way I look at it.

Q. Does it protect the honest buyer and the honest manufacturer as against the crooked dealer or crooked buyer?

A. Absolutely, yes, sir.

Q. How about the re-inspection service maintained by the Association?

A. Very thorough.

Q. Has it the confidence so far as you know, of the architects and wholesalers and buyers of the country?

A. It has so far as I know.

Q. Have you ever had occasion to have re-inspection?

A. Yes, sir.

Q. Were they uniformly found in favor, against you, or what?

A. As I recall they were in our favor in most instances at least; we haven't had more than three or four as I remember. We aim to produce a product that does not require it."

[fol. 691] Cross-examination.

By Mr. Fowler:

Q. Mr. Green, just a few questions. In determining the price at which you are going to sell your lumber you take into consideration the condition of your own stock?

A. Yes, sir.

Q. And of course those reports of yours, of your concern, tell what that condition is to all your competitors, doesn't it?

A. In a general way it does.

Q. I mean all the members of the Association.

A. It does in a general way, yes, sir.

Q. You also take into consideration the condition of your competitors' stock.

A. Not necessarily, no, not necessarily.

His warehouse conditions do not affect my condition.

Q. Do you mean to say you do not take into consideration the total amount of stock that is on hand?

A. If I am sold up on that particular item I would take it into consideration; if I am not, I wouldn't.

Q. Do you mean to say in fixing a price you do not consider the amount of maple lumber of that particular character that is in existence, to total quantity that is on the market and for sale, you don't take that into consideration?

A. I do to a degree, yes, sir.

Q. You get all that information from the members of the Association through those statistics don't you?

A. Yes, sir.

Q. Then you also take into consideration the demand for that character of maple flooring don't you?

A. Yes, sir.

[fol. 692] Q. You get that information through the Association, that is, the number of shipments and the number of sales and the quantity of sales?

A. I get those reports from the Association as a total, I don't get the individual reports.

Q. I don't care about the individual reports, but you get that information through the reports of the Association?

A. Yes, sir.

The Court: You did get individual reports didn't you up to July of this year.

A. That was sales reports, your Honor; this is stock conditions he refers to I believe.

Q. Don't the sales reports show the demand for lumber?

A. Yes, sir, to an extent, the quantity sold.

Q. Well it purports to report and show every sale does it not that is made by the members of your Association?

A. It is supposed to, those who report; there is no compulsion about reporting.

Q. But you do report?

A. Yes, sir.

Q. And other members are supposed to report?

A. Yes, sir.

Q. You also take into consideration the prices at which it is quoted in the market too, don't you?

A. That report as I——

Q. Will you answer the question?

A. That is one of the factors.

Q. You get that through the reports from the Association.

A. Yes, sir.

Q. Now aren't those the things you really consider in making up your prices, the condition of your own stock, the condition of [fol. 693] stock generally, that is, the quantity per sale, generally, the demand for lumber and the price at which it is moving, now aren't those the elements you consider in making up the price?

A. The information that I get from my representatives throughout the country is the basis upon which I make my prices.

Q. That is with reference to the demand and prices.

A. With reference to prices which I might be able to obtain for my product at different times.

Q. But these reports show exactly the prices that all your competitors who belong to the Association are getting for their lumber.

A. But those prices are not up to date.

Q. Well, within a week.

A. Great many things can happen within a week.

Q. Where is your mill located?

A. Manistee.

Q. You get yours considerably before the week is out, don't you?

A. I get—last week's reports would be delivered to me on Thursday of this week.

Q. Now in regard to your production, do you buy all of your rough lumber?

A. Yes, sir.

Q. You have no stumpage?

A. No, sir.

Q. You say you look at that report, at the various reports of production and the conditions of the stock on hand and things of that kind?

A. Yes, sir.

Q. And if you see that the market is stocked up on Clear, then you will buy in lumber that will make No. 1 and factory.

A. Yes, sir.

[fol. 694] Q. And if you see it is stocked up on No. 1 you will buy to produce more Clear and factory.

A. Well it does not—the Clear and No. 1, it isn't so easy to regulate the production of those two particular grades at it is to differentiate between the Clear and No. 1, and the factory.

Q. If you see it is stocked up on factory then of course you try to manufacture the other.

A. Yes, sir.

Q. Now if you see it is stocked up on all of these varieties, then you let up on your production, don't you?

A. No, not necessarily.

Q. Isn't it a fact now when you see it is heavily stocked up that you don't buy so freely and so abundantly?

A. I am forced to, perhaps, by warehouse conditions, my own warehouse condition in that case, I do stop.

Q. Well leaving out your warehouse, if you see the market is well stocked up and that there is no special demand for lumber, that it is not moving rapidly, don't you let up on production?

A. When I can move all my product I move it——

Q. When you see from the reports that the market is stocked up and that it is not moving rapidly, don't you let up on your purchases of raw material?

A. Yes, I perhaps do let up on my purchases on raw material, I don't purchase so far in advance perhaps.

Q. But when you see that the market is moving rapidly, that is, the market is high and the stock is moving rapidly, then you buy more liberally and put more lumber on the market.

A. Yes, sir, and if I think the market is right at the time, I buy.

[fol. 695] Q. And you get that information from the reports that come to you.

A. That is a factor, that is one factor in furnishing me that information.

Q. Well so far as stock on hand is concerned, that is about the only source of information you have got isn't it?

A. Yes, perhaps you are right about that; I guess you are.

Redirect examination.

By Mr. Johnston:

It is not possible to determine from the weekly sales reports what mill made any particular sale or to what destination any sale went. Individual manufacturers are not identified in the report, and it is not possible to tell the destination of any particular shipment or whether it moved north, east, west or south. A 27-cent rate might apply to manufacturing points in the East, West and South. All that one can tell is that a shipment took a certain rate.

"Q. When you receive those weekly reports of sales or any reports sent out by the association which show average prices received by the members of the association for a given commodity, given product, is the effect of your study and observation of those statistics as often to cause you to reduce the price as it is to advance the price; does it work both ways?

"A. If in analyzing those reports the sales show higher prices than I am obtaining I would be very apt to get in touch with my various connections throughout the different markets and ascer-

tain if they found conditions as I think they are, and if the prices are higher generally than my prices are, and my stocks or conditions are such as to warrant it, I would be very apt to advance my [fol. 696] prices. On the contrary, if those sales reports show those sales to be lower, I would obtain this same information from my connections and would reduce the prices to meet market conditions. It would work both ways."

Recross-examination.

By Mr. Fowler:

Q. Let us see about working both ways: As a matter of fact you always want to get all you can for your lumber?

A. We are in the business for that purpose.

Q. And now after you get those reports, and those reports show say that you are selling at 95 and that your competitors are selling at 90, just as long as you can get 95 you will get it won't you?

A. I presume I would, yes, sir.

Q. Yes, of course you will: never come down until you have to of course.

A. But it is fair to say——

Q. Is that true?

A. I come down to meet market conditions.

Q. You never come down until you have to, until pressure is brought to bear on you from the demand, isn't that true?

A. That is usually immediately, yes, sir.

Q. Whether it is usually immediately or not, just as long as you can get your 95 you are going to get is aren't you?

A. Yes, sir.

Q. But if you examine those reports and you are selling at 90, and they are selling at 95, you immediately are going to get your 95 if you possibly can, aren't you?

A. Not necessarily, if my stock condition does not warrant it.

Q. Not necessarily, but you are going to get it if you can, aren't you?

A. Within a period of time, yes, sir.

[fol. 697] Q. Just as quick as you can.

A. I presume so.

Q. Don't you know. You run your business that way to get all the money you can out of it.

A. Yes, sir.

Q. In regard to these present reports, when you take one of the weekly sales reports that you receive now, it is divided into groups isn't it?

A. Yes, sir.

Q. Take the Eastern and Lower Michigan mills, how many are in that group?

A. I don't recall off hand.

Q. Just four or five.

A. Something like that.

Q. And this report shows the sales that are made by each mill without naming the mill doesn't it?

A. I presume so, if I had one of those reports——

Q. That is you can tell by looking at the date on the left hand and then looking out at the freight, look at this one dated November 9, 1923 (showing witness), now the very first sale that is reported there is dated 10-16.

A. Yes, sir.

Q. And how many sales are there reported as of that date, right along in a group?

A. Four.

Q. There are four.

A. Yes, sir.

Q. And two No. 1 maple, and two clear.

A. Yes, sir.

Q. Having the same freight rate, don't they, 41 cents.

A. Yes, sir.

Q. Same commission.

A. Yes, sir.

Q. Then you know that very fellow made all those sales, you don't know which one.

A. No, I do not.

Q. But you know it is one of them.

[fol. 698] A. Fair to assume he did, yes, they were made by one manufacturer.

Q. So it is, you can run right down this list of eastern and lower Michigan mills and find that there is about ten sales on there, won't you?

A. Yes, sir.

Q. Well now aren't you familiar enough with that group of mills to know almost at once which one of the fellows did that?

A. No.

Q. Well you don't care very much about knowing which one of them, you just know those are sales made by those gentlemen in that group.

A. Yes, sir.

Q. And then you will go right on down and you find the next sales made by the Western Lower Michigan Mills, they are grouped also aren't they?

A. Yes, sir, I believe so.

Q. Yes, in the same way, and then under that, Upper Michigan Mills sales, grouped together.

A. Yes.

Q. And then next, Wisconsin mills, there are only a few in that group, is that true, four, and then next is the Chicago-St. Paul and Tupper Lake mills, that is just one mill at each place isn't it?

A. Yes, sir.

Q. So you can pick them out pretty easily.

A. They don't mean much to me at all.

Redirect examination.

By Mr. Johnston:

The 41 cent rate to which Judge Fowler called my attention might be the rate from different mills to the same point. There is no means by which I can take the freight rate and find out the destination of the shipment.

[fol. 699] JAMES E. DEWEY, being duly sworn, testified as follows:

Direct examination.

By Mr. Darby:

I am associated with the Kneeland-Bigelow Company, which was formerly the Bigelow-Cooper Company. The Kneeland-Bigelow Company plant is located at Bay City, Michigan. We manufacture lumber and maple, beech and birch flooring. We have to buy about 50 per cent of our rough lumber on the open market. I have been connected with our company since April 1st, 1919. Our company began to manufacture flooring in January, 1916, and joined an association called the Maple Flooring Manufacturers Association I think in October, 1916. We have continued to be members of succeeding associations. We own approximately 300 million feet of stumpage in the Lower Peninsula and about 75 million feet in the Upper Peninsula, which runs about 65 or 70 per cent maple, beech and birch, of which 80 per cent is maple. I am the sales manager of our company and have been since April 1st, 1919. We sell our flooring all over the United States and have exclusive representatives located in the important markets. The largest portion of our flooring is sold in the East and Middle West because the freight rates in that territory are an advantage to us over other manufacturers. We have the shortest line into the East of any of the manufacturers. Our exclusive representatives at various points throughout the United States handle our flooring on a commission basis. In some instances they buy the stock outright and invoice the customer themselves and in other instances we invoice to the customer and allow the representatives a commission. Our commissions vary from $1.50 to as high as $4.00 per thousand. I know of no rule of the Association which in any wise limits members with respect to what com-[fol. 700] mission shall be paid, to whom or when. I have never known of any such rule since I have been a member. We have always paid whatever commissions we pleased without objection by any members of the Association or the secretary. We get reports from our representatives with respect to market conditions in their respective territories. We send out our price lists regularly. Changes in prices depend on market conditions, but our price lists are changed possibly once a month.

"A. They are our own price lists; we send them to our representa-

tives and we send out the weekly report to our representatives showing our stock conditions, orders sold and surplus items, and very often on those reports we make certain concessions from our price lists on surplus items which we want them to move; those go out weekly, and of course we very often receive replies from our representatives upon receipt of those price lists or the weekly reports regarding conditions in their territory with reference to demand and prices, etc."

We sell retail and wholesale lumber dealers and have three salaried men who sell throughout Michigan, Ohio and Indiana. We also sell the consumers direct. I have never heard of any rule of the Association which restricts the member or which undertakes to restrict the member from selling to the consumer direct. In some instances we sell large contractors and in other instances when we receive inquiries from consumers where we have representatives we refer the inquiries to the representatives. We always protect our representatives if the inquiry comes from a market where we have one. If not, we don't hesitate to quote.

[fol 701] "Mr. Darby: If the court please, counsel has kindly consented that I may read the letter of March 7th, 1923, from John S. Helfrich, wholesale and commission lumber, Baltimore, Maryland, addressed to The West Michigan Flooring Company, which letter reads as follows:

'Kindly quote us price f. o. b. Baltimore, subject to our usual commission of $2.00 per M, on the following items: (then the various items of flooring are given).

'We are asking a price on these different grades because it is not definitely decided which grade of lumber will be used, but it is very possible that #1 or Factory grade will be used.

'I shall be very glad indeed to have you keep me posted as to prices and conditions pertaining to orders for Maple flooring from time to time, as there seems to be such a wide spread between the different quotations that our customers receive, that they hardly know how to make a consistent estimate."

Then there is some other stuff in the letter. I would like to introduce that along with the other Greene exhibits."

JAMES E. DEWEY resumed the stand for direct examination by Mr. Darby.

I testified before that we had special representatives all over the United States. We keep in very close touch with them concerning market conditions in their respective territories. We send out a weekly statement giving our stock conditions, orders on hand, surplus items, and usually accompany the same with a letter. Our repre- [fol. 702] sentatives answer the letter and usually give some idea of what the conditions are in their markets. We hear from our repre-

sentatives regularly about once a week. In a great many instances they advise us what flooring is being offered at by other concerns, so far as they are able to ascertain, and of course if our prices are high they usually notify us. The price lists we send out are ironclad. In some instances we make concessions on certain items in this weekly statement. In others our representatives notify us that our price on a certain item would be high and we would advise them to meet competition. The concessions that we give from our price lists would be on surplus items that we desire to move so as to keep our stock well balanced. Changes in our price lists or the sending out of new price lists depend upon market conditions. Price lists are sent out practically once a month, but at no fixed times. Market changes determine when they are sent out.

The document you hand me, which has been marked Defendant's Exhibit "Y" is one of our price list forms. The prices of flooring are written under those code words such as wren, sparrow, quail, duck, etc. We use code words for telegraphic purposes.

(Exhibit Y received in evidence.)

In determining our prices on flooring, the first consideration is our costs and then we are governed entirely by market conditions, supply and demand—competition. We fix our prices according to our own discretion without regard to any rules or data furnished by the Association. When we can't sell above cost or at cost, we naturally curtail our operations. We purchase about 50% of our rough lumber from outside sources and naturally if conditions are such that prices for flooring are below cost, we no longer purchase rough lum- [fol. 703] ber from others but run just enough to use up rough lumber of our own production. We have had to do this at various times. Or own situation determines this entirely. We have acted alone in this matter. I know of no agreement with any other person, firm or corporation whereby our production was to be curtailed or limited.

I am Chairman of the Cost Survey Committee and have been since it was organized in 1922. The document you hand me marked Defendant's Exhibit "Z" is a letter that I wrote to Mr. Keehn giving information regarding sales of rough lumber of which I had knowledged, or rather the document is a copy of a letter that I wrote to Mr. Keehn. The copy was taken from my file. I wrote the letter as part of my duties as Chairman of the Cost Survey Committee.

"Mr. Darby: I would like to read it to the court.

'June 2, 1922.

George W. Keehn, Secretary Maple Flooring Manufacturers Association, Chicago, Illinois:

'I believe it would be advisable to have a short meeting of my committee previous to the general meeting on June 21st, and therefore wish that you would send out notice to the members accordingly. We should have some information regarding the market price on lumber up to that date, and it might be well to appeal to the members

of the Association again, although our last effort did not avail much. The following sales are reported for week ending May 27th:

	No. 1 C	No. 2 C	No. 3 C A
1,000,000 ft. 4/4 f. o. b. cars Boyne City.....	$45.00	30.00	22.00
435,000 ft. 4/4 f. o. b. cars Grayling.....	45.00	26.00	....."

[fol. 704] I had information as to those sales at the time I wrote the letter. The Cost Survey Committee have done very little as a matter of fact. Practically all they do is to gather information regarding the cost of rough lumber and transmit it to Mr. Keehn. Mr. Keehn also receives the results of test runs from members as well as the marketing and manufacturing costs. He tabulates these data and shows us the result of such tabulation. In other words, he gives us the average result of those test runs and the manufacturing and marketing costs. From such data and the price of rough lumber he arrives at the cost of manufacturing and marketing flooring. The Cost Survey Committee held not more than three separate meetings since its organization. We have had disputes from time to time. I think Mr. Dregge once objected to the cost as it was arrived at, claiming that it was too low. Dregge's company is located at Grand Rapids where labor and other costs and plant investment are high and his cost was much higher than the average cost quoted by Mr. Keehn. In arriving at the average we did not consider Mr. Dregge's costs because he was operating under peculiar conditions at Grand Rapids. His higher cost was not representative of the cost of mills in smaller communities or mills that are closer to the supply or lumber or timber.

The Cost Survey Committee does not make any report about market conditions, nor does it make recommendations of any kind. It has never done so. The only report that has ever been made is the report regarding the prices of rough lumber. Our Committee never sees the reports that are made to Mr. Keehn by different members [fol. 705] concerning test runs. Those reports are held confidential by Mr. Keehn. Mr. Keehn merely reports what is the average result of those test runs.

Our Company has made test runs from time to time. We usually take two full kilns of rough lumber—about 80,000 feet, after making a careful inspection of the lumber as to grade. We separate the rough lumber from all the other rough lumber that goes through the mill. We clean up everything ahead of it—clean out the racks of finished product so that our floors are clean of all flooring and all rough stock that has previously gone into or come out of the mill. We then put the 80,000 feet of rough lumber through the mill and keep an accurate labor cost on it and then make a tally of the stock that is produced that goes into the warehouse. We ascertain the percentage of waste from the difference between the tally of the rough lumber and the tally of the finished product. We tally each face and grade of flooring separately in order to know just what is produced. It is considerable trouble to make one of those test runs and

it cuts down our production a little because of the time and pains involved in making one. The test runs are very accurate.

We have received benefits from average manufacturing and marketing costs data that are sent out from time to time by the Secretary. We compare them with our own costs and they are valuable in that way.

I was a member of the Market Conditions Committee for a short time, I think, during 1921.

Q. At that time what did the committee do, the Market Conditions Committee?

A. As I recall it, it is rather hazy, we held meetings and went over the statistical reports of the previous month given us by the Asso-
[fol. 706] ciation and analyzed them, and then the Chairman would usually make a report at the meeting of just what we found.

Q. You made a survey of conditions past and prospective?

A Yes.

Q. Did you make recommendations?

A. No, I don't recall any recommendations were made; it was just simply a report of the conditions.

Q. At that time, and in the judgment of your committee?

A. Yes, sir.

Q. Did you consider them binding upon your own company to follow?

A. No, there was nothing binding about them.

Q. Were they binding upon anyone so far as you know?

A. Not that I know of.

Q. State whether or not each man was free to draw his own conclusions and act independently of others, or whether they were binding upon the members of the Association then in existence?

A. They were not so understood. They were the same statistics that each member received anyway. Of course, they could make their own analysis, for that matter.

Q. I believe you stated that no such forecast or comment or reports are now made or have ever been made by the Cost Survey Committee?

A. No.

[fol. 707] Our plant was originally started in 1916 with three machines, or units. We added a unit in 1918 and another unit in July of 1923. We now have five units. A unit consists of matcher and two end matchers.

I analyze the statistics that are furnished us from time to time by the Secretary of the Association so as to get as intelligent an idea as possible of the condition of the industry. These statistics throw a great deal of light on that subject. I use the statistics in the same way as I use other information regarding general conditions. I prefer light rather than darkness so far as business conditions and the conditions of the industry are concerned. We also take the Babson Service, Brookmeier's and Whaley & Eaton's, as well as several of the trade journals. We find that all of them are helpful. We do not regard the statistics sent out by the Association

as conclusive. We consider them, of course, but our own conditions are after all the controlling factor.

The most important thing to me in the weekly sales reports issued by the Secretary is the quantity that is moved, that is, the quantity of the different sizes and grades, and the total quantity. That is the important thing. I never considered that the prices shown in the [fol. 708] weekly sales report were important because they are from a week to four weeks old; that is, they are based on quotations from a week to four weeks old, and I get information with respect to prices from my own connections before I get it from the weekly sales reports. We get information with respect to prices from different parts of the country from our representatives by letter or telegram. The weekly sales reports are based on quotations from a week to four weeks old. For instance, if a quotation were made yesterday to a prospective buyer on the Pacific Coast, it may be two weeks before an order is received, if at all. Then the report of that would not go in until the following Monday. The members of the Association would not get it until the last of that week, so that the sale contained in the report would be based upon a quotation made practically four weeks before. The reports would be of much greater value if they covered all manufacturers in the United States. I have no definite knowledge, but I should say that the members of the present defendant Association manufacture between 50 and 60% of the total production of maple, beech and birch flooring in the United States.

Q. In the practical conduct of your business, would the mere fact that in one of these weekly sales reports there were certain sales made by some manufacturer, a member of the Association, at prices higher than you had been getting, necessarily and of itself result in your raising your prices?

A. From one manufacturer?

Q. Yes.

A. No, that would not affect me at all.

Q. But say there were several sales?

A. Well, as a rule those prices fluctuate, so that there are as many above me as below me.

[fol. 709] Q. I beg your pardon.

A. I say, as a rule the prices fluctuate so that there are as many above me as there are below me. You are talking about an ideal situation that would not exist.

Q. That does not exist in practical business?

A. It would not exist, no.

In determining what prices we shall charge, our condition would govern almost entirely. I mean my stock conditions, my orders on [fol. 710] hand. We have a very large output, practically fourteen million feet a year and we have difficulty in keeping that sold. It is of a great deal more importance to me to have my plant produce to full capacity at all times than it is to raise my prices every time it is possible to do so. We would lose a great deal more money if our plant were compelled to curtail its output than we would by failing to get the top of the market at all times.

Q. Has it been your observation that merely because during one week some manufacturers get higher prices, than you do, that that means permanently higher prices, or would conditions fluctuate?

A. They fluctuate, of course.

Q. One week they might be higher and one week lower, and it would be sometime before it could be determined whether the market would be at a higher or a lower level, would it not?

Q. As I say, we usually have that information long before it is reflected in those weekly reports.

The weekly sales reports received from the Secretary do not give any identifying numbers of the members making the sales. The fact that a sale is made on a BD or any other rate would not give me any information as to who made the sale or where the shipment went to. We have no means of knowing or finding out who made the sale or where the shipment went to. The Secretary of the Association does not divulge any information as to who makes the sales or where the shipment went to. We cannot tell where the shipment went to because the rate stated in the report might apply to points in any direction. There are many different points with the same rate or with the same average rate of freight.

Cross-examination.

By Mr. Fowler:

Q. You say you have been Chairman of the Cost Survey Committee ever since these new Articles of Association were agreed upon?

A. I think it is ever since then; I am not sure; it was early in [fol. 711] that year.

Q. Your Committee and Mr. Keehn make up every quarter what is supposed to be the average cost of flooring?

A. Mr. Keehn does; yes, sir.

Q. Now, what is the information that you furnish Mr. Keehn?

A. The prices on the rough lumber.

Q. Now, you use in manufacturing flooring No. 1, No. 2, No. 3 Common?

A. Yes.

Q. And you endeavor to ascertain the prices of those grades of lumber moving in the market?

A. Yes, sir.

Q. Now, I have before me a sheet entitled "Average Cost Based upon Composite Result of Five test runs" which appears to be dated November 10, 1923, less than a month ago. Now, the information that you furnish to Mr. Keehn, is that contained under "Present Average Cost of Rough Lumber, flooring lumber, f. o. b. cars, flooring mills", is that it?

A. Yes.

Q. In this instance, No. 1 Common $57.00; No. 2 Common $37.00; No. 3 Common A $27.00; No. 3 Common $20.00.

A. That is right.

[fol. 712] Q. Is that all the information you furnish Mr. Keehn?

A. That is all we furnish Mr. Keehn; yes, sir.

Q. Where did you get that information?

A. From sales made by members of the Association, from manufacturers of lumber who sold their product and gave us the information.

Q. How do you get the information from the member? That is not contained in any of those reports?

A. No, we ask the members for it.

Q. And you have the members write you personally about what they are paying for lumber?

A. Not always; sometimes we write in to Mr. Keehn.

Q. Anyway, you get it through the Association?

A. To a large extent, yes. We get it outside of the Association also.

Q. But you try to get it, one of the sources anyway is the members of the Association?

A. One source is members of the Association.

Q. And then you inquire of everybody outside of the Association that you can?

A. Yes.

Q. And then you take all these reports into consideration and average them up, I suppose, as best you can?

A. That is the idea.

Q. And then you report to Mr. Keehn what the prices of these grades of lumber are?

A. Yes, sir.

Q. Then Mr. Keehn does the rest?

A. He does the rest.

Q. He is the figurer?

[fol. 713] A. He figures it up; yes, sir.

Q. You don't stand responsible for Mr. Keehn's figuring.

A. No, sir.

Q. Now, after Mr. Keehn has figured the whole thing up, then he sends out this report. Before going into that, he bases his computation upon that and upon the results of these test runs?

A. Yes, sir; and the manufacturing and marketing cost.

Q. The test runs gives the percentage of lumber that is lost by wastage?

A. It gives the waste and the quality of flooring produced in the various sizes and grades.

Q. From what source does Mr. Keehn get the manufacturing cost?

A. He gets it from the members of the Association.

Q. Various members of the Association send in to him answers to his questionnaire that is sent out?

A. Yes, sir, quarterly.

Q. Then he takes the answers to the questionnaire and takes your report as to the price of rough lumber?

A. Yes, sir.

Q. And the test runs, and then he makes all these figures from those three bases, you might say?

A. Compiles them; yes, sir.

Q. Then he sends out this sheet which purports to show the cost of every single grade of lumber, of every dimension or grade?

A. The flooring you mean?

Q. The flooring I meant.

A. Yes, sir.

Q. In this instance, he takes clear and he says, 13/16 x 1-1/2 $89.00; by two $89.00; 2-1/4 $94.00; 3-1/4 $79.00; and four $79.00; jointed 3-1/2 $84.00; 3/8 x 1-1/2 and 2 inch face $59.00. Then [fol. 714] he takes up No. 1 in the same way and factory in the same way, and distributes that among the various members of the Association?

A. Yes, sir.

Q. And so each one has before him the estimated cost of every single item of flooring that he has?

A. The average cost, yes.

[fol. 715] Our company manufactures and sells other lumber products besides flooring. I should say about 65 per cent of our product is maple. We manufacture basswood, soft elm, ash, a little oak, white pine and hemlock, besides maple, beech and birch. Whether we would reduce production of flooring because the monthly report shows that prices are not good and that there is a large supply of flooring, would depend upon our own stock conditions.. We try to run at full capacity all the time. We could not turn our production into something else because our plant is designed for hardwood flooring. We run at full capacity about 85 to 90 per cent of the time and have been doing so since April 1st, 1919, except that during 1920 and 1921 we were shut down for about two months.

Q. When market conditions will permit it you run to full capacity?

A. Absolutely.

Q. When market conditions won't permit it you won't run to full capacity?

A. Well, market conditions, of course, as I say, it is our own conditions.

Q. You said awhile ago that if you see that the market is stocked up and prices are not right good, then you will quit buying maple lumber?

A. Yes.

Q. And you will produce all that you reasonably can from your own lumber? That is, all you need from your own lumber?

A. I didn't make that statement. I said that if we found that we couldn't manufacture—buy rough lumber and manufacture it at a profit we stopped buying rough lumber.

Q. You say that now, don't you?

A. Yes, sir.

[fol. 716] Q. Don't you determine that very largely from the reports that come to you from the Association?

A. We determine it entirely by the amount that we receive for our flooring on the market.

Q. So far as the condition of the market is concerned, the quantity of lumber that is on the market, don't you determine that from the reports that come to you from the Association?

A. I don't just understand you. I said that we determine——

Q. I am asking you what the fact is.

A. Well, I told you that we determine entirely by the amount we receive for our flooring.

Q. I am talking about the amount of lumber that is on the market, you don't determine that from your own conditions?

A. Are you talking about lumber or flooring?

Q. I am talking about flooring. * * * I am now talking about flooring. How do you determine what the quantity of flooring is on the market?

A. As far as the Association is concerned we can determine from their reports how much flooring there is in stock, but that doesn't represent the market by any means.

Q. Here in Michigan doesn't it represent 90 per cent of the market?

A. In Michigan, yes, but we come in competition——

Q. In Wisconsin and Michigan doesn't it represent over 80 per cent of the market?

A. We come in competition with eastern producers.

Q. In the entire United States don't it represent over 70 per cent of the market?

A. I don't believe so.

Q. You don't know?

A. No, I don't.

[fol. 717] Q. You do consult those reports, don't you?

A. Yes, indeed.

Q. And you consult those prices too, don't you?

A. On the weekly sales report?

Q. Yes.

A. Yes, I consult them.

Q. And if you find that other people are getting higher prices than you, you try to move up to them, don't you?

A. Not necessarily.

Q. Of course not necessarily, you don't have to, but don't you?

A. No, not always.

Q. Not always but you do sometimes, don't you?

A. That would depend upon my own conditions.

Q. Do you mean to say now that when you see that other people are getting more money for their flooring than you do, that you don't try to go up to it?

A. I don't believe that such a situation ever existed.

Q. Will you please answer my question?

A. I am answering it.

Q. Do you mean to say then that you always charge more than the other fellows, is that what you mean to say?

A. I always charge more than some other people.

Q. You are always charging the most that you can get, aren't you?

A. Yes, indeed.

Q. A good deal has been said here about market conditions. Will you please tell me what market conditions are?

A. Market conditions?

Q. Yes.

A. The prices that are being paid for the product, the amount of stock that is offered and the amount of stock that is required.

[fol. 718] Q. And the shipments that are being made?

A. The shipments don't make much difference.

Q. Do you mean to say that the demand for lumber and the movement of lumber in the market doesn't mean something?

A. The demand means something, yes.

Q. Isn't the demand indicated by the movement in the market?

A. No, not entirely.

Q. Not entirely, but isn't it to some extent?

A. It would not reflect the exact condition because I might be shipping on orders today that I took a year ago.

Q. Doesn't it help reflect it?

A. No.

Q. It isn't an element at all?

A. No, it isn't an element.

Q. Shipments in the market are not an element at all of the market conditions?

A. Shipments are not an element at all. It is the demand today that indicates the conditions.

Q. Isn't the demand indicated by the shipments?

A. No, because flooring is sold months ahead.

Q. You mean to swear here that the shipments of lumber, the amount of the shipments, doesn't indicate anything about the demand for lumber?

A. Not today, no, sir.

Q. Is not today a part reflection of yesterday and of last week?

A. Yes, but I am speaking of months previous. I might sell a million feet for shipment in three months from now, in three months from now there may not be any demand at all.

Q. Take your own illustration, do you mean to say that that sale for a million feet wouldn't indicate anything at all three months from now?

A. No, sir.

[fol. 719] Q. Wouldn't mean anything to you at all?

A. Not as far as the demand is concerned at that time.

Q. It wouldn't mean anything at all?

A. Why certainly not, it wouldn't mean anything.

Q. Will you please tell me why these reports lot of them go back and tell the conditions a year ago?

A. Oh, that is merely for comparison, that is all.

Q. Just for comparison?

A. That is all.

Q. It don't mean anything at all?

A. Not as far as today is concerned.

Q. Say a week ago or two weeks ago or three weeks ago, it doesn't mean anything at all?

A. Two or three weeks ago, that is a different proposition.

Q. Don't these sales reports show the shipments within a week and a half?

A. The weekly sales report—if you will give me a chance I will answer your questions. You are trying to bulldoze me.
Q. I am not trying to bulldoze you.
A. He don't give me a chance at all, your Honor.

The Court: Let us desist from this.

—. ——.

A. Those weekly sales reports as I said are from a week to four weeks, based on quotations from a week to four weeks old.
Q. I have a sales report here that is suppose to be issued November 9th, doesn't this sales report show shipments on November the first?
A. It shows sales on November, 1st.
Q. Sales on November the first?
A. Yes, it shows——
Q. That is eight days beforehand?
A. That is the date that that order was received in the office of [fol. 720] the company who reports it, that doesn't necessarily mean that that was the date of the quotation.
Q. That may be all so, but it shows the amount of money that the fellow got on November first, doesn't it?
A. Yes, sir.
Q. Eight days before that was sent out?
A. That is the time he received the order, yes, sir.
Q. I am talking about sales.
A. That is the sale, yes.
Q. This is a report of sales made every week and shows the amount of money that the men got at that particular time?
A. Yes.
Q. They didn't get the money then, they got it later, didn't they?
A. I presume so.
Q. Likely sold on time, have not yet received pay for it, sent out, still you don't give any attention to that at all?
A. Not much.
Q. You do some, though?
A. Oh, a little, yes.

("The Average Cost based upon composite result of five test runs" sent out on November 10, 1923, was marked Gov. Ex. 67 and was received in evidence.)

Redirect examination.

By Mr. Darby:

The document you hand me marked Def. Exhibit AA is a report of the Association Inspector on his inspection made at our plant.

[fol. 721] "Mr. Darby: I would like to read this to the Court:

"Report of Association Inspection at Plant No. 45

Tenth Trip—May 29th

Inspection today shows your two upper grades in very good condition as to the strata, the Clear being only one point below, the number one at standard, but they are not clearly defined as to off-grade, there being some excess of that especially in the clear. The factory is abnormally high, being four points above our standard, which is plenty high. This is caused partly from the fact that you are running a good grade of lumber and partly by excessive trimming out of defects that would be allowable in this grade. This excess is in both the rough and finished strip, all of which was dis-[fol. 722] cussed with your new superintendent."

We regard the standard grades shipped by the Association as a minimum below which our grades must not fall, and not as a maximum. The rules call for lengths of from 1½ ft. and longer in No. 1. We put that grade up in 2 ft. and longer because we prefer to sell it that way and establish our product. Some members of the Association use selects and firsts and seconds rough lumber, or the entire product of the log in manufacturing flooring. If a manufacturer ships flooring that falls below the Association grades, there might be a complaint which would have to be made good in case the inspector found against the manufacturer. The probabilities are that there would be no complaint if the flooring shipped was above the standard.

CHARLES T. KERRY, being duly sworn, testified as follows:

Direct examination.

By Mr. Johnston:

I live at Saginaw, Michigan, and am in the lumber and maple flooring business. I am the president and general manager of the Kerry & Hanson Flooring Company of Grayling, Michigan. We manufacture about 6,000,000 feet a year. I give the matter of prices to be charged by our company for its flooring my personal attention. We take into consideration general market conditions, financial conditions, and the stock of flooring and amount of orders we have on hand. We read the trade papers and the various periodicals on business conditions, building reports showing the kind of buildings that are being constructed, etc., as well as the data sent out by the Secretary of the Association. Concerning reports of the secretary, the amounts of various grades of flooring on hand are all important to us so that we can regulate our output in order not to [fol. 723] get a large accumulation of flooring that is not salable. The reports help us materially along that line. The mere fact that in the weekly sales reports it appeared that a considerable number

of manufacturers were receiving somewhat higher prices for various grades of flooring than our company would not in and of itself cause us to raise our prices. We take into consideration the orders we have on hand and how soon the flooring on those orders will be required. We do not stop our production when the reports of the Association show that there is a considerable stock on hand of different grades of flooring. We shift the grade of lumber we use so as to manufacture flooring to correspond with our stock conditions and sales, but we keep on producing. We have run our plant at full capacity except in 1920 or 1921, when the shed got full and we did not care to go out and purchase any more lumber because we knew we could not move flooring. We ran as long as we could and until the shed got full. In order to get through the winter I think we shut down for about two months, when we were sure that the men could be taken care of. Grayling is a small town and we lose our men if we let them get away from us. We ran until our storage capacity was exhausted. Flooring must be kept under cover. I have never been a party to any agreement with other members of the Association to limit our production. Neither have I been a party to any agreement limiting our discretion in the matter of making prices for our flooring. The data furnished by the Association works both ways with respect to raising and lowering prices. We do not make changes every time some one else gets higher or lower prices than we do.

[fol. 724] Cross-examination.

By Mr. Fowler:

The Kerry & Hanson Flooring Company do not manufacture rough lumber. We buy from various mills around the country in the Lower Peninsula and in the Upper Peninsula of Michigan. I did have a little mill across the Straits that produced rough lumber, but I don't own it now.

Q. You were asked about what you considered in making up prices and you named a number of items, as a matter of fact, you get all of these statistics sent out by the Association?

A. Certainly.

Q. Don't you consider them?

A. Consider them in connection with other data I get, yes, sir.

Q. Don't you consider them, I am not speaking about other data, you consider them, don't you?

A. Why certainly.

Q. You are specially interested in what they show about stocks on hand, aren't you?

A. That is one thing that I look over regarding, yes, sir.

Q. You are interested in what it says about stocks on hand and you examine it with reference to that, don't you?

A. Yes, sir.

Q. And you are also interested in ascertaining whether or not there is considerable demand for flooring, aren't you?

A. I don't know as they show very much regarding the demand.

Q. Aren't you interested in it?

A. Certainly, a man is interested in whether there is a demand for his product or not.

Q. You take up these weekly sales reports, those weekly sales reports purport to report every sale that is made, don't they?

A. I don't know whether they report all of them or not, they report some sales.

[fol. 725] Q. You understand that the intention is to have every sale reported that is made by every member of the Association?

A. That is the intention, yes, sir.

Q. You examine that, don't you?

A. Why, not very much, no.

Q. Well, you examine it though, don't you?

A. Yes, I examine it sometimes, sometimes I don't see them, some weeks I don't see them at all.

Q. If those reports are correct they show the number of sales that have been made for the week ending the date that it purports to end, isn't that true, every single sale?

A. If they are all reported it shows them all; if they are not reported, it doesn't show them all.

Q. Then you can tell from that the quantity of lumber that is actually moving in the market and has moved within the last ten days, can't you?

A. No, sir.

Q. I am talking about so far as the membership is concerned, the sales don't indicate the amount of flooring that is being moved, what does indicate that?

A. The amount that is moved, the shipments.

Q. You look at the monthly report and you can tell how the shipments were at the beginning of that month, can't you—oh, you can, can't you?

A. Why you can if you look at it, yes.

Q. They are sent out for you too look at, aren't they, you know that. Now you say you determine your price by the amount of stock there is on hand, that you have got on hand and by the amount of stock there is in the market and also by the prices that lumber is bringing, don't you? Doesn't that have an effect on you? I mean flooring, when I speak of this lumber, I mean flooring.

[fol. 726] A. Why yes, those are the items, the three items we take into consideration, yes, sir.

Q. The prices at which the flooring was sold up to the end of the previous week is shown in those reports, isn't it?

A. I can't tell when the shipments are made——

Q. I am not talking about the shipments, the sales—it is shown in that report?

A. Those sales are supposed to be shown in that report, yes, sir.

Q. And you say the prices control you to some extent in making up your prices, if lumber is selling high, you sell high, don't you?

A. Naturally got to or go into bankruptcy.

Q. If lumber is bringing a high price you sell at a high price don't you?

A. Certainly.

Q. And if it is selling low naturally you will begin to drop down?

A. I would certainly have to.

Q. As a matter of fact you always get the most for your lumber that you can, don't you?

A. I undertake to; that is my intention; if I am a good salesman I do; if I am not a good salesman, I don't.

Q. That is what you are in the business for, to get all the money you can. If you see a number of other fellows are getting more for their lumber than you are getting, you will naturally try to get up to them, isn't that true?

A. You would naturally have a tendency that way, yes.

Q. Whether you have a tendency or not you as a matter of fact, do, don't you, you try to get up to them when you see they are getting more for their flooring than you are getting?

A. I take various matters into consideration.

[fol. 727] Q. The tendency is and you as a matter of fact try to get up to them, don't you?

A. I don't know as I set any one a mark to try to get up to, I will not say that I do.

Q. Just answer my question. As a matter of fact, when you see that others are getting more for their flooring than you are getting you try to get up to them?

A. When I see that lumber and all commodities of that kind are advancing I try to keep my price up to it; if I see they are going down, I try to keep them down.

Q. Don't you examine them to see what other fellows are getting for the lumber—flooring?

A. I do for the lumber and flooring both, yes, sir.

Q. When you see that your competitors, those other men, are getting more for their flooring than you are getting, then as a matter of fact you try to go up to them, don't you?

A. I try to advance with the market of the commodities I am handling, yes, sir, whether it is flooring or lumber or anything else.

Q. Some other fellows are selling lower than you and you are still getting your price for lumber, just as long as you can get that price you get it, don't you?

A. No, sir.

Q. You just voluntarily just give it to some fellow, do you?

A. No, sir. I have got some good customers who depend on me to furnish them with flooring and lumber and when the market does down I take care of them regardless of whether somebody else—to keep other people from getting my business away from me.

[fol. 728] Q. Do you mean to say that you are going to lower your prices voluntarily regardless of whether you can get a certain price for your lumber or not?

A. Not in the general market, no, sir.

Q. You have got some customers that you do *do* that for them?

A. Yes, sir.

Q. But in the general market you try to get all for your lumber that you can, don't you?

A. If a man didn't he wouldn't stay in business very long.

"Mr. Johnston: I will just hand this stipulation with reference to the witnesses who are not called——

The Court: You may read it.

Mr. Johnston: 'It is stipulated by the parties to this suit and their attorneys, that the individual defendants and the officers, representatives and agents of the corporate defendants who have not testified in this suit, would, if placed on the witness stand, testify to substantially the same effect and to similar facts and circumstances as did the witnesses De Witt, Ralston, Green, McLurg, Dewey, Saunders, Klesner, Colby, Shepeck, Kerry and Hodges, and that they would produce data and correspondence similar in character to that produced by and offered in evidence in connection with the testimony of the witnesses above mentioned.' "

[fol. 729] The depositions of George W. Keehn, M. R. Robertson, E. Bartholomew, C. A. Flanagan, A. P. Hawley, L. J. Koerble, Edwin W. Haack, A. B. Claney, Edward B. Gordon, Grant Keehn, C. L. Bert, R. H. Gillespie, C. J. Heniff, L. L. Barth, G. J. L. Janes, taken in Chicago, and the deposition of William C. McConnell, Lester N. Godfrey and William Bacon, taken in Boston; the depositions of George A. Waest, Raymond W. Storm, Paul T. Ribett, and Ralph A. Brown, taken in New York City; the depositions of Elmer A. Pfisterer, W. J. Barnett, George E. Lippencott, W. N. Lawton, taken in Philadelphia, and the depositions of Prof. Albert John Hettinger, Jr., and Prof. Homer B. Vanderblue, taken at Cambridge, Mass., were introduced and read in evidence.

Mr. Fowler: We interpose objections to the testimony of Grant Keehn, Edward B. Gordon, Professor Homer B. Vanderblue, Professor Albert John Hettinger, Jr., G. J. L. Janes and V. L. Bert as immaterial.

DEPOSITION OF L. L. BARTH, TAKEN, PURSUANT TO STIPULATION, AT CHICAGO, ILLINOIS, ON OCTOBER 23D, 1923

Said witness, being first duly sworn, testified as follows:

Direct examination.

By Mr. Darby:

I am 73 years of age. My business is lumber and I have been engaged in that business since 1878. I am the senior vice-president of the Edward Hines Lumber Company, which has several subsidiary lumber companies. The Edward Hines Lumber Company started in business in 1891 or 1892. As Senior Vice-President I oversee the selling and buying. I am one of the original incorporators of the

Edward Hines Lumber Company and am a stockholder and director of that Company. The Edward Hines Lumber Company does a general retail and wholesale lumber business. We have retail and wholesale yards here in Chicago, besides numerous mills in Mississippi, Minnesota and other places. We have the largest lumber yard [fol. 730] in the world here in Chicago. It is located on Lincoln Street and Blue Island Avenue. In that one yard we handle about 300,000,000 feet a year. All told, both directly and indirectly, the Edward Hines Lumber Company handles about a billion feet of lumber of all kinds annually. The buying is done in Chicago under my supervision. The Edward Hines Lumber Company do not manufacture maple, beech or birch flooring except a little at Park Falls for our own consumption there. The Edward Hines Lumber Company has never at any time been a member of any Association named the Maple Flooring Manufacturers Association. The Edward Hines Lumber Company handles in its Chicago yards from three to five million feet of maple, beech and birch flooring annually. The Edward Hines Lumber Company ship its products all over the United States and also have a large export business. We have done business at one time or another with Bigelow-Cooper Company, the East Jordan Lumber Company, Flanner-Steger; Holt Hardwood Company, William Horner, North Branch Flooring Company, I. Stephenson Company, J. W. Wells Lumber Company, Wisconsin Land & Lumber Company, W. D. Young & Company, T. Wilce Company, and other members of the different manufacturers flooring associations, besides those named, but I have named the principal ones, including the Foster-Latimer Company and Mitchell Bros. We may have had quotations from all the different maple flooring manufacturers. In the conduct of our business we keep in touch with market conditions and the price of maple, beech and birch flooring by means of sending out inquiries addressed to practically all manufacturers of maple flooring. The representatives of such manufacturers in Chicago also call us up and we get information from them. Also from conversations had with other lumbermen in Chicago with respect to what they are paying, etc. We also receive from time to time price lists from the different manufacturers of maple, beech and birch flooring. [fol. 731] Such competition has at all times been active and vigorous. I know that there has been such competition because customers who have come to us not only have told us, but have showed us what other people's prices were and have inquired whether we could meet that competition. Sometimes we have been able to and sometimes we have not. We have at all times endeavored to buy maple, beech and birch flooring as cheap as possible, provided the quality was what we wanted. If a manufacturer produced a quality equally as good as other manufacturers, why we would buy at the lowest price, but if the manufacturer was a small fellow and his grades were uncertain, we would not consider his price at all. In other words, we prefer to buy from a responsible manufacturer whose quality is good, even though we might have to pay a somewhat higher price. The matter of deliveries would also enter into consideration in determining from whom we should buy. I consider that it is to our in-

terests as a buyer that there should be free and full competition among the manufacturers of maple, beech and birch flooring, and that is what I am in favor of. If a person were to tell me that during all the time since 1895 or any part thereof there had been no competition among the manufacturers of maple, beech and birch flooring, and that by various devices said manufacturers and their confederates had established and maintained a practical uniformity of f. o. b. mill and delivered prices of maple, beech and birch flooring, I would say that he did not know what he was talking about. I do not think that a man that has had any experience in the lumber business would make such a statement. He might know something about the lumber business, but his experience would be very limited. I have never suspected that I was being victimized in the [fol. 732] manner charged by the Federal Government in its petition in this case. From my knowledge of the lumber business and talks with other yard men, I can say that all yard men in Chicago feel that there has always been competition among the manufacturers of maple, beech and birch flooring. I have never observed any uniformity, whether practical or otherwise, in the prices for maple, beech and birch flooring by the different manufacturers. There might be a case or two where on one item they might be the same, but as a general proposition no. The prices have always varied and that variation has been pretty substantial in many cases. From my knowledge of the lumber business I can say that the variation or difference in prices of the different manufacturers of maple, beech and birch flooring has been as great as the variation in prices of the other lumber products that I buy. If there had been a practical uniformity of prices, or if the prices of maple, beech and birch flooring had been artificially regulated and controlled by a group of manufacturers, I do not think that such a condition could exist 24 hours before I would become aware of it. This for the reason that we are buying every day and we would immediately learn of any uniformity of price. I do not think there was ever a time during my extended experience when all the quotations that we received were all the same. There has never been a time when they were practically uniform. From my experience I would say that the prices of maple, beech and birch flooring in Chicago have ben governed by the law of supply and demand, and that such prices have not been artificially manipulated and fixed by some group of manufacturers. This information is based upon my experience in the purchase and sale of from three to five million feet of maple, beech and birch flooring an- [fol. 733] nually. I believe that there is now and has always been free, active and vigorous competition among the different manufacturers of maple, beech and birch flooring. The papers you hand me which have been marked Defendants' Barth Ex. 1 for identification are an inquiry dated September 15, 1922, that was sent out by the Edward Hines Lumber Company for 15,000 feet 13/16ths by 1½ inch face Clear maple flooring, and also for a car of 13/16th by 2¼ inch face clear maple flooring, addressed generally to manufacturers of maple, beech and birch flooring, and the answers of different manufacturers who quoted on said inquiry. Said quotations received

by us on the 15,000 feet of 13/16 by inch and a half clear maple flooring were as follows:

Nichols & Cox, $85.50 less $2.00 commission.
J. W. Wells Lumber Co., $87.50, less $2.00 commission.
Wisconsin Land & Lumber Co., $102.25.
Kerry & Hanson Lumber Co., $85.00, less $2.00 commission.
Below Lumber Co., Marinette, Wis., $87.50.
Beck Lumber Co., $89.75.
I. Stephenson trustees, $92.75.
Strable Lumber & Salt Co., $94.50, less $2.00 commission.
W. D. Young & Co., $92.50, less $2.00 commission.

The prices above mentioned were F. O. B. cars Chicago. I think that we buy about 95 per cent of our flooring f. o. b. cars Chicago. This enables us to know in advance what the flooring is going to cost us here and we prefer that the manufacturers accept the risks incident to transportation.

EXTRACTS FROM BARTH'S EXHIBITS 2-22, ETC.

The documents you hand me marked Defendants' Barth Exhibit 2 for identification are an inquiry of the Edward Hines Lumber Company, dated January 30th, 1923, for a car of 13/16th by 3-1/4 inch face clear maple flooring, 7 to 14 feet long, and the quotations that we received in response to said inquiry. Said quotations were as [fol. 734] follows:

William Horner, $108.00.
Kneeland-Bigelow Lumber Co., $129.50.

Defendants' Barth, Exhibit 3 for identification, is an inquiry sent out by the Edward Hines Lumber Company, on July 28th, 1922, for 175,000 feet of 13/16th by 2-1/4 inch clear and No. 1 maple flooring, shipments to be made in six months together with the quotations received from manufacturers. Said quotations were as follows, for the Clear:

Ward Bros., $96.25.
Cummer-Diggins, $97.00.
Horner, $97.75, less $2.00 commission.
I. Stephenson, $97.75.
J. W. Wells Lumber Co., $95.00 f. o. b. cars Menominee. The freight from Chicago to Menominee would be $2.50 per thousand.
Kerry & Hanson Lumber Co., $99.50 less $2.00 commission.
Northwestern Cooperage & Lumber Co., $94.75.
Flanner & Steger Land & Lumber Co., $97.75.
Strable Lumber & Salt Co., $99.75, less $2.00 commission.

The quotations received on the No. 1 were as follows:

Ward Bros., $86.25.
William Horner, $87.75.
I. Stephenson, $87.75.

Kerry & Hanson Lumber Co., $89.50, less $2.00 commission.
Northwestern Cooperage & Lumber Co., $84.75.
Flanner & Steger Land & Lumber Co., $82.75.

The documents marked Defendants' Barth Exhibit 4 for identification are an inquiry of the Edward Hines Lumber Company, dated November 8th, 1922, for prices on 400,000 feet of 13/16th by 2 inch face clear maple flooring and the qutations received are as follows:

William Horner, $89.00, less $2.00 commission.
Ward Bros., $92.50.
W. D. Young & Co., 94.00, less $2.00 commission.
Bigelow-Cooper Co., 94.00, less $2.00 commission.
Flanner-Steger Land & Lumber Co., $89.00.
Kerry & Way, 94.00, less $2.00 commission.
West Michigan Flooring Company, $94.50.

That inquiry was sent out by us in order to bid on one section [fol. 735] of the Illinois Merchants National Bank Building now under construction.

The documents you hand me marked Defendants' Barth Exhibit 5 for identification, a re an inquiry sent out by the Edward Hines Lumber Company on July 14th, 1922, for five cars of 13/16th by 2 1/4 inch face Clear, No. 1 and Factory flooring, and the quotations that we received, said quotations being as follows:

On the Clear:

Ward Bros., $92.75.
I. Stephenson, 95.25.
William Horner, 94.75, less $2.00 commission.
Robbins Flooring Co., 91.50.
Wisconsin Land & Lbr. Co., 99.75.
Bigelow-Cooper Co., 99.75, less $2.00 commission.
Northwestern Cooperage & Lumber Co., $94.75, less $1.50 commission.
R. Connor Co., $101.00.
Strable Lumber & Salt Co., 94.75, less $2.00 commission.

The quotations that we received on the No. 1 flooring were as follows:

Ward Bros., $82.75.
I. Stephenson, 82.50.
William Horner, 84.75, less $2.00 commission.
Robbins Flooring Co., 75.00.
Wisconsin Land & Lumber Co., 89.75.
Bigelow-Cooper Co., 84.75, less $2.00 commission.
Northwestern Cooperage & Lumber Co., $84.75, less $1.50 com'n.
Strable Lumber & Salt Co., 84.75, less $2.00 commission.

The quotations on the factory were as follows:

Ward Bros., $31.75.
North Branch Flooring Co., 30.00.
I. Stephenson, 37.75.
Wm. Horner, 35.00, less $2.00 commission.
Robbins Flooring Co., 31.50.
Wisconsin Land & Lbr. Co., 39.75.
J. W. Wells Lumber Co., 32.50.
Foster-Latimer Lumber Co., 32.75.
Bigelow-Cooper Co., 34.75, less $2.00 commission.
Northwestern Cooperage & Lumber Co., 34.50, less $1.50 commission.

[fol. 736] The documents you hand me marked Defendants' Barth Exhibit 6 for identification, are an inquiry of Edward Hines Lumber Company, of November 10, 1922, for two cars of 13/16th by 2-1/4 inch factory maple flooring, and the quotations that we received in response to said inquiry. Said quotations were as follows:

West Michigan Flooring Co., $44.50.
Strable Lbr. & Salt Co., 44.50, less $2.00 commission.
W. D. Young & Co., 44.00, less $2.00 commission.
Kerry & Way, 44.00, less $2.00 commission.
Flanner-Steger Land & Lumber Co., 42.00.
Northwestern Cooperage & Lumber Co., 41.50.
I. Stephenson, 42.00.
Foster-Latimer Lbr. Co., 37.50.
Bigelow-Cooper Co., 41.00.

The documents you hand me marked Defendants' Barth Exhibit 7 for identification are an inquiry of the Edward Hines Lumber Co., dated January 13, 1923, for 13/ 16ths by 2-1/4 inch Factory maple flooring f. o. b. cars Plymouth, Wisconsin, and the quotations that were received in response thereto. Said quotations are as follows:

Northwestern Cooperage & Lumber Co., $41.00.
Kerry & Hanson Flooring Co., 42.50.
Holt Hardwood Co., 42.00.
Foster & Latimer Lumber Co., 42.50.
I. Stephenson Co., 43.00.
Ward Bros., 43.25.
J. W. Wells Lumber Co., 42.50.
William Horner, 40.50.
Kerry & Way, 42.50.
Kneeland-Bigelow Lumber Co., 42.50.
Flanner-Steger Land & Lumber Co., 42.50.
W. D. Young & Co., 50.25.

At the same time we made an inquiry for 13/16th by 2-1/4 inch clear, 13/16th by 2-1/4 inch No. 1 f. o. b. cars, Logan, Utah. The quotations that we received on the clear were as follows:

[fol. 737] Holt Hardwood Co., $114.50.
William Horner, $109.00.
Flanner-Steger Land & Lumber Co., 114.50.

The quotations received on the No. 1 were as follows:

Holt Hardwood Co., $104.50.
William Horner, 99.00.
Flanner-Steger Land & Lumber Co., 104.50.

The documents you hand me marked Defendants' Barth Exhibit 8 for identification, are an inquiry of the Edward Hines Lumber Co., dated January 6, 1923, for 13/16th by 2¼ inch clear, No. 1 and Factory maple flooring f. o. b. cars Chicago, and the quotations received in response thereto. The quotations on the Clear were as follows:

R. Connor Company, $99.50.
Foster-Latimer Lumber Co., 99.50, less $2.00 commission.
Holt Hardwood Company, 104.50, less $2.00 commission.
Ward Bros., 97.25.
Kneeland-Bigelow Lumber Co., 99.00, less $2.00 commission.
West Michigan Flooring Co., 98.50.
Flanner-Steger Land & Lumber Co., 97.00.
Strable Lumber & Salt Co., 99.50.

The quotations that we received on the No. 1 were as follows:

R. Connor Company, $89.50.
Foster-Latimer Lumber Co., 89.50, less $2.00 commission.
Holt Hardwood Co., 94.50, less $2.00 commission.
Ward Bros., 87.25.
Kneeland-Bigelow Lumber Co., 89.00, less $2.00 commission.
West Michigan Flooring Co., 88.50.
Flanner-Steger Land & Lumber Co., 87.00.
Strable Lumber & Salt Co., 89.50.

The quotations that were received on the Factory flooring were as follows:

[fol. 738] R. Conner Company, $44.50.
Foster-Latimer Lumber Co., 44.50, less $2.00 commission.
Holt Hardwood Company, 44.50, less $2.00 commission.
Ward Bros., $42.25.
Kneeland-Bigelow, 44.00, less $2.00 commission.
West Michigan Flooring Co., 43.50.
Flanner-Steger Land & Lumber Co., 41.00.
Strable Lumber & Salt Co., 44.50.

Mr. Darby: I should like to read into the record from the letter of Ward Brothers of date January 9th, 1923, making the quotations that Mr. Barth has read into the record, the following words:

"We appreciate receiving this opportunity to quote you, and trust that you may decide to favor us with the business. Our flooring is manufactured strictly in accordance with MFMA rules, and we are confident that the quality would please your trade."

The letters "M. F. M. A." as used in the foregoing excerpt from the letter from Ward Brothers stand for Maple Flooring Manufacturers' Association, said letter being part of Defendants' Barth Exhibit 8 for identification.

The documents you hand me marked Defendants' Barth Exhibit No. 9 for identification in an inquiry of the Edward Hines Lumber Company, sent out on December 6th, 1922 for 13/16th by 2¼ inch face Clear, and factory maple flooring f. o. b. cars Chicago and the quotations that were received in response thereto. The quotations that were received on the Clear were as follows:

R. Connor Company, $99.00.
Foster-Latimer Lumber Co., 99.50, less $2.00 commission.
William Horner, 99.50, less $2.00 commission.

The quotations received on the Factory were as follows:

[fol. 739] R. Connor Company, $42.00.
Foster-Latimer Lumber Co., 39.50, less $2.00 commission.
William Horner, 39.00, less $2.00 commission.

The documents you hand me marked Defendants' Barth Exhibit 10 for identification, are an inquiry sent out by the Edward Hines Lumber Company, March 26th, 1923, for 25,000 feet of 13/16th by 3½ inch jointed Factory maple flooring and the quotations that were received from different manufacturers in response thereto. The quotations that we received were as follows:

Kneeland-Bigelow, $62.50, less $2.00 commission.
Holt Hardwood Company, 63.00.
W. D. Young & Co., 64.50, less $2.00 commission.
J. W. Wells Lumber Co., 64.50.

The documents marked Defendants' Barth Exhibit 11 for identification are an inquiry of Edward Hines Lumber Company, dated November 28th, 1922, for 800,000 feet of 13/16th by 2 inch face Clear maple flooring and the quotations received in response thereto. Said quotations are as follows:

Ward Brothers quoted on 150,000 feet at $90.00.
Bigelow-Cooper quoted on 150,000 feet at $94.00, less $2.00 commission.
W. D. Young & Co., quoted on 200,000 feet at $94.00, less $2.00 commission.

The documents marked Defendants' Barth Exhibit 12 for identification are an inquiry of the Edward Hines Lumber Company dated

November 16th, 1922, for two cars of 13/16ths by 2¼ inch Factory maple flooring and the quotations received in response thereto. Said quotations are as follows:

Wisconsin Land & Lumber Co., $39.00.
Kerry & Way, 44.00, less $2.00 commission.

[fol. 740] The documents marked Defendants' Barth Exhibit 13 for identification are an inquiry of the Edward Hines Lumber Company, dated May 24th, 1923, for the delivery at Boyd, Iowa, of 13/16th by 2¼ inch Clear maple flooring and 13/16th by 1½ inch clear maple flooring, and the quotations received in response thereto. The quotations received on the 13/16th inch by 2¼ inch Clear maple flooring were as follows:

Foster-Latimer Lumber Co., $117.00, less $2.00 commission.
Wisconsin Land & Lumber Co., 117.00, less $2.00 commission.
J. W. Wells Lumber Co., 110.00, less $2.00 commission.
Northwestern Cooperage & Lumber Co., 112.00.

The quotations received on the 13/16th by 1½ inch clear flooring were as follows:

Foster-Latimer Lumber Co., $107.00, less $2.00 commission.
Wisconsin Land & Lumber Co., 107.00.
J. W. Wells Lumber Co., 100.00, less $2.00 commission.

The document marked Defendants' Barth Exhibit 14 for identification are an inquiry of the Edward Hines Lumber Company, dated December 6, 1922, for 13/16ths by 2¼ inch face Clear and Factory maple flooring and the quotations that were received in response thereto. The quotations received on the Clear were as follows:

Cummer-Diggins Company, $99.00, less $2.00 commission.
Kerry & Way, 99.00, less $2.00 commission.
Ward Brothers, 97.25.
J. W. Wells Lumber Co., 99.00, less $2.00 commission.
West Michigan Flooring Co., 99.00.
Robbins Flooring Co., 95.00.
Strable Lumber & Salt Co., 99.50, less $2.00 commission.
Holt Hardware Co., 94.50, less $2.00 commission.

[fol. 741] The quotations received on the Factory were as follows:

Cummer-Diggins Co., $45.00, less $2.00 commission.
Kerry & Way, 44.00, less $2.00 commission.
Ward Brothers, 42.25.
J. W. Wells Lumber Co., 44.00, less $2.00 commission.
West Michigan Flooring Co., 44.00.
Robbins Flooring Co., 40.00.
Strable Lumber & Salt Co., 44.50, less $2.00 commission.
Holt Hardwood Co., 44.60, less $2.00 commission.

The documents you hand me marked Defendants' Barth Exhibit 15 for identification, are an inquiry of the Edward Hines Lumber Company, dated November 21, 1922, for 25,000 feet of 13/16th by inch and a half, 2 inch and 2¼ inch Clear maple flooring, 6 feet and up, and the quotations received in response thereto. The quotations received were as follows:

On the 1½ inch:

William Horner, $97.00, less $2.00 commission.
Strable Lumber & Salt Co., 97.50, less $2.00 commission.

The quotation we received on the 2 inch face was made by William Horner at $100.00, less $2.00 commission.

The quotations that we received on the 2¼ inch face were as follows:

William Horner, $105.00, less $2.00 commission.
W. D. Young & Co., $106.00, less $2.00 commission.

The documents you hand me marked Defendant's Barth Exhibit 16 for identification are an inquiry of the Edward Hines Lumber Company, dated September 15th, 1922, for 13/16th by 1½ inch and 2¼ inch clear maple flooring, and the quotations that were received in response thereto. The quotations received on the 1½ [fol. 742] inch face were as follows:

Holt Hardwood Company, $89.75, less $2.00 commission.
William Horner, 89.00, less $2.00 commission.
Ward Brothers, 86.75.
Nichols & Cox Lumber Co., 85.50, less $2.00 commission.
R. Connor Company, 94.75.
Bigelow-Cooper Co., 89.50, less $2.00 commission.
Beck Lumber Company, 90.00.

The quotations received on the 2¼ inch clear were as follows:

Holt Hardwood Company, $99.75, less $2.00 commission.
William Horner, 99.50, less $2.00 commission.
Ward Brothers, 99.75.
Nichols & Cox, 99.50, less $2.00 commission.
R. Connor Company, 99.75.
Bigelow-Cooper, 99.75, less $2.00 commission.

The documents handed me marked Defendants' Barth Exhibit 17 for identification are an inquiry of the Edward Hines Lumber Company, dated February 16th, 1923, for one car of 13/16ths by 3¼ inch face factory maple flooring delivered at Auburn, New York, and the quotationes received in response thereto. The said quotations are as follows:

William Horner, $55.50, less $2.00 commission.
J. W. Wells Lumber Company, $57.50, less $2.00 commission.

The documents you hand me marked Defendants' Barth Exhibit 18 for identification are an inquiry of the Edward Hines Lumber Company, dated March 14th, 1923, for 50,000 feet of 13/16th by 2¼ inch face factory maple flooring and the quotations received in response thereto. Said quotations are as follows:

[fol. 743] William Horner, $55.00, less $2.00 commission.
Ward Brothers, 54.25.
Flanner-Steger Land & Lumber Co., $54.00.

The documents you hand me marked Defendants' Barth Exhibit 19 for identification are an inquiry of the Edward Hines Lumber Company, dated May 16th, 1923, for one car each of 13/16th by 2¼" Factory, clear and No. 1 Flooring and the quotations received in response thereto. Said quotations on the factory were as follows:

Flanner-Steger Land & Lumber Co., $54.00, less $1.00 commission.
Kneeland-Bigelow, 59.00, less $2.00 commission.
W. D. Young & Co., 59.00, less $2.00 commission.
Foster-Latimer Lumber Co., 59.00, less $2.00 commission.
Ward Brothers, 57.25.
Indiana Flooring Co., 61.00, less $2.00 commission.

The quotations received on the Clear were as follows:

Kneeland-Bigelow, $109.00, less $2.00 commission.
W. D. Young & Co., 114.00, less $2.00 commission
Foster-Latimer Lumber Co., 114.00, less $2.00 commission.
Ward Brothers, 109.25.
I. Stephenson, 113.00.
Indiana Flooring Co., 114.00, less $2.00 commission.

The quotations received on the No. 1 were as follows:

Kneeland-Bigelow, $99.00, less $2.00 commission.
W. D. Young & Co., 104.00, less $2.00 commission.
Nichols & Co., 99.00, less $2.00 commission.
Foster & Latimer Lumber Co, 104.00, less $2.00 commission.
Ward Brothers, 99.25.
I. Stephenson Company, 98.50.
Wisconsin Land & Lumber Co., 99.00, less $1.50 commission.
Indiana Flooring Co., 104.00, less $200 commission.

[fol. 744] The documents you hand me marked Defendants' Barth Exhibit 20 for identification are an inquiry of the Edward Hines Lumber Company, dated September 5th, 1922, for one car load of 13/16th by 3¼ inch factory maple flooring and the quotations that were received in response thereto. Said quotations are as follows:

J. W. Wells Lumber Co., $39.00, less $2.00 commission.
W. D. Young & Co., 45.00, less $2.00 commission.

At the same time we also made an inquiry for 13/16ths by 2¼ inch factory maple flooring. Said quotations that we received were as follows:

Bigelow-Cooper, $45.00, less $2.00 commission.
Holt Hardware Co., 37.75, less $2.00 commission.

Defendants' Barth Exhibit 21 for identification are an inquiry sent out by the Edward Hines Lumber Company on April 28th, 1923, for one car of inch and 16th by 2¼ inch face No. 1 Maple flooring delivered at Pittsburgh, Pennsylvania, and the quotations received in response thereto. Said quotations are as follows:

Kneeland-Bigelow, $105.00, less $2.00 commission.
Holt Hardwood Company, 100.50, less $2.00 commission.

The documents you hand me marked Defendants' Barth Exhibit 22 for identification are an inquiry of the Edward Hines Lumber Company, sent out on April 3d, 1923, for five cars of flooring and the quotations received in response thereto. One of the inquiries related to 13/16th by 2¼ inch No. 1 Maple Flooring delivered at Chicago, and the quotations received with respect to such flooring were as follows:

[fol. 745] Holt Hardwood Company, on 5 cars, $94.00, less $2.00 commission.
Holt Hardwood Company, on 5,723 feet, $94.50.

The inquiry also related to 13/16th by 2-¼ inch Factory Maple Flooring and the quotations received were as follows:

Holt Hardwood Company, on two cars, $54.50, less $2.00 commission.
J. W. Wells Lumber Company, $59.00.
Ward Brothers, on two cars, $59.25.

The documents marked Defendants' Barth Exhibit 23 for identification are an inquiry of the Edward Hines Lumber Company, dated April 12th, 1923, for 300,000 feet of 13/16th by 2-¼ inch face Clear maple flooring for a building now under construction in the Loop, at Chicago, and the quotations received in response thereto. That letter was addressed to R. Connor Company, Cummer-Diggins Company, Flanner-Steger Land & Lumber Company, Foster-Latimer Company, Holt Hardwood Company, William Horner, Kerry & Hanson Flooring Company, Kerry & Way Lumber & Manufacturing Company, Kneeland & McLurg, Nichols & Cox, Northwestern Cooperage Company, Strable Lumber & Salt Company, Ward Brothers, J. W. Wells Lumber Company, Wisconsin Land & Lumber Company, and the West Michigan Flooring Company. The documents attached to said inquiry are letters that were received in response thereto.

Mr. Darby: I should like to read into the record brief excerpts from some of these letters.

(Mr. Darby read the following.)
(On Letterhead of West Michigan Flooring Co.:)

"Menominee, Mich., April 14, 1923.

Edward Hines Lumber Co., Lincoln St. South of Blue Island Ave., Chicago, Ill.

GENTLEMEN:

Attention Mr. J. H. Vanlandingham

[fol. 746] We have yours of the 13th inst. your request for price on 300M ' 13/16" x 2¼" face Clear Maple Flooring for shipment late this year. It develops that we are in an oversold condition on this item at the present time and in view of the lumber market as it exists today, we are not quoting our product for shipment very far ahead. We, under the circumstances, are not prepared to figure with you.

Yours truly, West Michigan Flooring Co., per Grone. WGH-GN."

(On Letterhead of J. W. Wells Lumber Company:)

"Menominee, Mich., April 14, 1923.

Edward Hines Lumber Co., Chicago, ill.

GENTLEMEN:

Mr. Vanlandingham

We thank you for your inquiry of the 12th but regret that we are unable to quote you on the 200 M ft. of 13/16ths Face Clear Maple Flooring called for as we are so far oversold.

Yours very truly, J. W. Wells Lumber Company. CHL-MK."

(On Letterhead of W. D. Young & Company:)

"Bay City, Mich., Apr. 14, 1923.

Edward Hines Lumber Co., Chicago, Ill.

GENTLEMEN: Your favor of the 13th was received and contents noted. We are always pleased to receive orders from the Edw. Hines Lumber Co., but we do not feel like quoting on any Maple Flooring for delivery during the latter part of this year. We are over sold at the present time on almost all items.

We thank you very much for the inquiry, but don't believe we better quote a price.

Yours very truly, W. D. Young & Co. Ehedon. BPW-KAW."

[fol. 747] (On Letterhead of Wisconsin Land & Lumber Co.:)

"Hermansville, Michigan, 4-14/23.

Edward Hines Lumber Co., Chicago, Ill.

GENTLEMEN: In reply to your favor of the 12th, we would be perfectly willing to protect you on the price for fall delivery on the 300,000' of 13/16th x 2¼" Clear Maple Flooring at $109.00, but on the other hand, it seems like quite a quantity to tie up to because no doubt when you want this you will want it all at once and we may not have it on hand. We would be willing to take on a part of it.

Thanking you very kindly for the inquiry, we are,

Yours truly, Wisconsin Land & Lumber Co. H. A. Fry, Sales Dept."

(On Letterhead of Holt Hardwood Company:)

"Oconto, Wis., April 16th, 1923.

Edward Hines Lumber Company, Chicago, Ill.

GENTLEMEN:

Attn. J. H. Vanlandingham

We have you letter of April 13th, and note that you have an order for approximately 300,000 feet of 2¼" face Clear Maple Flooring, to be used late this year.

There is no use in going into the question of what the market will be next fall or winter. We do not care to gamble on a proposition of this kind. Maple lumber is very scarce at present and we doubt very much there being any surplus this year, but we got a very responsible manufacturer, in fact, the largest manufacturer of Maple lumber in the north, to make us a price of a million feet of flooring stock for delivery October 1st, which would enable us to handle your order for Clear Flooring, but we would have to have $107.50 per thousand, net, delivered Chicago. We have an option on the lumber extending through this week as we explained to them that we wished to take the matter up with you in regard to the flooring and would have to have time to hear from you before we could decided whether or not we would want the lumber. If we [fol. 748] take the order, of course, we will make delivery regardless whether the price of flooring is $90.00 or $150.00 at the time you want delivery, and we would expect you to take the stock.

Very truly yours, Holt Hardwood Company. W. L. De Witt."

(On letterhead of Kneeland-Bigelow Company:)

"Bay City, Michigan, April 14, 1923.

Edw. Hines Lumber Co., Chicago, Ill.

GENTLEMEN:

Attn. Mr. J. H. Vanlandingham

In response to your favor of the 13th inst. with reference to your order for 300,000 feet of 13/16 x 2¼ face Clear Maple Flooring, we would be willing to accept this order on a basis of our list price providing a definite date of shipment is specified, which would not be too far in the future.

If you will advise us of the earliest time of shipment which your customer will accept, we will give you a prompt decision.

We thank you for your offer and await your further advice.

Yours very truly, Kneeland-Bigelow Company. J. E. Dewey."

(On letterhead of Foster-Latimer Lumber Co:)

"April 16th, 1923.

Edward Hines Lumber Co., Chicago, Ill.

GENTLEMEN: We have your letter of April 13th, regarding an order you have just sold for approximately 300 M feet of 13/16 x 2¼ face Clear Maple Flooring.

[fol. 749] While we appreciate very much the oportunity given us to handle this, we regret we are not able to take care of an order for such a large amount of this particular item. We are now sold three or four months ahead of the factory on Clear Maple Flooring and it would take us the balance of the year at least to secure the amount you require, without selling another foot and we of course have our regular established trade to take care of.

Thanking you for your letter, we are,

Yours truly, Foster-Latimer Lumber Co. Pearson."

(On the letterhead of I. Stephenson Co. Trustees:)

"Wells, Delta Co., Mich., Apr. 16, 1923.

Edward Hines Lumber Company, 2431 So. Lincoln Str., Chicago, Ill.

GENTLEMEN:

Attention Mr. J. H. Vanlandingham

Replying to yours of the 12th inst., in reference to your order for 300,000′ of 2¼″ Clear Maple Flooring, we are considerably oversold on this item at the present time, and on account of the scarcity of Flooring lumber it is very uncertain just how much Flooring we

will be able to produce this year. Before giving you a definite reply, we would like to know more definitely when the stock will be wanted, in order that we may be able to furnish the stock promptly when needed.

The writer expects to be in Chicago, the 19th and 20th of this month, and if this is in time for your requirements, please let the matter rest until then, when we can go over it in person.

Yours truly, I. Stephenson Co., Trustees, per H. H. Shepeck, Sales Manager.

[fol. 750] (On the letterhead of J. W. Wells Lumber Company:)

"Menominee, Mich., April 18, 1923.

Edward Hines Lumber Co., Chicago, Ill.

GENTLEMEN:

Mr. Vanlandingham

With further reference to your letter of April 12 and our telephone conversation of yesterday:

We would agree to get you out 300 M ft. of 13/16ths x 2¼" Face Clear Maple Flooring sometime within the next ten months, when we could get around to it, and at the market price, if this is agreeable to you.

We realize as well as you do that this is a very indefinite proposition but with the largely oversold condition of the Maple Flooring industry at present it is impossible for us to do any better, and we are taking this means of assuring you absolutely of the stock within that period.

Yours very truly, J. W. Wells Lumber Company."

(On letterhead or Northwestern Cooperage & Lumber Company:)

"Gladstone, Mich., April 17, 1923.

Edward Hines Lumber Co., Chicago, Ill.

GENTLEMEN: We are in receipt of yours of the 13th and we regret to advise that we are so badly oversold on 13/16 x 2¼" clear maple flooring at the present time that it would be impossible for us to take on an order of 300,000' even for deferred shipment. If you should find that you are unable to place the entire order with one mill, we could possibly take care of one or two cars.

We thank you for submitting this to us and shall be very pleased to hear from you if you decide to divide the order.

Yours truly, Northwestern Coop. & Lbr. Co., by C. C. Ogden."

[fol. 751] (On the letterhead of Kerry & Hanson Flooring Co.:)

"Grayling, Michigan, April 17, 1923.

Edward Hines Lumber Co., Chicago, Ill.

GENTLEMEN: Answering your letter of April 12th, regarding order you have to place for 300,000'—13/16 x 2¼" Clear Maple Flooring for shipment the latter part of this year. We hardly feel able to protect you on any portion of this.

This size and grade is one of our best sellers and naturally we have a trade that looks to us to take care of their demaands on same. There is also the point that 300,000' would represent at least three months' manufacture for us, which would tie us up to a great extent, if we undertook to fill the order. Last, but not least, there is the question of price, which we do not expect will be any lower later in the year.

We appreciate your writing us and regret that we cannot see our way clear to help you out.

Yours very truly, Kerry & Hanson Flg. Co., per Emil Grayling.

(On the letterhead of Stable Lumber and Salt Company:)

"Saginaw, Mich., April 16, 1923.

Edward Hines Lumber Co., Chicago, Ill.

GENTLEMEN: Replying to yours of the 13th in reference to your inquiry 300 M ft. 13/16 x 2¼" face Clear Maple flooring.

Under present conditions we would not care to quote you on this for delivery late in the year. We do not look for lower prices as the mills cannot supply the demand for maple flooring this year and it is a question as to whether there will be enough rough lumber to supply the flooring mills this year. According to prices the mills are asking for lumber today we will find it necessary to advance flooring at least $10.00 per M in order to operate our plants at a profit.

Very truly yours, Strable Lumber & Salt Co. Geo. Strable, President."

[fol. 752] One of the manufacturers stated that he could furnish me a car or two and suggested that I get the rest of the amount wanted from other manufacturers. It is an advantage to a buyer or a yard man to be in a position where he can get a large lot of flooring from different manufacturers for the same job and have it match up.

We have had occasion to ask for a reinspection service of flooring received by us from members of the Maple Flooring Manufacturers Association which was not satisfactory grade. I remember of one inspector by the name of Tucker. Such complaints as we made have been adjusted satisfactorily. We do not make any distinction in purchasing flooring between member of the Maple Flooring Manufac-

turers Association and non members. We do not care from whom we buy flooring so long as we get what we buy.

Cross-examination.

By Mr. Thompson:

We have mills located in the South Pine territory at Lamberton, Mississippi, and Kiln, Mississippi. We also have a mill at Rice Lake, Wisconsin, one at Park Falls, Wisconsin, and are largely interested at Virginia and Rainy Lake, Minnesota. We have no interests in Western Pine or out in the West Coast Region nor in the Michigan lumber regions. We buy cuts from mills there, but we do not own any mills. The Mills at Park Falls and at Rice Lake produce maple lumber. The subsidiary that operates in Mississippi are members of the Southern Pine Manufacturers Association and the ones in Wisconsin are members of the Northern Hemlock & Hardwood Manufacturers Association. The ones in Minnesota belong to the Northern Pine Association. Mr. Hines has always been a very active member of all the Associations we belong to. I have no knowledge of the membership [fol. 753] of the Maple Flooring Manufacturers Association. I have heard that there was such an association, but beyond that I have no knowledge of the active workings of the Association. I know nothing at all as to what it has done or what activities it has carried on. The opinion that I gave with reference to the existence of competition is based upon such documents as I have identified her- and my personal interviews with various salesmen and manufacturers with reference to the prices on maple, beech and birch flooring.

Redirect examination.

By Mr. Darby:

Some of the members of the present Maple Flooring Manufacturers Association stated on the list you show me are competitors of the Edward Hines Lumber Company in hardwood lumber. For instance, Holt Hardwood Company, Kneeland & McLurg, Nichols & Cox, Northwestern Cooperage & Lumber Company, I. Stephenson Company, J. W. Wells Lumber Company, W. D. Young & Co. The firms above named besides manufacturing maple flooring, manufacure a great many items of lumber products, and come into direct competition throughout the United States with the Edward Hines Lumber Company. The inquiries and quotations that have been read in evidence are typical of our experience for the time that we have been in business of variations in quotations that have been received from different manufacturers. The documents that have been identified by me were given to you when you came out to our plant. I turned you over to an office boy with instructions to let you have anything you wanted and he stated to me in your presence that he had given you all that he had been able to find. He stated that he had not been able to find the quotations for the year 1920. There are so many thousands of inquiries and quotations that after they

[fol. 754] are dead for two years we burn them up because they constitute no record that is necessary for the running of our business. The inquiries that have been identified were made in the ordinary course of business and the responses that are attached thereto are, I presume, all that the boy was able to find and that we received. Some of the inquiries were sent out for the purpose of getting prices so that we could make a bid. Our bid may not have been accepted and consequently we may not have bought the flooring, but the inquiries sent out were sent out looking forward to the making of contracts. In the conduct of our business we have been able at times to get a manufacturer to lower his price in order to meet competition. That has been done frequently.

(Said documents identified by the witness and marked as Exhibits were received in evidence as Defendants' Barth Exhibits 1 to 23, inclusive.)

[fol. 755] DEPOSITION OF CORNELIUS A. FLANAGIN, TAKEN, PURSUANT TO STIPULATION, AT CHICAGO, ILLINOIS, ON OCTOBER 19, 1923.

C. A. FLANAGIN, being sworn, testified as follows:

Direct examination.

By Mr. Darby:

I am a citizen and resident of Chicago, Illinois and am engaged in the lumber business. I am the Vice President of Rittenhouse & Embree Company. I have been engaged in the lumber business for 25 years, in practically all branches. I have been in the manufacturing end and the buying and selling of lumber of all kinds. Rittenhouse & Embree Company are wholesalers and retailers of all kinds of lumber in Chicago. We handle pine lumber, hardwood lumber, hardwood flooring, pine flooring of all kinds, everything, in fact, in lumber, both rough and dressed.

Rittenhouse & Embree Company does not manufacture any maple, beech or birch flooring at the present time. The Company discontinued the manufacture of such flooring in 1915, I believe. Since 1915 our Company has bought such maple, beech and birch flooring as it has handled. We handle approximately three million feet of maple, beech and birch flooring annually. The Rittenhouse & Embree Company was once engaged in the manufacture of maple, beech and birch flooring in Chicago.

Q. Why did your company cease the manufacture of maple, beech and birch flooring?

A. Well, it reached a point where we considered that we could make more money buying our flooring than manufacturing it; we had to bring the lumber in here green, and dry it; and of course there is a great deal of waste in manufacturing, there is a waste in [fol. 756] kiln drying, and then a large waste in ripping the lum-

ber. I do not know how elaborately you want me to go into this, but, if you know, lumber is produced from a log in random widths, and then it has to be ripped into flooring widths, widths that will make standard widths of flooring; and in ripping it there is a large waste to it. Well, of course, we had to pay freight on this lumber in the green, and there was a big loss there, over manufacturing it at the mills; of course they have the same loss in ripping and in waste, but they do not have to pay freight on it; and then other conditions, labor conditions, were against manufacturing in Chicago, also, so that we have found that we can make more money buying our maple and oak flooring, both, than manufacturing it.

Q. Did you go into the matter of costs before you ceased the manufacture of it?

A. That is the reason that we ceased to manufacture it. For a good many years, like others, I presume we ran our business all in together, and we were making some money, and did not know where we were making it; and when I took over the management of the manufacture of the hardwood flooring, I started keeping costs; I had a little suspicion that we were not doing as well out of that department as we thought we were; and I kept cost, very complete, kept cost of each department, even to the tying up of the flooring, the twine we used, and the cost of ripping it, kiln drying and waste, between the green lumber and the kiln dried, and the waste between the kiln dried and the manufactured product, kept all those wastes, [fol. 757] and all the costs of each operation; and I found at the end of the first year we would be better off if we were not manufacturing; and when I showed the results to our Board of Directors they gave me one year longer to test it out; they were not quite satisfied; but at the end of the second year the results were such that they immediately decided to discontinue manufacturing in Chicago.

Q. What did you do with that plant?

A. Wrecked it; sold the machines for what we could get for junk.

Q. You spoke about the waste between two different processes there. State where the waste is, and give the percentages, approximately, if you can?

A. Well, that is some time ago. As far as I can remember—as near as I can remember it, the waste on maple between measurement as it came into our yard and the measurement as it came out of the kilns, was about eight per cent, as I remember it. And then the shrinking between the kiln and the manufactured product would vary according to the class of lumber; you will get better maple from one section than you will from another, you know; it will work up to better advantage; but as I remember it, it ran all the way from fifteen to twenty-two or twenty-three per cent waste.

A. Additional?

A. Yes, sir.

Since 1915 we have bought such maple, beech and birch flooring as we have handled and have supplied the flooring for a great many large buildings here in Chicago, either before or since 1915. We furnished practically all the large buildings on State Street, start- [fol. 758] ing with Rothschilds. The Hub Department Store, The

Boston Store, Marshall Field Store for Men, Hibbard, Spencer, Bartlett's stores and warehouses, Rock Island Depot, The Railway Exchange Building, both sections of the First National Bank Building, The Continental Bank Building, the building occupied by the Edison Company. We also furnished the flooring for both sections of the Illinois Merchants Bank Building now under construction, which will use approximately 800,000 feet. The other buildings mentioned above are large, modern buildings and take on an average of about 200,000 feet each.

There are more than 100 wholesale and retail yards in Chicago which handle maple, beech and birch flooring. In selling maple, beech and birch flooring in Chicago we met with severe competition. The competition in Chicago is always very keen. Since 1915 I have bought all the maple, beech and birch flooring that has been handled by our firm. I have charge of the buying and selling of the lumber in our business. I have been familiar with the prices charged by the manufacturers of maple, beech and birch flooring since 1915. I keep in touch with the prices for such commodities largely through two methods. A great many salesmen call on me every day, selling all kinds of lumber, among them maple, beech and birch, as well as oak flooring. They are always soliciting my business and quoting me prices. Occasionally we send out inquiries to a lot of different manufacturers in order to check up the market. We have bought maple, beech and birch flooring from W. D. Young & Company, I. Stephenson, Trustees and West Michigan Flooring Company. I think I know the members of what is called the Maple Flooring Manufacturers Association. I try to keep posted on mills [fol. 759] that are members. We have bought at one time or another from many of the members of the Association. We buy the bulk of our flooring from Cobbs & Mitchell at Cadillac. We buy occasionally from Strable Lumber & Salt Company, Saginaw, from Kerry & Hanson, Grayling, from Bigelow-Cooper Company, Bay City, from R. Connor Company and William Horner, but our experience has not been really satisfactory with Horner's stuff. We have received quotations from other members of the different associations called the Maple Flooring Manufacturers Association. We get prices from a great many of them when we are placing an order. If we are placing it with anyone other than Cobbs & Mitchell, or if we are checking up on prices made us at Cadillac, we send out inquiries for the purpose of getting a line on the market.

Q. Would you say that there is now or has ever been since 1915 any uniform price in maple, beech and birch flooring in Chicago?

A. No. On the contrary I would say that there has been quite a variation in price.

Q. Would you say that competition exists among the different manufacturers of maple, beech and birch flooring?

A. Yes, sir. If you don't think so, all you have to do is send out and inquire, of about a half a dozen of them.

We prefer to deal with members of the Association and perhaps seventy-five or maybe ninety per cent of our business is done with Cobbs & Mitchell and Mitchell Brothers, Cadillac.

Q. Why do you prefer to deal with members of the defendant Association?

[fol. 760] A. Well, for many reasons. One of our reasons is that we are surer of getting a uniform grade of flooring and uniform manufacture; and in case we have any complaint on it, as often will happen, even if the grade is right,—an architect may not be feeling just right when he looks at it, and he will think that it is off grade, or perhaps the owner is complaining to the architect, and it is very easy for the architect to fall back on the material men, the yard here, that is the go-between between the manufacturer and the consumer, and he will complain about the grade; well, if we are buying association flooring all we have to do is call for an association inspector, and if the flooring is right, that settles it, and if it is not right, then we go on the manufacturer. Of course, if it is not right we want to protect the architect and the consumer. If it is right it settles any argument,—which we could not settle otherwise.

Q. Have you had occasion to have re-inspections, as they are called?

A. Yes, sir.

Q. State whether or not those re-inspections have been satisfactory to you and your clients, or unsatisfactory?

A. Why, they have been satisfactory. We have had different results. I call to mind about a year ago, I think, that we had a complaint on some maple flooring, factory maple, from I. Stephenson Company; and we called for the association inspector, and he sustained our customer's complaint, and I. Stephenson & Company had to make good through us to our customer.

Q. Did they do that readily?

A. Oh, yes. They sent a man down here, their Mr. Shepeck, from Wells, came down here and authorized our customer to go ahead [fol. 761] and sort the flooring and use what he could, and they paid for the labor and replaced the flooring.

Q. Have such disputes as have arisen been adjusted satisfactorily to you and to your customers?

A. Yes, sir.

Q. Either one way or the other?

A. Yes. We have had complaints where the customer was wrong and where the inspector sustained the manufacturer; but it was always satisfactory; after the inspector had made his inspection and given his report, why, that settled it,—every one was satisfied.

Q. Would you say that that inspection service of any of the associations that have been in existence since 1915 has been honestly and impartially conducted?

A. Yes, sir; decidedly so.

We used to buy of R. Connor Company when they were members of the Association. When they discontinued their membership in the Association we ceased to buy from them because we felt that we had no protection if there should be a complaint on the grades.

Q. State whether there is any difference between the uniformity of grades manufactured by members of the Maple Flooring Manufacturers Association and the grades that are manufactured by non-members?

A. Outside of Cadillac I think the grades are very uniform. We consider Cadillac makes a better grade of maple flooring than any other manufacturer than we know anything about. In fact, they [fol. 762] make a better grade of flooring than we made ourselves, and we thought we made as good a grade as could be produced.

Q. To whom do you refer by "Cadillac"?

A. Cobbs & Mitchell,—Cobbs & Mitchell and Mitchell Brothers, their grades are identical, the two plants.

Q. Leaving out Cobbs & Mitchell, and taking the grades manufactured by the other members of the Association, how does that compare with the grades of non-members?

A. I would say they were very uniform, outside of Horner's grades; I am not familiar with them since he has been a member of the Association; before that time his grades were unsatisfactory, so much so that we discontinued any business with him.

Q. How about the machine work on them?

A. Their machine work is all very good; they interchange, you know, and if you have a carload of flooring from one concern it is a big advantage to be able to match that up with somebody else, in case you can buy a little cheaper from some other manufacturer, and you have a part of a carload on hand, it enables you to buy from some other manufacturer and mix it right in and ship it out. Otherwise you would have to keep a little of this man's flooring, and a little of the others, and if you had a little on hand you would have to keep it entirely separate and ship it separate, which would be quite a hardship on the lumber yards.

Q. The matching of the products of the different Association members has been brought about, say, within the last two or three years, has it not?

A. Largely so, yes, sir.

[fol. 763] Q. You consider that change a distinct advantage to the buyer?

A. To the dealer, yes, sir.

Q. To the dealer?

A. To the dealer, yes, sir; it enables him to carry less flooring on hand, as I just explained. You do not have to have to- many different kinds, in case he changes in buying from one to another.

Q. Have you bought any flooring of Horner's, after he became a member?

A. No, I think not.

Q. State whether or not you have ever had any talks with Association members with respect to meeting competition of another member of the Association?

A. Why, my understanding is that Cadillac,—Cobbs & Mitchell and Mitchell Brothers, are members of the Association. They tell me they are.

Q. Yes.

A. And I have had a good many talks with Mr. Thomas, the sales-manager of those two companies, as we handle their flooring largely; I have met Mr. Thomas and gone into details several times on com-

petition. Sometimes he would decide that they could meet it, and other times would show us where he could not afford to meet it.

Q. What did he say to you?

A. He would show me their cost of manufacturing, and the cost of the rough material; and, of course, having been manufacturers ourselves, he could show me, and I could understand it. I could probably understand costs pretty nearly as well as he could; and he showed me what they were paying for the lumber, and the percentage of grades they were getting from the lumber they bought, and what [fol. 764] it cost to manufacture; and in some cases he could not meet the competition; in other cases he would decide to meet it.

Q. Did that competition concern both or either members of the Association or non-members?

A. According to my understanding it has, yes, sir.

Q. Do you recall any conversation that you had with him with respect to the Wrigley Building?

A. Yes, sir.

Q. Please state what that conversation was?

A. I met Mr. Thomas here in Chicago, and told him the price that we could get for the flooring, and——

Mr. Newman:

Q. For the Wrigley Building?

A. Yes, sir. And he happened to have his cost sheets with him, that he had made some tests, just a few days before, test runs of some stock; and we figured out that we could not afford to meet the competition, that there would be no money in it either for Cobbs & Mitchell or for Rittenhouse & Embree Co.

Mr. Darby:

Q. What is your opinion with respect to whether the prices of maple, beech and birch flooring since 1915 up until and including the present date have been fair and reasonable to the consumer, or to the wholesaler?

A. If you will just state the first part of your question,—I did not get the whole of the question.

Q. What is your opinion as to whether the prices for maple, beech and birch flooring have been fair and reasonable to buyers and to the public since 1915, up to the present time?

A. Yes, sir; I think they have been fair. They have fluctuated a great deal, due to supply and demand. During the war there was [fol. 765] a shortage of flooring, and prices, like everything else, went out of sight; but I think they have been very fair and equitable at all times, compared to the price of rough material and the cost of manufacture.

Q. Do you remember the conditions that obtained in 1920?

A. In a general way, yes, sir.

Q. In a general way?

A. Yes, sir.

Q. And with respect to maple, beech and birch flooring?

A. Yes, sir; I remember it quite distinctly.

Q. I wish you would explain.

A. Because we had quite a heavy loss during that time on maple flooring.

Q. What were the conditions that obtained then?

A. There was a tremendous shortage of flooring, and flooring pyramided in price, by everybody. If I can use my own language in describing our case I think perhaps it will answer your question. We had a couple of quite large jobs sold here at a fixed price. A price that was in effect at the time that we sold the job, but on account of labor conditions which existed during the war, jobs were delayed materially, strikes and shortage of labor, and in the meantime the mills that we had placed this flooring with had labor troubles and were not able to supply the flooring; and we had to go out into the market and buy it, and we stood a loss of between $25,000 and $26,000, actual money.

Q. There was a great demand for flooring during that year?

A. A tremendously high demand, and it was very hard to get flooring, at any price.

Q. Was that called a buyers' market or a sellers' market?

[fol. 766] A. I would call that a sellers' market, I would think.

Q. How about the year 1921?

A. Well, let us see. In 1921, flooring, as I remember it, became easier, more plentiful. As I remember it, the price began to go down.

Q. From your experience and observation as a buyer of lumber, or, rather, of maple, beech and birch flooring, have you observed or not observed a variation in prices that have been quoted you by different members of the Association?

A. Yes; there is always a variation in prices; if you send out inquiries, if you are in the market and send out a lot of inquiries you will get quite a variation in prices, anywhere from fifty cents to five dollars, I would say.

Q. That is, per carload, or on a thousand feet?

A. Well, per thousand feet.

Q. Would you say that the variation in the prices of maple, beech and birch flooring are less or greater than or equal to the variation in prices of other hardwood floorings and other lumber products generally?

A. They are as great if not greater.

Q. They are?

A. Yes, sir.

We buy our flooring delivered at destination because we prefer to buy that way in order to get away from the annoyance of filing claims with the railroad for overcharges and weights and freights, etc. If a car of lumber is damaged in transit, it is the mill's trouble with the railroad. We eliminate a lot of expense, clerical help and annoyance by buying delivered. It is cheaper to us to buy delivered than it is f. o. b. mills. We always ask for quotations for flooring

[fol. 767] delivered. We sell most of our flooring largely in Chicago.

I know that the Maple Flooring Manufacturers Association has carried on many advertising campaigns. I remember that they got out a book some time ago which was circulated among architects and consumers that was very beneficial to the industry and to dealers generally.

The Rittenhouse & Embree Company, through subsidiary corporations, have mills in three different southern states. The Rittenhouse & Embree Company handles abou 150 million feet of lumber annually.

Cross-examination.

By Mr. Thompson:

I testified that probably 90% of our flooring is purchased from Cobbs & Mitchell and Mitchell Brothers. Primarily our purpose in getting prices from other manufacturers would be to insure that Cobbs & Mitchell and Mitchell Brothers' prices were not out of line and for the purpose of finding out whether we were in position to meet competition. Our competition is very hard and we have to know all the time that we are buying flooring as cheap as any of our competitors; otherwise we will be handicapped right away.

If we had a large order to place, we would send out probably half a dozen inquiries to different manufacturers located in different sections. These inquiries would not be addressed solely to members of the Maple Flooring Manufacturers Association. We have sent inquiries to R. Connor Company since they ceased to be members. We used occasionally to send inquiries to Horner. We send inquiries occasionally to Ward Brothers and to a man by the name of Horn here in Chicago.

[fol. 768] We are always willing to pay Cobbs & Mitchell and Mitchell Brothers more for their product than any other manufacturer. If the answers to the inquiries that we send out show such a great difference between the prices of Cobbs & Mitchell and Mitchell Brothers and the prices of other manufacturers that we do not feel that we can afford to pay the difference, we go after Cobbs & Mitchell and Mitchell Brothers in order to get them to reduce their price. If we feel that we can afford to pay the difference, why we throw the quotations received from other manufacturers into the waste basket. After the quotations have served their purpose, we destroy them.

I testified that there would always be a difference in the prices quoted by different manufacturers. You might get two or three where the prices would be the same and then you would get some that would be one dollar less and you might get some four or five dollars less. It would depend on market conditions, how much business they had on hand, I suppose, and how badly they wanted orders. Sometimes Cadillac's price is lower than any other prices we are quoted and, of course, that would settle it immediately.

We were a member of the Maple Flooring Manufacturers Asso-

ciation previous to 1915 when we manufactured maple, birch and beech flooring.

Redirect examination.

By Mr. Darby:

During 1915 and before I looked after the manufacturing, I think that Mr. Rittenhouse of Rittenhouse & Embree represented the company in the Maple Flooring Manufacturers Association and attended the meetings. Mr. Rittenhouse is now dead. He died in 1915. When our Company was a member I looked after the manufacturing and buying and selling.

[fol. 769] DEPOSITION OF LAWRENCE J. KOERBLE, TAKEN AT CHICAGO, PURSUANT TO STIPULATION, ON OCTOBER 20, 1923

LAWRENCE J. KOERBLE, being first duly sworn, testified as follows:

Direct examination.

By Mr. Darby:

I am 51 years of age and am Purchasing Agent and Traffic Manager of the John Schroeder Lumber Company of Milwaukee, Wisconsin. I have been associated with that Company for 22 years. Our Company handles everything in the lumber line. We have plants in Canada, British Columbia, Milwaukee, Wisconsin and Michigan. We have subsidiary companies in Colorado, New York, Oregon, as well as plants in Mississippi. We handle annually about 750 million feet of lumber. The John Schroeder Lumber Company once manufactured maple, beech and birch flooring as well as oak flooring. I think we started manufacturing flooring about 1890, until we decided to quit in 1913. We had figured out that we could not make any money in the manufacture of flooring and would not buy any more lumber for the manufacture of flooring. Later on our Government ordered us to start making maple flooring again. A lot of Government work was allocated to us and we had to go back into the game. We continued the manufacture of maple flooring until after the war. We quit the manufacture of maple, beech and birch flooring at the beginning of 1922. We worked up what stock we had during the year 1921 for our own retail orders. We did not wholesale any flooring that we made ourselves. If we did sell any at wholesale, we bought it from other manufacturers.

During the years previous to 1913, the John Schroeder Lumber Company was a member of some Maple Flooring Manufacturers [fol. 770] Association, but nobody ever attended the meetings. I personally never attended any meetings whatsoever.

We quit the manufacture of maple, beech and birch flooring at the beginning of 1922 because we could not make a dollar out of it. We were losing money on every foot that we made. Since that

time we have procured maple, beech and birch flooring for our retail yard in Milwaukee from other manufacturers. I generally make out an estimate as to just how much we require and we send out inquiries addressed to different manufacturers and I place the order with the manufacturer who makes the best price. We place an order for five or ten or fifteen cars, or our requirements for six months, if the manufacturer is willing to take such an order at a good price. I dictate an inquiry to my secretary stating the kinds of flooring I desire and asking the manufacturers to quote me the best prices delivered for so many feet of flooring. My secretary gets out a sheet like the one I have in my hand and when quotations come in, I hand them to my secretary, who tabulates them, after which I check them over with him and buy upon the basis of quotations received.

I have brought with me such tabulations, inquiries and answers thereto as we have been able to find in the office of the John Schroeder Lumber Company. Here they are.

Defendants' Koerble Exhibit 1 for identification is an inquiry sent out by John Schroeder Lumber Company on July 17, 1923, for 190,000 feet of 13/16 2¼" face No. 1 maple flooring and the quotations received in response thereto.

Some of the manufacturers at that time quoted on other items besides the flooring mentioned in the inquiry. On the 13/16 2¼" [fol. 771] clear maple flooring, the following quotations were received, the said quotations being delivered at Milwaukee unless otherwise specified:

Northwestern Lumber & Cooperage Company	$104.00
Paul Knolk	125.00
Wilce Flooring Company	120.00
Wisconsin Land & Lumber Company	108.00
J. O. Nessen Lumber Company, as representative of the West Michigan Flooring Company	108.00
Ward Brothers	101.50
J. O. Nessen Lumber Company, as representative of the West Michigan Flooring Company	103.00
Clayton Gibson	97.00
E. Bartholomew Hardwood Lumber Company	109.00

At the same time we received the following quotations on 13/16 2¼" face No. 1 maple flooring:

Northwestern Cooperage & Lumber Company	$94.00
Wisconsin Land & Lumber Company	98.00
I. Stephenson & Company	98.00
Flanner-Steger Land & Lumber Company	92.00
Wilce Flooring Company	105.00
Holt Hardwood Company	91.00
Nichols & Cox Lumber Company	93.00
J. W. Wells Lumber Company	98.00
East Jordan Lumber Company	93.50

Ward Brothers	88.50
J. O. Nessen Lumber Company, as representative of West Michigan Flooring Company	93.00

which was later revised.

Clayton Gibson	87.00
E. Bartholomew Hardwood Lumber Company	95.00
G. H. Tennant & Company	92.00
J. C. Hill Lumber Company	92.00

We also received the following quotations on 13/16 2¼" factory maple flooring:

Wilce Flooring Company	$65.00
Wisconsin Land & Lumber Company	58.00
J. O. Nessen Lumber Company, as representative of West Michigan Flooring Company, $58.00, which was later revised to	53.00
Clayton Gibson	49.00
E. Bartholomew Hardwood Lumber Company	65.00

[fol. 772] The other quotations listed on Defendants' Koerble Exhibit 1 for identification relate to oak flooring. These quotations were received at the same time we received quotations on 13/16 2¼" clear plain white oak flooring. That grade would match up with clear maple flooring. The wearing quality of the oak is not so good as the wearing quality of the maple. It will not last so long.

On 13/16 2¼" clear plain white oak flooring, we received the following quotations:

Morgan Lumber & Mfg. Co.	$113.50
M. B. Farrin Lumber Co.	122.00
L. D. Leach & Co.	95.00
Nickey Bros.	103.00
Long-Bell Lumber Co.	103.00
De Soto Hardwood Flooring Company	109.50
Tennessee Oak Flooring Co.	109.00
Hudson Hardwood Flooring Co.	107.50
M. Strovers	100.00
Harris Manufacturing Co.	106.00
Morgan Lumber & Mfg. Co.	112.50
Farris Hardwood Lumber Co.	112.50
Campbell & Dann	108.00
McMinnville Mfg. Co.	105.00
Southern Lumber & Mfg. Co.	110.00
Clayton Gibson	104.00
E. Bartholomew Hardwood Lumber Co.	121.50

In Defendants' Koerble Exhibit 1 for identification, other quotations received relate to 13/16 2¼" clear plain red oak flooring. That grade would correspond to 13/16 x 2¼" face clear maple

flooring. The oak flooring above mentioned is not so hard as maple. It is laid in rooms where there is not much walking. It cannot stand water, while maple will stand water—scrubbing. The quotations we received at that time on 13/16 2¼" face clear plain red oak flooring are as follows:

[fol. 773] Morgan Lumber & Mfg. Co.	$111.50
M. B. Farrin Co.	117.00
C. C. Beard	98.00
L. D. Leach & Co.	95.00
Nickery Bros. Co.	103.00
Long-Bell Lumber Co.	98.00
De Soto Hardwood Flooring Co.	104.50
Tennessee Oak Flooring Co.	104.00
Hudson Hardwood Flooring Co.	102.50
Tennessee Lumber & Manufacturing Co.	100.00
M. Strovers	95.00
Harris Mfg. Co.	101.00
Morgan Lumber & Mfg. Co.	110.00
Jerome Hardwood Lumber Co.	110.00
Farris Hardwood Lumber Co.	110.00
Campbell & Dann Mfg. Co.	105.00
McMinnville Mfg. Co.	105.00
Southern Lumber & Mfg. Co.	108.00
Clayton Gibson	99.00
E. Bartholomew Hardwood Lumber Co.	116.00

Some of the persons, firms or corporations above mentioned are manufacturers, while others are jobbers.

Defendants' Exhibit No. 1 was received in evidence.

Defendants' Koerble Exhibit 2 for identification is an inquiry of January 24, 1919 for 13/16-2¼" face clear maple flooring, clear plain oak flooring, clear plain red oak flooring, plain select oak flooring and clear plain white oak flooring, and the responses that were received thereto.

The following quotations were received on 13/16 x 2¼" clear maple flooring:

William Horner	$66.50
Nichols & Cox	75.00
Flanner-Steger Land & Lumber Co.	72.50
W. D. Young & Company	70.50
West Michigan Flooring Company	72.50
Cummer-Diggins Company	71.50
Kerry & Hanson	75.00
Cobbs & Mitchell quoted on 13/16-2" clear maple flooring, 2-16'	71.50

[fol. 774] The quotations received on the 13/16-2¼" face clear plain oak flooring, which corresponds to the grade of clear maple flooring, but which is not so lasting as maple, were as follows:

Memphis Hardwood Flooring Co.	$103.50
Nashville Hardwood Flooring Co.	100.50
Long-Bell Lumber Co.	105.50

We also received two quotations on 13/16-2¼" face clear plain red oak flooring, which corresponds to the clear maple flooring, but will not last so long:

Nashville Hardwood Flooring Co.	$100.50
Bliss-Cook Oak Flooring Co.	105.00

The 13/16-2¼" select plain white oak flooring corresponds to the No. 1 maple flooring. On the 13/16-2¼" select plain flooring we received the following quotations:

Memphis Hardwood Flooring Co.	$87.50
Mobrey & Robinson	87.50
Nashville Hardwood Flooring Co.	84.50

We received also a quotation on 13/16-2¼" face clear Rockhead beech flooring. That is the same grade as the clear maple flooring only beech is a softer wood than the maple. The quotation made on the Rockhead beech flooring above mentioned was from Mitchell Brothers at $72.50.

Said Defendants' Exhibit 2 was received in evidence.

Defendants' Koerble Exhibit 3 for identification is an inquiry we sent out, dated July 19, 1919, for the items of flooring hereinafter mentioned, and the responses received thereto.

We did not receive any quotations on our inquiry for inch and 5/16ths x 2¼" face No. 1 maple flooring, nor on our inquiry for 13/16 x 2¼" face clear maple flooring. William Horner quoted $75.00 factory and better inch and 5/16ths x 2¼" face. On 13/16 [fol. 774a] x 2¼" face No. 1, the following quotations were received:

J. W. Wells Lumber Company	$73.50
Northwestern Cooperate & Lumber Company	74.00

No quotations were received on 3/8 x 1½ No. 1 Maple flooring.

Mitchell Brothers quoted $54.25 on 3/8 x 2" No. 1 Maple flooring.

Cummer-Diggins quoted $50.00 on 13/16-2¼" face short maple flooring, 9-21", practically clear.

Kerry & Hanson Flooring Company quoted on 12", 14" and 16" flooring clear and No. 1, $55.50, this is for 13/16-2¼" face.

J. W. Wells Lumber Company quoted on 13/16-2¼" face clear maple flooring 2-3½', $74.50.

Northwestern Cooperage Company quoted on the same $71.50.

W. D. Young & Company quoted on 13/16-2¼" face clear 9-12" in length, $40.00 f. o. b. cars Bay City, Michigan.

Said Exhibit received in evidence.

Defendants' Koerble Exhibit 4 for identification is an inquiry we sent out dated September 20, 1920 for certain items of flooring, and the responses that we received thereto.

The quotations received on 13/16 x 2¼" clear maple flooring are as follows:

I. Stephenson Company	$225.00
Cummer-Diggins Company	177.00
Bigelow-Cooper Company	201.50
Nichols & Cox	187.50
Northwestern Lumber & Cooperate Co.	185.00
Cobbs & Mitchell	182.50
Kerry & Hanson Flooring Co.	182.50
West Michigan Flooring Co.	197.50

The quotations we received on the 13/16-2¼" face No. 1 maple flooring were as follows:

Wisconsin Land & Lumber Co.	$170.00
G. H. Tennant Co.	185.00
East Jordan Lumber Co.	173.00
Strable Lumber & Salt Co.	171.00

[fol. 774b] On the 13/16-2¼" face factory maple flooring, we received the following quotations:

Foster-Latimer Company	$150.00
W. D. Young & Co.	140.00
Bigelow-Cooper Co.	159.50
Nichols & Cox	137.50
Northwestern Cooperage & Lumber Co.	150.00
Cobbs & Mitchell	127.50
G. H. Tennant Co.	155.00
East Jordan Lumber Co.	130.00
Kerry & Hanson Flooring Co.	132.50
Strable Lumber & Salt Co.	146.00
Wisconsin Land & Lumber Co.	135.00
I. Stephenson Company	150.00
Cummer-Diggins Lumber Co.	126.00

On 13/16 x 2¼" face No. 2 factory maple flooring I. Stephenson Company quoted $100.00.

On 13/16 x 2¼" face factory maple flooring, West Michigan Flooring Company quoted $137.50.

On 13/16 x 3¼" face clear maple flooring, North Branch Flooring Company quoted $185.00.

On 13/16 x 3¼" face factory maple flooring, North Branch Flooring Company quoted $135.00.

On inch and 1/16th x 2¼" face clear maple flooring, J. W. Wells Lumber Company quoted $200.00.

All prices above mentioned, except where otherwise specified, were f. o. b. cars Milwaukee.

Said Exhibit received in evidence.

Defendants' Koerble Exhibit 5 for identification is an inquiry sent out by us on December 9, 1918 for various items of maple flooring and the quotations that we received in response thereto.

[fol. 775] On 13/16-2¼" clear maple flooring, we received the following quotations:

J. W. Wells Lumber Co.	$57.00
T. Wilce Co.	63.25
I. Stephenson Co.	59.50
Mason Donaldson Co.	58.00
R. Connor Co.	57.00
August Beck Co.	59.00
William Horner	57.00
Nichols & Cox	57.50
Strable Lumber & Salt Co.	58.00
Foster-Latimer Lumber Co.	58.50
West Michigan Flooring Co. less $1 Com.	59.50
Cummer-Diggins Co.	58.50
Cobbs & Mitchell	56.50
Flanner-Steger Land & Lumber Co.	59.00
East Jordan Lumber Co.	59.50
Kerry & Hanson Flooring Co.	59.50

On 13/16 x 2" face clear maple flooring, we received the following quotations:

J. W. Wells Lumber Co.	$54.00
T. Wilce Co.	61.25
William Horner	52.00
Nichols & Cox	55.50
Strable Lumber & Salt Co.	57.00
West Michigan Flooring Co. less $1 Com.	57.50
Cobbs & Mitchell	54.50
W. D. Young & Co.	55.00
East Jordan Lumber Co.	57.50
Kerry & Hanson Flooring Co.	57.50

On 3/8 x 2" face clear maple flooring, we received the following quotations:

T. Wilce Co.	$48.75
William Horner	41.00
Dwight Lumber Co. f. o. b. cars Detroit.	48.00
Nichols & Cox	47.00
Strable Lumber & Salt Co.	41.50
West Michigan Flooring Co. less $1 Com.	42.25
Cummer-Diggins Co.	42.00
Cobbs & Mitchell	41.25

W. D. Young & Co. 40.00
Flanner-Steger Land & Lumber Co. 45.00
Kerry & Hanson Flooring Co. 47.25

[fol. 776] On 3/8 x 1½" face clear maple flooring, we received the following quotations:

J. W. Wells Lumber Co. $40.00
Kerry & Hanson Flooring Co. 44.25

On 13/16 x 1½" face clear maple flooring, we received the following quotations:

I. Stephenson Co. $58.50
R. Connor Co. 56.00
Nichols & Cox 55.50

On 13/16 x 1½" face No. 1 maple flooring, Nichols & Cox quoted $44.50.

On 13/16 x 1½" clear beech flooring, Nichols & Cox quoted $52.50.

On 13/16 x 1½" clear birch flooring, Nichols & Cox quoted $55.50.

All the foregoing quotations, unless otherwise specified, were f. o. b. cars Milwaukee.

Said Exhibit received in evidence.

Defendants' Koerble Exhibit 6 for identification is a request that we made on October 21, 1918 for quotations on 20,000 feet of 13/16 x 3¼" face No. 1 maple flooring and the quotations received in response thereto.

We received the following quotations on 13/16 x 3¼" face clear maple flooring:

Bigelow-Cooper Co. $55.75
W. D. Young & Co. 55.75
less $2.00 per M commission.
Kerry & Hanson Flooring Co. 55.75
less $2.00 per M commission.
Cobbs & Mitchell 54.75
less $1.00 per M commission.

[fol. 777] On 13/16 x 3¼" face No. 1 maple flooring, we received the following quotations:

West Michigan Flooring Co. $53.75
Flanner-Steger Land & Lumber Co. 53.50
William Horner 51.00
J. W. Wells Lumber Co. 52.00
Bigelow-Cooper 53.75
Nichols & Cox Lumber Co. 54.50
Kerry & Hanson Flooring Co. 53.75
less $2.00 per M commission.

Mason & Donaldson quoted $56.50 on 13/16 x 2¼" face No. 1 maple flooring.

Mitchell Brothers quoted $40.00 f. o. b. cars Jennings, Michigan on ⅜ x 2" face clear maple flooring.

West Michigan Flooring Co. on item last mentioned above quoted $40.00 f. o. b. cars Manistee, Michigan and the Northwestern Cooperage & Lumber Co. quoted $40.00 f. o. b. cars Gladstone, Michigan.

W. D. Young & Co. quoted on 1½ and 2" face ⅜" thick No. 1 maple flooring $40.00 f. o. b. cars Bay City, Michigan, less $2.00 per M commission.

East Jordan Lumber Company quoted on 13/16 x 2" No. 1 maple flooring $53.50 and for 2¼" face $55.50.

All prices above named, except otherwise mentioned, are f. o. b. cars Milwaukee.

Said Exhibit received in evidence.

Defendants' Koerble Exhibit 7 for identification is an inquiry that we sent out dated April 23, 1920 for certain items of ample flooring and the quotations we received in response thereto.

On 13/16 x 2¼" face No. 1 maple flooring, we received the following quotations:

Foster-Latimer Co.	$185.00
Northwestern Cooperage & Lumber Co.	190.00
Wisconsin Land & Lumber Co.	185.00
[fol. 778] Charles Horn Lumber Co.	197.50
Nichols & Cox	192.50
G. H. Tennant Co.	200.00

On 13/16 x 2¼" factory maple flooring, we receive the following quotations:

Foster-Latimer Co.	$150.00
Wisconsin Land & Lumber Co.	155.00
I. Stephenson Co.	160.00
Charles Horn Lumber Co.	162.50
Nichols & Cox Lumber Co.	176.50

On the 13/16 x 2¼" face No. 2 factory maple flooring, I. Stephenson quoted $103.00.

On 13/16 x 2¼" face clear maple flooring, we received the following quotations:

Foster-Latimer Co.	$200.00
J. W. Wells Lumber Co.	200.00
I. Stephenson Co.	230.00
Charles Horn Lumber Co.	215.00
Nichols & Cox Lumber Co.	197.50
G. H. Tennant Co.	215.00

On ⅜ x 2" face No. 1 maple flooring, the Wisconsin Land & Lumber Co. quoted $140.00.

On 3/8 x 1½" face No. 1 maple flooring, the Wisconsin Land & Lumber Co. quoted $140.00.

On 3/8 x 1½" No. 1 birch flooring, the Wisconsin Land & Lumber Co. quoted $140.00.

On 3/8 x 1½" clear select red birch flooring, the Wisconsin Land & Lumber Company quoted $170.00.

And on 13/16 x 1½" face select red birch flooring, the Wisconsin Land & Lumber Co. quoted $230.00.

On 13/16 x 2¼" No. 1 factory flooring, the Wisconsin Land & Lumber Company quoted $155.00.

And Charles Horn Lumber Company quoted $147.50.

[fol. 779] On 13/16 x 2¼" face plain red oak flooring, Charles Horn Lumber Company quoted $265.00.

And on 13/16 x 2¼" face clear plain white oak flooring, Charles Horn Lumber Company quoted $265.00.

The clear red oak and the clear white oak will match up in grade with the clear maple flooring. In other words, clear oak flooring is of the same grade as the clear maple flooring, but the wearing quality of the maple flooring is far superior to that of the oak flooring.

Said Exhibit received in evidence.

Defendants' Koerble Exhibit 8 for identification is an inquiry for certain items of maple flooring during July, 1922 and the quotations received in response thereto. Said quotations are as follows:

On 13/16 x 2¼" face clear maple flooring, E. Bartholomew quoted $99.00.

On 13/16 x 2¼" face No. 1 maple flooring, the following quotations were received:

I. Stephenson Co.	$83.50
E. Bartholomew	89.00
William Horner	89.00
less $2.00 per M commission.	
Holt Hardwood Co.	83.50
less $2.00 per M commission.	

On 13/16 x 2¼" factory maple flooring, we received the following quotations:

[fol. 780] J. W. Wells Lumber Co.	$31.50
E. Bartholomew	39.00
William Horner	39.00
less $2.00 per M commission.	
Holt Hardwood Co.	33.50
less $2.00 per M commission.	
I. Stephenson Co.	33.50

On 13/16 x 2¼" face No. 2 factory maple flooring, I. Stephenson Co. quoted $21.50.

Said Exhibit received in evidence.

Defendants' Koerble Exhibit 9 is an inquiry sent out by us on January 6th, 1922, for 100,000 feet of 13/16 x 1½" Clear Maple Flooring, which was sent out to some 15 or 20 manufacturers and the quotations that we received in response thereto. The quotations that we received were as follows:

Northwestern Cooperage & Lumber Co.	$88.50
Holt Hardwood Lumber Co.	85.00
J. W. Wells Lumber Co.	81.50
Nichols & Cox	83.50
E. Bartholomew Hardwood Co.	86.00

All the quotations above named were for the flooring delivered at Milwaukee.

Said Exhibit received in evidence.

Defendants' Koerble Exhibit 10 for identification is an inquiry that we sent out on August 1st, 1922, for 50,000 feet of 1 1/16 x 3¼ inch face Factory and better maple flooring and 1 1/16 inch by 3¼ inch face Clear maple flooring, and the quotations that we re-
[fol. 781] ceived in response thereto. On the clear we received the following quotations:

Holt Hardwood Co.	$93.50
William Horner	80.00
Kerry & Hanson Flooring Co.	86.00

We were given the following quotations on No. 1 maple flooring:

Holt Hardwood Co.	$83.50

We received the following quotation on 1 1/16" 3¼" face Factory maple flooring:

Holt Hardwood Co.	$38.50
Kerry & Hanson Flooring Co.	41.00
Bigelow-Cooper Co.	43.75

(Said exhibit received in evidence.)

We will not buy anything from any one unless they make us a delivered price. We want the other fellow to worry about freight claims. Some manufacturers of flooring allow a commission of $1.00, others $1.50, and some give $2.00, but the majority do not give any commission at all. Some manufacturers would sometimes make a price and then make *us* of a commission to trade with. There has never been any uniform practice to allow $2.00 commission. There have never been any uniform terms of sale on maple, beech and birch flooring. The terms vary. Some manufacturers give one per cent, some 1½ per cent in fifteen days from date of invoice; others give two per cent ten days after arrival of car.

[fol. 782] "Q. Now, would you say that, as long as you have been in the lumber business, there has been any uniform price for maple, beech or birch flooring?

A. No, sir, there never was; the price all depended on the stock a man had; if his stock was great of a grade, he would cut the price and move it.

Q. Would you say that there has existed during all the time that you have been handling maple, beech and birch flooring, competition among the different manufacturers for business?

A. Yes, they always competed.

Q. Have the quotations that you have received during all that time varied, as between the different manufacturers?

A. Yes, sir, they have always varied. Of course, there were always some that were like the other fellow.

Q. But there was always a high and a low?

A. Yes, sir. For instance, we sent out today a yellow pine inquiry, and we send it out to 500 mills, and you will find 175 of them are the same price.

Q. And there will be variations?

A. And there will be variations of from $1 to $10 a thousand in some items.

Q. What would you say as to the reasonableness or unreasonableness of the prices of maple, beech and birch flooring since you have been buying it, after your going out of business in 1921, that is, after you ceased manufacturing it in 1921?

A. The maple flooring, at the prices we have been paying for it, and against the price of rough lumber, we are far better off to buy the flooring.

Q. Than to manufacture it?

A. Yes, sir.

Q. You consider that the prices that the public have to pay for [fol. 783] maple, beech and birch are reasonable, or unreasonable?

A. They are very reasonable.

Q. State whether or not you are familiar with the prices of the rough lumber, and the cost of manufacturing it.

A. Yes, sir, I am.

Q. And your testimony, that the prices are and have been reasonable is based upon your knowledge of costs, and your manufacturing operations before?

A. Yes, sir.

Q. And the price of rough lumber?

A. Yes sir."

The quotations that we received and that have been put in evidence are typical of our experience since we have been buying maple, beech and birch flooring. I am familiar with the market condition of maple flooring in 1920. Part of 1920 was a buyer's market and part of it was a seller's market. 1921 was a buyer's market. Quotations varied widely both during 1920 and 1921. I bought some factory maple flooring for as low as $16.00 delivered in Milwaukee.

Cross-examination.

By Mr. Thompson:

The exhibits that have been put in evidence represent all the inquiries and quotations that we were able to find. There might perhaps be some more. When we buy flooring or any other item we select from large lists which we have in the office the manufacturers to whom we shall send out inquiries. We do not send out inquiries to every one on the list. Our list of manufacturers of maple beech and birch flooring contains more than 100 names. We do not [fol. 784] send any inquiry to every one on the list, but select from 10 to 20 concerns. G. H. Tennant Company has a maple flooring factory in Minneapolis; Charles Horn Lumber Company are Chicago brokers. E. Bartholomew has a big warehouse in Chicago. Mason-Donaldson Lumber Company are flooring manufacturers at Rhinelander, Wis. August Beck & Co. are flooring manufacturers of Milwaukee. Dwight Lumber Company are flooring manufacturers at Detroit. J. C. Hill is a flooring manufacturer of St. Paul, but he doesn't run the factory under his own name. Paul Knolk is a broker at Milwaukee. I believe he sells for the Wisconsin Land & Lumber Co. The Morgan Lumber & Manufacturing Company is an oak concern at Morgan City, Tenn. The M. B. Farren Lumber Company manufacture oak and maple flooring at Cincinnati. J. O. Nessen Lumber Company are wholesalers at Chicago. C. Z. Beard is a Chicago broker and I think he sells Kneeland-McLurg Lumber Company's stock. L. E. Leach & Co. are manufacturers with plants at Chicago and Cairo, Ill. McKey Bros. are manufacturers of Memphis, Tenn. Ward Bros. are located at Big Rapids, Mich. Long-Bell Lumber Company have an oak flooring factory at Kansas City, and are the largest lumber company in the world. National Hardwood Flooring Company manufactures oak flooring at Nashville, Tenn. Mobray & Robinson manufacture oak and soft maple flooring at Cincinnati. Memphis Hardwood Flooring Co. manufacture oak at Memphis.

Redirect examination.

By Mr. Darby:

The automobile manufacturers and others take the cream of the rough maple, beach and birch lumber. To supply their large demands they have forced up the price of rough lumber. They forced it clean out of sight, except on real low grade stock, that is, [fol. 785] No. 3, and you cannot make flooring out of that. They drove that down to nothing. You cannot get the price you paid for the timber for it. It is selling at from $5.00 to $10.00 at the mill now, dry stock, and you can't sell it at that price. This has forced the No. 1 rough lumber to a point where it is practically impossible to use it in the manufacture of flooring. Flooring stock is made mostly of No. 1 Common and the ripping grade of No. 2

Common. Prices of No. 1 and No. 2 Common have been exorbitant. Every sawmill cuts his maple, beech and birch logs into thick stock because the automobile manufacturers pay more for such stock. With the automobile manufacturers, it is not a question of price, but simply whether they can get the quantity they want.

[fol. 786] DEPOSITION OF IRWIN W. HAACK, TAKEN, PURSUANT TO STIPULATION, AT CHICAGO, ILLINOIS, ON OCTOBER 20TH, 1923

Direct examination.

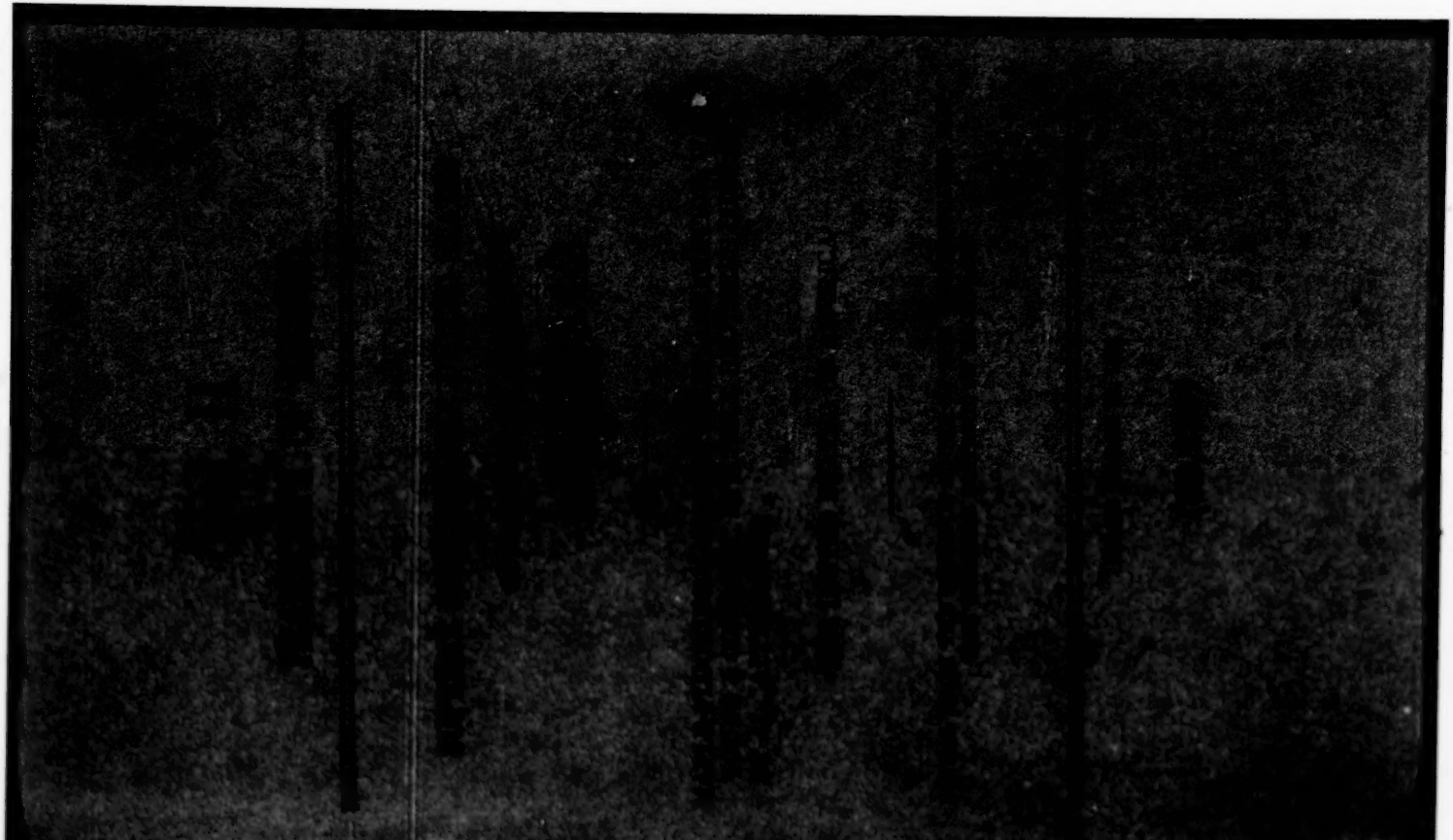
By Mr. Darby:

I live at Milwaukee, Wisconsin, and am the secretary of Mr Koerble and Assistant Purchasing Agent for John Schroeder Lumber Company. Most of the tabulations that have been introduced in evidence are in my handwriting. When Mr. Koerble wanted to purchase flooring, he would dictate an inquiry to me and I would then send it out to different companies. When Mr. Koerble received the quotations he would hand them to me, whereupon I would tabulate them, after which they were checked by Mr. Koerble and me. Orders were given on the basis of those quotations in the ordinary course of business. I have been with the John Schroeder Lumber Company for the past four years, during all of which time I have been familiar with the prices of maple, beech and birch flooring. During all the time that I have been with the Company the prices received from various manufacturers varied about as they do in the tabulations that have been received in evidence. There never was a time when all the prices were identical for the different grades. From my experience I should say that there has been competition among the different manufacturers of maple, beech and birch flooring for the Milwaukee business, because there always has been quite a variance in prices. Ordinarily the prices of maple, beech and birch flooring varied as widely as did the prices for other lumber products. The tabulations that were received in evidence during the examination of Mr. Koerble are true and correct.

[fol. 787] Cross-examination.

By Mr. Thompson:

I did not keep track of the prices of maple, beech and birch flooring other than through the inquiries that were introduced in evidence during the examination of Mr. Koerble. I wrote most of the inquiries that were sent out while I was there. What I have testified to regarding the prices is based upon those exhibits.



(30,230)

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1923

No. 920

MAPLE FLOORING MANUFACTURERS ASSOCIATION, W. D. YOUNG & COMPANY, MITCHELL BROTHERS COMPANY, ET AL., APPELLANTS,

vs.

THE UNITED STATES OF AMERICA

APPEAL FROM THE DISTRICT COURT OF THE UNITED STATES FOR THE WESTERN DISTRICT OF MICHIGAN

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IN THE

DISTRICT COURT OF THE UNITED STATES, WESTERN DISTRICT OF MICHIGAN

Equity. No. —.

UNITED STATES OF AMERICA, Plaintiff,

v.

MAPLE FLOORING MANUFACTURERS ASSOCIATION et al., Defendants

PETITION—Filed March 5, 1923

VOLUME II

[fol. 788] DEPOSITION OF EARL BARTHOLOMEW, TAKEN, PURSUANT TO STIPULATION, AT CHICAGO, ILLINOIS, ON OCTOBER 19, 1923

EARL BARTHOLOMEW, being duly sworn testified as follows:

Direct examination.

By Mr. Darby:

I live at River Forest, Illinois, a suburb of Chicago, and am the president of E. Bartholomew Hardwood Company, which handles oak and maple flooring and hardwood lumber. I have been in the lumber business since 1889 and have been purchasing maple, beech and birch flooring during the last eight or ten years. The E. Bartholomew Hardwood Company has been in existence since 1921. Prior to that time I was manager for the Nashville Hardwood Flooring Company of Nashville, Tenn., which conducted a branch here in Chicago. They came here in about 1914. They handled about the same stuff that we do now, namely, oak flooring, lumber, etc., and it was about that time that we started to buy maple flooring in car lots. As manager for the Nashville Hardwood Flooring Company, I bought maple flooring in car lots from 1915 until 1921, when the E. Bartholomew Hardwood Flooring Company was organized. During all the time above mentioned and since the organization of the E. Bartholomew Hardwood Company I have bought annually large quantities of maple, beech and birch flooring. During 1922 I bought about 2,000,000 feet. Since 1914 the annual average would be about a million and a half feet. My company does not manufacture maple, beech and birch flooring. We are wholesalers and buy everything that we sell from manufacturers. A good portion of the

maple, beech and birch flooring that we buy is distributed through our warehouse here in Chicago. We ship as far east as Maine and as [fol. 789] far west as California. We have shipped some stuff into Northern Michigan and as far south as Alabama. We sell largely through retail lumber dealers and occasionally to large manufacturing concerns direct who buy either for the construction of new floors or for repairs. We keep in touch with market conditions with respect to price, largely by means of sending out inquiries. If we require certain kinds of maple flooring or our stock is running low in the warehouse we send out an inquiry to find out where flooring can be bought to the best advantage. Sometimes we buy a large amount of stock to be shipped into the warehouse from time to time as needed. The largest purchases I should say would result from inquiries sent out by us to manufacturers.

Defendants' Bartholomew Exhibit 1 for identification was a general inquiry that was sent out by us on April 12th, 1923, to the I. Stephenson Company, W. D. Young & Company, J. W. Wells Lumber Company, Holt Hardwood Company, Ward Bros., Flanner-Steger Land & Lumber Co., Northwestern Cooperage & Lumber Co., and the West Michigan Flooring Co., and the quotations that we received in response thereto. On the 13/16th by inch and a half Factory maple flooring, delivered at Chicago, we received the following quotations per thousand feet:

J. W. Wells Lumber Co., $39.00.

Holt Hardwood Co., 25.00 f. o. b. cars Oconto, Wis. (Freight rate to Chicago would make a delivered price at Chicago $27.75.)

I. Stephenson, $45.50

W. D. Young and Co. and Ward Bros. were unable to quote on that item.

On the 13/16 by 2¼ inch face Factory we received the following quotations:

[fol. 790] I. Stephenson	$60.50
Ward Bros	61.25

The other manufacturers were not able to quote on that item.

On the 1 1/16—2¼ inch Factory we received the following quotations:

W. D. Young & Co	$59.00
Holt Hardwood Co	55.00

the others not quoting.

On 1 1/16 by 3¼ Factory maple flooring we received the following quotations:

W. D. Young & Co	$64.50
J. W. Wells Lumber Co	64.50

On that inquiry we purchased the 13/16 by 1½ inch Factory flooring from the Holt Hardwood Co. at $25.00 f. o. b. cars Oconto. I think the freight rate from Oconto, Wis., to Chicago, was 14½ cents

per hundredweight, which would equal about $2.75 a thousand feet, and make the flooring cost us in Chicago, $27.75. The letters that we received from the various manufacturers above mentioned were received in the ordinary course of business, in response to an inquiry that was sent out in the ordinary course of business.

(Defendants' Bartholomew's Exhibit 1 for identification was received in evidence.)

Defendants' Bartholomew Exhibit 2 for identification are copies of orders that we sent to William Horner of Reed City and Cummer-Diggins Company of Cadillac, Mich. As shown by said orders, on September 26th, 1922, we bought of William Horner 13/16 by inch and a half Clear maple flooring at $80.75 and 13/16 by 2¼ inch Clear maple flooring at $85.50 f. o. b. cars Reed City. On Septem-
[fol. 791] ber 5th, 1922, we bought from Cummer-Diggins Company 13/16 by inch and a half Clear maple flooring at $88.00 and 13-1/6th by 2¼ inch Clear maple flooring at $93.00 f. o. b. Cadillac. The freight from Reed City to Chicago is identical with the freight rate from Cadillac to Chicago. We made the purchases above mentioned. Both the purchases above mentioned were made for stock to be placed in our warehouse as is indicated by the words, "Purchase Order No. 147-S" placed on the William Horner order and the words, "Purchase Order No. 145-S" placed on the Cummer-Diggins order. I understand that both William Horner and Cummer-Diggins Company were members of the defendant Maple Flooring Manufacturers Association at the time said orders were placed.

(Said exhibit was received in evidence.)

Defendants' Bartholomew Exhibit No. 3 for identification is composed of answers to an inquiry sent out by us on July 2d, 1923. Our inquiry was for quotations on 13/16 by 2¼ inch Factory maple flooring. The quotations that we received were as follows:

Flanner-Steger Land & Lumber Co	$49.00
Wisconsin Land & Lumber Co	52.50
R. Connor Company	55.00
Ward Bros	54.00

The prices above mentioned were net to us delivered at Chicago. I do not think that either the R. Connor Company or Ward Bros. were members of the Maple Flooring Manufacturers Association at the time the foregoing quotations were made. The letters containing said quotations above mentioned were received by us in the ordinary course of business in response to a bona fide inquiry addressed to the manufacturers in question.

(Said exhibit received in evidence.)

[fol. 792] Defendants' Bartholomew Exhibit 4 for identification is a copy of our order No. 254 placed with William Horner of Reed City on January 22d, 1923, for 45,000 feet of inch and sixteenths

by 2¼ inch face Factory maple flooring delivered at Wellford, South Carolina. The words, "Less 5 per cent" appearing on the face of said order mean that we were entitled to a discount of 5 per cent on the net amount of invoice after deducting freight. Our inquiry was originally for inch and sixteenths by 3¼ inch face Factory maple flooring, delivered f. o. b. cars Spartanburg, South Carolina, and we received the following quotations:

Kneeland-Bigelow Co.,	$49.25,	less $2.00 commission.
Kerry & Hanson Flooring Co.,	52.00,	" " "
Robins Flooring Co.,	53.00,	" " "

In response to the original inquiry Horner stated to us that he was unable to quote on inch and sixteenths by 3¼, but that he was able to give us an inch and sixteenth by 2¼ at $44.00 per thousand, less five per cent from net amount of invoice, and as a result of his offer we decided to use the 2¼ inch face instead of the 3¼ inch face, and the order was accordingly placed with Horner.

(Said Exhibit received in evidence.)

Defendants' Bartholomew Exhibit 5 for identification is a form letter that was addressed to J. W. Wells Co., Robbins Flooring Co., Wisconsin Land & Lumber Co., Kerry & Hanson Flooring Co., R. Connor Co., I. Stephenson Co., Ward Bros., Holt Hardwood Co., W. D. Young & Co., Strable Lumber & Salt Co., Flanner-Steger Land & Lumber Co. on July 2d, 1923, asking best prices f. o. b. mills or Chicago rate and commissions. Attached to said inquiry are letters from the different manufacturers containing quotations. On the [fol. 793] 13/16 by 3¼ inch face Factory flooring we received the following quotations:

Kerry & Hanson Flooring Co.	$63.00
J. W. Wells Lumber Co.	52.50

On 13/16 by 4 inch factory maple flooring we received the following quotations:

W. D. Young & Co.	$57.50
Kerry & Hanson Flooring Co.	63.00

On inch and sixteenth by 2¼ inch face factory flooring we received the following quotations:

J. W. Wells Lumber Co.	$52.00
Hold Hardwood Co.	52.50

On the inch and sixteenth by 3¼ inch face Factory flooring we received the following quotations:

Kerry & Hanson Flooring Co.	$63.00
J. W. Wells Lumber Co.	57.50
Holt Hardwood Co.	52.50

All the quotations above named were delivered price at Chicago. We received no other quotations in response to that inquiry.

(Said Exhibit received in evidence.)

Defendants Bartholomew Exhibit 6 is a copy of our order No. 299 for a car of 13/16 by 1½ inch No. 1 Factory maple flooring placed with the Strable Lumber & Salt Company through N. J. Clears Lumber Company at Chicago. Said order was placed on April 12th, 1923. This car was bought at $31.00 per thousand f. o. b. cars Saginaw, Michigan, and was shipped to Norwood, North Carolina. Before placing the order above mentioned we had addressed inquiries to other manufacturers and in response thereto we received a quotation from the Robbins Flooring Company of $36.00 f. o. b. cars Rhinelander, Wis. Accordingly, we placed the order with the Strable Lumber & Salt Company. The price was f. o. b. cars mill [fol. 794] and we assumed the freight from mill to Norwood, North Carolina. I think the freight rate from Saginaw, Michigan to Chicago is about the same as the freight rate from Rhinelander, Wis., although the Rhinelander rate might be a little less. The shipment above mentioned, however, was not brought to Chicago. It was shipped direct to North Carolina and the freight rate from Saginaw, Michigan, to North Carolina, would be a little less than the freight rate from Rhinelander, Wisconsin.

(Said Exhibit received in evidence.)

Defendants' Bartholomew Exhibit 7 for identification is an inquiry that we sent out on July 19th, 1923, and the quotations that we received in response thereto. On ⅜ by inch and a half and 2 inch Clear maple flooring we received the following quotations:

W. D. Young & Co	$67.00
I. Stephenson	68.00
Kerry & Hanson Flooring Co.	60.00
Grayling, on 1½ inch and $65.00 Grayling on 2 inch.	
Northwestern Cooperage & Lumber Co.	67.50
William Horner	68.00

All the quotations above mentioned were, delivered at Chicago, except where otherwise stated.

On the ⅜ by inch and a half and 2 inch No. 1 maple flooring we received the following quotations:

W. D. Young & Co.	$47.00
I. Stephenson	53.00
Kerry & Hanson	50.00
Grayling.	
J. W. Wells Lumber Co.	40.00
Northwestern Cooperage & Lbr. Co.	47.50
William Horner	42.50

The quotations above mentioned were delivered at Chicago except as otherwise stated. There were six members of the defendant

Association who were unable to quote. At that time the freight *from Grayling, Michigan, amounted to $2.25 per thousand feet,* [fol. 795] accordingly increase the quotations made by Kerry & Hanson.

(Said Exhibit received in evidence.)

Defendants' Bartholomew Exhibit 8 for identification is a copy of our order 176-S of October 21, 1922, covering a car of 20,000 feet of 13/16 by 2¼ inch face No. 1 Factory maple flooring at $35.00 per thousand, f. o. b. cars Chicago, sent to the Flanner-Steger Land & Lumber Company, Blackwell, Wisconsin. That order was placed by us in the ordinary course of business and the correspondence relating to the said order is attached thereto.

"Mr. Darby: We will reserve offering this document in evidence until after we have placed another witness on the stand to identify another order given on or about the same day by another purchaser to another member of the defendant Maple Flooring Manufacturers Association."

Defendants' Bartholomew Exhibit 9 for identification is a copy of our order No. 223 of November 23d, 1922, for 15,000 feet of inch and a sixteenth by 2¼ inch face Factory maple flooring, at $35.00 per thousand f. o. b. cars Chicago, sent to William Horner, Reed City, Mich. Attached to said order are communications that passed between us and William Horner with reference thereto. Said order was placed by us in the ordinary course of business.

"Mr. Darby: Defendants reserve the right to offer the Exhibit in evidence later on, for the reasons stated in connection with the preceding Exhibit."

Our company was not ready to do much buying until some time in the first part of 1922. The quotations that have been introduced in evidence are typical of the quotations that we have received in the conduct of our business. They are also typical of the quotations that [fol. 796] were received by me as Manager of the Nashville Hardwood Flooring Company from 1914 until I started my own business in 1921.

"Q. Would you say from your knowledge of conditions here in Chicago that there is or has been any uniform price for maple, beech or birch flooring?

A. Well, as a rule I should judge that there would be a spread of five per cent on most items.

Q. On most items?

A. Yes, sir, between the high and the low points.

Q. Sometimes it would vary more and sometimes less, but as an average it would be about a five per cent difference between the high and the low of the different manufacturers?

A. Yes, sir.

Q. And does that difference include members of the defendant Maple Flooring Manufacturing Association?

Oh, yes.

Q. Is there any more uniformity of price among the members of the defendant Maple Flooring Manufacturers Association than there is among non-members?

A. Well, I could not say as there is. That depends altogether on conditions.

Q. Explain what you mean, please?

A. Frequently the prices of the Association members are higher than those of non-members, and just the reverse occasionally; due to conditions, I mean, or the quantities of the various items that they manufacture or might have on hand at a certain time.

Q. And then there will be the same difference among members of the Association?

[fol. 797] A. Yes, sir.

Q. And sometimes the quotations that you receive from non-members are higher than the quotations that you receive from the members of the Association, are they not?

A. Yes, sir, sometimes.

Q. And whom do you prefer to deal with, as a general rule?

A. We would rather buy from the Association members, for the reason that there is uniformity of grade; and then in case of dispute with a customer there is a recourse of inspection, at any destination.

Q. State whether or not you have found the grades of flooring manufactured by the different members of the Association satisfactory?

A. They have been very satisfactory.

Q. State whether or not you have found the re-inspection service maintained by the defendant Maple Flooring Manufacturers Association satisfactory?

A. Yes; they have given prompt service, and so far as we know it has been satisfactory to both buyer and seller.

Q. Do you consider that that service is efficiently and honestly and fairly maintained?

A. Yes, we believe so."

[fol. 798] We prefer to buy our Factory flooring from the Cummer-Diggins Company. We also like to buy our Clear and No. 1 from Cummer-Diggins Company because of the way they bundle it. The Cummer-Diggins Company use wire whereas some other manufacturers use twine, and while their flooring is just as good, we prefer to handle flooring bound with wire because it holds better and is more satisfactory to handle. We have bought a great deal of flooring from Cobbs & Mitchell. They make beautiful flooring, in fact, they make it too good. When I was associated with other concerns I bought a great deal of flooring from Cobbs & Mitchell.

"Q. You mentioned, I believe, one experience that you had with Cummer-Diggins Company. State what that was.—that you told me about.

A. Well, this year we bought from Cummer-Diggins quite a bunch of flooring in Clear, No. 1 and Factory, being I think, along the first of the year, around the first of the year, at $110 a thousand.

Q. How large a quantity?

A. As I remember there was about 150,000 feet in this lot.

Q. And that was for future delivery, was it not?

A. Yes, sir.

Q. Now, go on.

A. And they afterwards changed their price to meet the conditions, to $105, and later to $100, and as I remember a little later on, to $95—voluntary on their part.

Q. In other words, they reduced the price on future deliveries to you, in accordance with the market at that time?

A. Yes, sir.

Q. Notwithstanding the fact that they had your contract for the whole lot at $110?

A. Yes, sir.

Q. And you say they did that voluntarily?

A. Absolutely.

[fol. 799] "Q. You did not ask them to do it?

A. Oh, no.

Q. He mentioned that the market was softer or lower, and he thought that in fairness to you you should have the benefit of it?

A. That was the idea."

Very frequently during the past ten or twelve years after receiving quotations from one member of the Association at a low price and upon being quoted higher prices by another member of the Association I would inform the latter of the prices quoted by the first member, whereupon the latter would reduce his price in order to meet competition. That sort of thing is common between buyer and seller. I consider that the market here in Chicago on maple, beech and birch flooring is an absolutely competitive market. There is also competition between our company and other wholesalers here in Chicago. We could not maintain our business here in Chicago so well if there were a uniform price among the manufacturers of maple, beech and birch flooring. In order to meet the competition that we encounter we must find a manufacturer who will sell a little lower than another. We like to have competition both ways. I am of the opinion from my knowledge of conditions here in Chicago during the past twelve years that competition does exist and has existed here among all the manufacturers of maple, beech and birch flooring whether members of the defendant Association or not. The spread between the high and low on maple, beech and birch flooring is as large as the spread on other hardwood floorings or any other lumber commodities in which I deal. I think it is immaterial to the members of the defendant Association whether they quote us f. o. b. mills or f. o. b. Chicago, or f. o. b. any other point. In handling our own business we prefer to get quotations f. o. b. mill [fol. 800] and have never experienced any difficulty in getting quotations on that basis. At times quotations are made to us subject to commissions and at other times the quotations are net. In buying lumber, as a rule there is no commission given to wholesalers. In oak flooring the commission is usually $2.00 per thousand, or five per cent or sometimes three per cent. In buying maple flooring, whether they are members of the Association or non members, the

commission varies. Sometimes they have a dollar and a half and at other times two dollars a thousand. Sometimes the quotations are net.

Cross-examination.

By Mr. Thompson:

I have known of the existence of the different Maple Flooring Manufacturers Association ever since I have been buying maple flooring. As a rule, I have known who were members and who were not members. In sending out inquiries we address them to the manufacturers who we think would have the stock desired. Some mills make items that are not made by others. Sometimes we send out a general inquiry addressed to all manufacturers, at other times an inquiry is addressed to only one or two or a few. At times we place orders direct without sending out general inquiries. We do this from our past experience and knowledge of the stock that is carried and in accordance with our best judgment as to what the market is. When we feel that the price offered us is one that we can use to advantage, we enter into the contract without obtaining quotations from other firms. If we buy f. o. b. mill we can ship the flooring direct to wherever we please. Sometimes we do not know where we are going to ship flooring when we place the order. The destination may be changed, and if the price is f. o. b. mill the [fol. 801] seller is not concerned with that. For instance, if we ask the price f. o. b. St. Louis rate, and later send the shipment to Dallas, the seller will credit us with the rate as far as St. Louis and we assume the balance. I should judge that we send out inquiries perhaps once a month. We are always sending out inquiries to mills we do business with. We are doing this all the time, but frequently it is well to have a general inquiry in order to locate any items that the mills might want to sell. Sometimes it is difficult to locate just what we want and then the inquiry would be sent to a larger number of manufacturers. If we think that the item will be easy to locate we just get a few prices and then place the order. The exhibits that have been identified and received in evidence do not represent all the inquiries that we have sent out during the period covered by them.

Redirect examination.

By Mr. Darby:

Some of the manufacturers maintain agencies here in town. We are in constant touch with them, receiving quotations over the telephone, price lists, etc. I therefore know what other people are quoting from persons we are trying to sell. We are also informed by our buyer at what price some one else has offered to him the flooring he desires. We very frequently place orders with the manufacturers on an offer made because we are in touch with conditions and consider that the flooring offered is a good buy.

A. As I remember there was about 150,000 feet in this lot.

Q. And that was for future delivery, was it not?

A. Yes, sir.

Q. Now, go on.

A. And they afterwards changed their price to meet the conditions, to $105, and later to $100, and as I remember a little later on, to $95—voluntary on their part.

Q. In other words, they reduced the price on future deliveries to you, in accordance with the market at that time?

A. Yes, sir.

Q. Notwithstanding the fact that they had your contract for the whole lot at $110?

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A. Absolutely.

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commission varies. Sometimes they have a dollar and a half and at other times two dollars a thousand. Sometimes the quotations are net.

Cross-examination.

By Mr. Thompson:

I have known of the existence of the different Maple Flooring Manufacturers Association ever since I have been buying maple flooring. As a rule, I have known who were members and who were not members. In sending out inquiries we address them to the manufacturers who we think would have the stock desired. Some mills make items that are not made by others. Sometimes we send out a general inquiry addressed to all manufacturers, at other times an inquiry is addressed to only one or two or a few. At times we place orders direct without sending out general inquiries. We do this from our past experience and knowledge of the stock that is carried and in accordance with our best judgment as to what the market is. When we feel that the price offered us is one that we can use to advantage, we enter into the contract without obtaining quotations from other firms. If we buy f. o. b. mill we can ship the flooring direct to wherever we please. Sometimes we do not know where we are going to ship flooring when we place the order. The destination may be changed, and if the price is f. o. b. mill the [fol. 801] seller is not concerned with that. For instance, if we ask the price f. o. b. St. Louis rate, and later send the shipment to Dallas, the seller will credit us with the rate as far as St. Louis and we assume the balance. I should judge that we send out inquiries perhaps once a month. We are always sending out inquiries to mills we do business with. We are doing this all the time, but frequently it is well to have a general inquiry in order to locate any items that the mills might want to sell. Sometimes it is difficult to locate just what we want and then the inquiry would be sent to a larger number of manufacturers. If we think that the item will be easy to locate we just get a few prices and then place the order. The exhibits that have been identified and received in evidence do not represent all the inquiries that we have sent out during the period covered by them.

Redirect examination.

By Mr. Darby:

Some of the manufacturers maintain agencies here in town. We are in constant touch with them, receiving quotations over the telephone, price lists, etc. I therefore know what other people are quoting from persons we are trying to sell. We are also informed by our buyer at what price some one else has offered to him the flooring he desires. We very frequently place orders with the manufacturers on an offer made because we are in touch with conditions and consider that the flooring offered is a good buy.

When you and Mr. Keehn were at my place of business some eight or ten days ago, you asked us to have some of our clerks assemble instances where general inquiries had been sent out, and I did so and gave them to Mr. Keehn. There were not many instances where a general inquiry had been sent out. What I gave [fol. 802] you have been introduced in evidence. The large bunch of single quotations you hand me were taken from our files.

"Mr. Darby: We do not want to introduce them in evidence unless counsel for the Government wants us to do so. I may say that we compared them with orders placed with other manufacturers, and we could not match them up so far as dates were concerned. For that reason we have not used the single quotations.

Mr. Thompson: Oh, I do not want those. I just want to get the general idea as to how many general inquiries were sent out.

The Witness: The minimum carload of flooring contains 20,000 feet of 13/16 2¼" face. We have had cars of ⅜ inch flooring that contained as much as 80,000 feet. The spread of $4.00 per thousand on a carload of 80,000 feet will amount to $320. In 1920 flooring was very hard to get and prices were abnormal. There was no steady market at that time. There was a big demand for flooring and all other lumber products. In 1921 there was a big break in prices of most lumber products and especially of maple, beech and birch flooring. The variation in prices in both 1920 and 1921 were greater than usual. During 1920 there was such a strong demand for flooring that it was a question of deliveries and not the price. Buyers were bidding for flooring for certain deliveries, delivery being more important than price. In 1921 the manufacturers of flooring and lumber products generally were trying to unload. It was a season of liquidation and there was a big drop in prices during that year all along the line. As a consequence there was a greater spread between the prices quoted by the manufacturers generally of maple, beech and birch flooring than other products.

[fol. 803] DEPOSITION OF ALEXANDER B. CLANEY, TAKEN PURSUANT TO STIPULATION, AT CHICAGO, ILLINOIS, ON OCTOBER 20, 1923

ALEXANDER B. CLANEY, being first duly sworn, testified as follows:

Direct examination.

By Mr. Darby:

I am 50 years of age and have been in the lumber business for about thirty years. The name of my present firm is the Lord & Bushnell Company, in which I am a stockholder and of which I am the treasurer. The Lord & Bushnell Company are wholesalers and retailers of lumber products. We do not manufacture. We handle

from about 60 to 80 million feet a year, including maple flooring. I think we handle about a million feet of maple flooring a year. We buy every week and commission men are calling us up every day wanting us to buy and giving us the market. We place frequent inquiries with commission men and sometimes we deal direct with the manufacturers. The Lord & Bushnell Company was organized I think in 1871. I have been associated with the Company for about five years. Before that I was with the Thornton-Clancy Lumber Company, who did about the same business as the Lord & Bushnell Company. During the last ten or twelve years I have bought from W. D. Young & Co., Wisconsin Land & Lumber Co., the I. Stephenson Co., Cummer-Diggins Co., Holt Hardwood Co., Strable Lumber & Salt Co., Foster-Latimer Lumber Co., West Michigan Flooring Co., J. W. Wells Lumber Co., Northwestern Cooperage & Lumber Co., North Branch Flooring Co.; Flanner-Steger Land & Lumber Co., I think; Bigelow-Cooper Co. and Kneeland-McLurg Lumber Co. I do not think that there was ever a time when there has been a uniform price for maple flooring among the persons that I have dealt with. In fact, I know there never was a uniform [fol. 804] price. There was always some difference in the price of some manufacturers, two, three, four or five. There may have been some with the same price, but there was always some difference, never have we got a uniform price from everybody. We buy our stuff delivered. By so doing we know what it is going to cost us, and we have much less bother looking up the freight rate. The price at which we have bought maple flooring and the quotations that we have received from maple flooring manufacturers have varied, sometimes more and at other times less, than would the quotations on other lumber that I have bought during that period,—invariably more because the price of flooring is higher than the ordinary lumber that we carry. It is a better grade of lumber and is used less and as a consequence the flooring is higher in price. We handle oak flooring. I should say that the prices of maple flooring that we get from the manufacturers above named have varied just about the same as the prices of oak flooring. Competition exists and has existed among the manufacturers from whom we have purchased maple flooring, at least so far as Lord & Bushnell are concerned. I do not think that a conspiracy or combination or agreement among the manufacturers from whom we have bought maple flooring, to establish and maintain uniform prices, could exist without our knowing it. We are in constant touch with the market every day. We have never had occasion to ask for reinspection except on one car, which was reconsigned by the Holt Hardwood Company and the matter was satisfactorily adjusted with them. Our dealings with the manufacturers above mentioned have always been very satisfactory. In no instance have any of them ever attempted to cancel a contract or [fol. 805] to get higher prices after making a sale to us for future delivery when the price was later on advanced. Once we placed an order for about 350,000 feet of 2¼ inch Clear maple flooring, and I think the price was then $56.00 a thousand. The manufacturer carried

that order along for more than a year before we required shipment; and I am sure the price went up from $56.00 to about $225 or $235 a thousand before the order was completely shipped. Delivery was made without complaint. Bigelow-Cooper Company was the manufacturer that made the shipment. They took their medicine like a man and delivered beautiful flooring without one word of complaint. The people who received the flooring were very technical, but they had no complaint to make with respect to this flooring. The flooring in question went into the Western Electric Company plant at 52d and 22d Streets.

Defendants' Claney Exhibit 1 for identification is a formal order which we placed with the Holt Hardwood Company at Oconto, Wisconsin, on October 27, 1922, for 25,000 to 30,000 feet, 13/16 by 2¼ inch face Factory maple flooring at $39.50 per thousand, f. o. b. cars Chicago.

(Said exhibit received in evidence.)

"Mr. Darby: In order to keep the record straight, I will read into the record Defendants' Bartholomew Exhibit 8 for identification, which is an order given on October 21st, 1922, by E. Bartholomew Hardwood Company of Chicago to the Flanner-Steger Land & Lumber Company, Blackwell, Wisconsin, for one car of 20,000 feet of 13/16 by 2¼ inch face No. 1 Factory maple flooring at $35.00 a thousand, f. o. b. cars Chicago.

Defendants' Claney Exhibit 2 for identification is an order placed on November 22d, 1922, with the Grossman Lumber Company, [fol. 806] Grand Rapids, Michigan, for 20,000 feet of 13/16 by 2¼ face Factory maple flooring at $37.50 f. o. b. cars Chicago."

(Said Exhibits received in evidence.)

"Mr. Darby: In order to make clear the purpose for which the last exhibit is introduced, I will read the substance of Defendants' Bartholomew Exhibit No. 9 into the record. This exhibit purports to be an order that was placed on November 23d, 1922, by E. Bartholomew Hardwood Company of Chicago with William Horner of Reed City, Michigan, for 15,000 feet of inch and sixteenth by inch and a quarter face No. 1 Factory maple flooring at $35.00 per thousand f. o. b. cars Chicago."

Cross-examination.

By Mr. Thompson:

We make purchases of maple flooring whenever our demands require it. I could not say how often that is—sometimes every week, sometimes every month. Almost every day we keep in touch with prices—that is, two or three times a week by the commission men calling us up and wanting to sell us. They give us prices. Some commission men call at our office, others call us by telephone, sometimes two or three a day. Sometimes we buy from commission

men without making any further inquiry, at other times we do not. If we are not posted on the market and we don't think the prices quoted are right, we will send an inquiry to different manufacturers. Sometimes instead of sending out an inquiry to manufacturers, we ask other commission men, if we are not satisfied with the prices previously quoted us by commission men. If we wish to make a further inquiry among the manufacturers we send out letters. We send out general inquiries among the manufacturers about every two or three months. We do not make tabulations of the quotations re- [fol. 807] ceived. We select the lowest or the next to the lowest quite frequently and dispose of the others. In making general inquiries I should say, without looking it up, that we address them to all the manufacturers I mentioned on my direct examination. When I testified that I had never been quoted uniform prices on the same day, I referred to the results of these general inquiries and the quotations that were made me by commission men. I do not think there were ever instances where on the same day two or three commission men would all quote the same price. Probably two of them would and probably two or three of them wouldn't. Sometimes two or three of them would quote the same price. I base my answers to the questions as to whether there was competition in selling flooring and as to whether there could possibly be a combination or conspiracy between the manufacturers of flooring upon this non-uniformity of prices about which I have testified.

[fol. 808] DEPOSITION OF ALBERT P. HAWLEY, TAKEN, PURSUANT TO STIPULATION, AT CHICAGO, ILLINOIS, ON OCTOBER 19TH, 1923.

ALBERT P. HAWLEY, being duly sworn, testified as follows:

Direct examination.

By Mr. Darby:

I live a Chicago and am engaged in the lumber business. I have been engaged in the lumber business for about 30 years. My experience has been confined to retailing. I have never been connected with the manufacturing end. I am the vice-president of the Burns Lumber Company. We retail lumber, pine hardwood flooring, hemlock, and all kinds of lumber that go into the construction of buildings. We handle maple and oak flooring, but no beech or birch. I do the buying and general overseeing of the yard. We have two yards located here in Chicago. Most all of the lumber that we handle is disposed of here in Chicago. The Burns Lumber Company succeeded the John E. Burns Lumber Company. Our present company and its predecessors have been operating in Chicago for about 22 years, during all of which time I have been with one or the other of said companies. I should say that the present

company and its predecessor have during all the time above mentioned handled about three-quarters of a million feet of maple flooring annually, and from about 500 thousand to three quarters of a million feet of oak flooring annually. In the performance of my duties I have been in touch with the price of maple flooring in Chicago during the time above mentioned. When we are in the market I call up either several manufacturers or their salesmen and get their prices, listing them on cards. I have at various times received quotations from different manufacturers of maple flooring. [fol. 809] I know that there is now and has been an Association called the Maple Flooring Manufacturers' Association. Most always I have bought from members of that Association. We prefer to deal with them because we are pretty sure of getting what we buy, both as to grade and quantity, and usually we find their prices right. I am familiar with many of the names of the members of the Association and have received quotations from them either directly or indirectly. I have never received quotations or bought lumber from Ward Brothers or R. Connor Company. I do not remember that there was ever a time when there was not some variation in the prices quoted by different members of the Maple Flooring Manufacturers' Association. During all the time above mentioned I have dealt with some of the members of the Association and have received quotations from them. We have always found a variation in price. We might get the same price from two or three, but we have always had some variation. Some one was always willing to take a moderate price. We buy oak flooring. I would say that the prices that are quoted me by the members of the Maple Flooring Manufacturers' Association on maple flooring vary as widely as the quotations on oak flooring or other lumber products. I think that has been true as nearly as I can remember during the last twenty years. We have dealt with the Holt Hardwood Company of Oconto, Wisconsin, for about ten or twelve years. All other things being equal, we prefer to do business with said company. They have always taken care of our business. We are located on the same road, Chicago & Northwestern. Their shipments are very prompt and their price has always been right, and their grades are [fol. 810] good. Their treatment of us has been fine.

"Q. Would you say that the prices that you have paid for maple flooring during the period that you have mentioned have been fair and reasonable or unfair and unreasonable?

A. I would say they are very fair."

The paper marked Defendants' Hawley Exhibit 1 for identification contains a notation of a purchase of 475,000 feet of flooring from the Holt Hardwood Company on December 7th, 1922. There were 150,000 feet of 13/16 x 2¼ inch face No. 1 Factory maple flooring at $37.50 per thousand; 25,000 feet of 13/16 by 3¼ inch face Factory flooring at $40.00 a thousand; 150,000 feet of 13/16 by 2¼ inch Select flooring at $87.50 per thousand and 150,000 feet of 13/16th by 2¼ inch clear at $97.50. The flooring was for future delivery as ordered by us. The pencil memoranda to the right of

the prices made us by Holt Hardwood Company are the prices made us by some other manufacturer at about the time the order was placed with Holt. On the 2¼ inch Factory Holt quoted $37.50; the other manufacturer quoted $39.00. On the 3¼ inch Holt quoted $40.00 and the other manufacturer quoted $40.00. On the 2¼ inch select Holt quoted $87.50 and the other manufacturer quoted $89. On the 2¼ inch Clear Holt quoted $97.50 and the other manufacturer quoted $99.00. All the entries made on Defendants' Hawley Exhibit 1 were made on or about December 7th, 1922, in the ordinary course of business. I do not recall at this time what manufacturer made the quotations that have been noted in pencil opposite the quotations of the Holt Hardwood Company. I can say that we usually called on members of the Association for [fol. 811] quotations at that time. Defendants' Hawley Exhibit 1 for identification was taken from our current file where it has remained since December 7th, 1922. When you and Mr. Keehn were at my office some time ago you asked me whether I had any record showing purchases made in recent years. I found Defendants' Hawley Exhibit No. 1 and several others. I brought with me today all the cards that I was able to locate.

(Said Exhibit received in evidence.)

After placing this order for 150,000 feet of 13/16 by 2¼ inch face Factory maple flooring with Holt Hardwood Company on December 7th, 1922, at $37.50 per thousand, to be shipped out as ordered by us, we had occasion to place another order for the same grade of flooring later on. Defendant's Hawley Exhibit 2 for identification is our order slip for 82,000 feet of 13/16ths–2¼ inch face Factory maple flooring at $35.00 per thousand. There are no notations on said Exhibit showing the dates that various shipments were made. We did not order out the 82,000 feet under our standing order for 150,000 feet at $37.50 because we entered into a contract with a buyer here in Chicago to furnish him 82,000 feet at a very low price. Our competition here in Chicago was such that we could not afford to pay the price that Holt had made us. We therefore wrote the Holt Hardwood Company a letter, copy of which is attached to said Exhibit, said letter reading as follows:

"December 15, 1922.

Holt Hardwood Co., Oconto, Wis.

GENTLEMEN: We have just sold a job that will require 82,000 ft. of 13/16 x 2¼ #1 factory Maple flooring, to be delivered probably in February. This is a 6-story building and they are probably [fol. 812] putting in the foundation at the present time. Of course, the time of delivery for the factory Maple will depend somewhat on the weather, but they expect to have the building under roof and practically completed by May first.

We had to meet very severe competition on this bill and want to buy this particular lot at $35.00 f. o. b. cars Chicago. That price has been quoted by other concerns. Will you kindly let us know what you can do.

Regarding the other order that we sent you, we will let that stand as we gave it with the prices which you attached, although we were considerably disappointed at the raise.

Yours very truly, John E. Burns Lumber Co., by —— ——, Vice Pres."

"Mr. Darby:

Q. Will you explain what you mean by the last paragraph that I have just read, expressing disappointment at the rate. What did you mean by that?

A. The previous order that we had given them was at a lower price than this. At that time they had raised their price, I do not remember how. And naturally we were disappointed.

Mr. Darby: I should like to read into the record a telegram which purports to be from Oconto, Wisconsin, dated December 20, 1922. (Reading:)

"Oconto, Wis., 11.01 a. Dec. 20, 1922.

J. E. Burns Lumber Co., 700 West Chicago Av., Chicago, Ill.:

Reference letter fifteenth will furnish factory at thirty five dollars.

Holt Hardwood Co."

Mr. Darby: Confirmation by letter from Holt Hardwood Co., dated December 20th, 1922. (Reading:)

[fol. 813] "Holt Hardwood Company

Dec. 20th, 1922.

'John E. Burns Lumber Co., Chicago, Ill.

GENTLEMEN: Confirming our telegram of this morning, we are pleased to advise that we can furnish the 82,000' of 13/16 x 2¼" face factory Maple flooring at $35.00 per thousand, f. o. b. cars Chicago as suggested in your letter.

Hoping that you can favor us with the order, we remain,

Yours truly, Holt Hardwood Company. C. F. De Witt.' "

We let our original order for 150,000 feet at $37.50 stand and ordered out the flooring later on.

Defendants' Hawley Exhibit 3 for identification is one of our current purchase slips for hardwood flooring placed with the Holt Hardwood Company of Oconto on August 17th, 1922, for 150,000 feet of 13/16 by 2¼ inch face Select maple flooring; 75,000 feet of 2¼ inch Clear and 50,000 feet of 2¼ inch Factory. The pencil notation in the upper right hand corner reading, "Letter 8-17-22 in order book" means that we received the Holt Hardwood Company letter of acceptance of the order, which said letter was pasted in our order book. The pencil memoranda to the right of the prices

Holt made us are certain memoranda of the prices that we received from some other manufacturer or his agent at or about that date. The prices made us by Holt and by some other manufacturer were as follows:

Select maple flooring—Holt's price $82.75; the other party's price, $90.00.

Clear—Holt's price was $92.75 and the other party's price was $100.00.

[fol. 814] Factory—Holt's price, $37.75, and the other price was $50.00.

All the memoranda appearing on said slip were made in the ordinary course of business on or about August 17th, 1922, and the order was placed with the Holt Hardwood Company at the prices they quoted. I cannot state at this time what manufacturer made the quotations appearing opposite the Holt Company's quotations. We took all the flooring in question.

(Said Defendants' Hawley Exhibit 3 received in evidence.)

Defendants' Hawley Exhibit 4 for identification is a memoranda of prices made by Mr. De Witt of the Holt Hardwood Company about February 1st, 1919. Those prices were to be maintained until July 1st, 1919. No quantity was stated. The Holt Hardwood Company was to ship us whatever we might need. On 13/16 by 2¼ inch Clear maple flooring the price was to be $57.50 per thousand. On 13/16 by 2¼ inch No. 1 maple flooring, the price was to be $53.50 per thousand; on 13/16 by 2¼ inch factory maple flooring, $45.00 per thousand.

On 13/16 by 3¼ inch face Clear maple flooring, $55.50 per thousand; 13/16 by 3¼ inch face No. 1 maple flooring, $52.50; 13/16 by 3¼ inch factory maple flooring, $47.50. ⅜ inch by 2 inch face clear maple flooring, $42.00 a thousand.

We ordered flooring at the prices above mentioned. I could not state at this time how much.

Defendants' Hawley Exhibit 5 for identification is an order given the Holt Hardwood Company, dated February 26th, 1919, which ap-[fol. 815] plies on previous order that was given to them about February 1st, for 20,000 feet of 13/16 by 2¼ inch face Clear maple flooring at $57.50; eight to ten thousand feet 3¼ inch by 13/16 inch No. 1 Factory flooring, $47.50. The quantities mentioned on Defendants' Hawley Exhibit 5 were ordered out and received at our Chicago Avenue yard.

Defendants' Hawley Exhibit 6 for identification was an order placed with the Holt Hardwood Company of Oconto on December 4, 1918, for one car of 13/16 by 2¼ inch face factory maple flooring at $38.75 per thousand. The price was f. o. b. cars Chicago, as were all the other prices heretofore mentioned. All the entries made on Defendants' Hawley Exhibits 2, 3, 4, 5, and 6 were made by me in the ordinary course of business. We are still ordering out flooring on that Exhibit covering 475,000 feet. We buy all our flooring f. o. b. cars Chicago. We then know exactly what it costs us. If we

buy f. o. b. the mill, we do not always know what the freight will be. We prefer that the shipper take the risk of transportation.

(The exhibits for identification above mentioned were received in evidence, and were marked Defendants' Hawley exhibits and given the identification numbers.)

Cross-examination.

By Mr. Thompson:

We purchase at least 95 per cent of our maple flooring from the Holt Hardwood Company. We do not always get Holt's prices first. If their representative does not call on us we call up two or three and get prices. If Holt Hardwood Company's representative is here we get Holt's prices first and then call others up. If we get lower prices from other persons we tell Holt about it. Usually the price of the Holt Hardwood Company has been low. I mean that their price is usually the lowest of the three or four that I may get. We call Wis- [fol. 816] consin Land & Lumber Co.; Flanner-Steeger Land & Lumber Company and a concern that is represented here by the Lumber Mills Corporation, who are commission men. We frequently get prices from commission men without knowing whom they represent. We usually ask commission men whether flooring offered was made by a member of the Association or whose flooring it is they are quoting on. We have also had I. Stephenson & Company's prices. When we have a large standing order placed with one manufacturer we do not pay much attention to other prices quoted to us. We have always preferred to do business with members of the Maple Flooring Manufacturers Association. I think their grades are more standard than the grades of outside people. I would say that I have never yet asked for prices that I did not find a variation all the way from 50 cents to $7.50 a thousand feet between the highest and the lowest. Sometimes there would be some quotations that would be the same.

Redirect examination.

By Mr. Darby:

Recently it has been our custom to place large standing orders instead of buying a carload at a time. About the time when we want to place large standing orders is when we pay special attention to prices. I think I have seen the Articles of Association but do not know whether there has been one or a dozen associations that have succeeded one another called the Maple Flooring Manufacturers Association.

[fol. 817] DEPOSITION OF CHARLES J. HENIFF, TAKEN, PURSUANT TO STIPULATION, AT CHICAGO, ILLINOIS, ON OCTOBER 23D, 1923

CHARLES J. HENIFF, being duly sworn, testified as follows:

Direct examination.

By Mr. Darby:

I am in the retail lumber business and have been for nearly thirteen years. I am associated with the Bay State Lumber Company, which handles all classes of building lumber and hardwood flooring. This company has been in business for thirteen years and is located on the South Side in Chicago. Our company handles maple, beech, birch and oak flooring. I keep in touch with market conditions through telephone quotations from the representatives of the different mills and some of them call on me direct. We do not send out inquiries addressed to the different manufacturers. We buy most of our flooring from the Northwestern Cooperage & Lumber Co. We always check up on the quotations they make us; that is, we compare their quotations with the quotations made us by other mills.

"Q. State whether or not there has always existed, so long as you know, a variation or difference in prices that were quoted you by the different manufacturers of maple, beech and birch flooring?

A. We have always found a variation of prices.

Q. Do you consider from your knowledge of the business and your business experience that there exists competition here in Chicago among the different manufacturers of maple, beech and birch flooring?

A. Yes, there is.

Q. Do you consider that the manufacturers have been fair in dealing with the retail yard dealers or wholesale yard dealers?

[fol. 818] A. I believe they have.

Q. Do you consider that the price of maple, beech and birch flooring has been fair and reasonable?

A. I do."

I have never had occasion to ask for a reinspection. We have never had a complaint on flooring. Deliveries have been made promptly to us and every shipment has been checked and found to be O. K.

"Q. You say that there has been a variation in prices of the flooring, maple, beech and birch flooring? Would you say that that variation is as large as the variation in the prices of the other floorings and lumber that you buy?

A. In my estimation, about the same proportion.

Q. I wish you would read from this list here of the Maple Flooring Manufacturers Association as now constituted, and read the names of the Manufacturers from whom you have received quotations either by telephone, or through their agents and representatives? (Showing witness list.)

A. Nichols & Cox, North Branch Flooring Company, Northwestern

Cooperage & Lumber, I. Stephenson, Strable Lumber & Salt, J. W. Wells and W. D. Young.

Q. About how many thousand feet of maple, beech and birch flooring would you handle during a year?

A. Close to half a million.

Q. About what is the total quantity, in feet, of all products that you handle? Could you roughly approximate that?

A. About a million feet."

[fol. 819] Cross-examination.

By Mr. Thompson:

I think that we purchase about 80 per cent of our flooring from the Northwestern Cooperage & Lumber Co. We always compare their prices with the prices of at least three other manufacturers whose names were given me just before the close of my direct examination. The opinion that I expressed as to the existence of competition in the sale of maple flooring is based on the fact of not receiving identical or uniform quotations. It is because of the variation in prices received.

Redirect examination:

By Mr. Darby:

"Q. Would you say that these variations had been substantial, or not?

A. Oh, yes.

Q. They have been substantial?

A. Yes. They would at times run as high as five dollars difference.

Q. Have you ever had occasion to inform the Northwestern Cooperage & Lumber Company, with whom you largely deal, that some one else had quoted a lower price?

A. We have done that in one instance, I believe.

Q. And state whether or not they met the competition?

A. They met competition, in taking the order."

[fol. 820] Deposition of Robert H. Gillespie, Taken, Pursuant to Stipulation, on October 23d, 1923, at Chicago, Illinois

Robert H. Gillespie, being duly sworn, testified as follows:

Direct examination.

By Mr. Darby:

I am in the retail lumber business here in Chicago. I handle about 5,000,000 feet a year. I handle about 300,000 feet of maple, beech and birch flooring annually. I have been in the lumber

business 35 years and have operated a yard in Chicago for 25 years. I keep in touch with market conditions and the prices of maple, birch and beech flooring by getting quotations through the mail or over the telephone and from agents that call on me. During the time that I have been operating a yard here, I have been familiar with market conditions and the price of maple, beech and birch flooring. Most of our quotations come through the mail. Defendants' Gillespie Exhibit 1 for identification is an inquiry that I sent out dated August 8, 1922, and the quotations that were received in response thereto. On one-half car 13/16—2¼ inch Clear maple flooring we received the following quotations:

Northwestern Cooperage & Lumber Co.	$96.75
Ward Brothers	96.75
Holt Hardwood Co.	94.75
I. Stephenson Company	99.75

On one-half car 13/16 by 2¼ inch No. 1 maple flooring we received the following quotations:

Northwestern Cooperage & Lumber Co.	$86.85
Ward Brothers	86.75
Holt Hardwood Co.	84.75
I. Stephenson Company	89.75

All the foregoing quotations were f. o. b. cars Chicago.

(Said Exhibit was received in evidence.)

[fol. 821] Defendants' Gillespie Exhibit 2 for identification is a letter addressed to the Strable Lumber & Salt Company, asking for a quotation on 13/16–2¼ inch Clear and 13/16–2¼ inch No. 1 Maple Flooring, dated December 24, 1920, and the answer of the Strable Lumber & Salt Company. Strable Lumber & Salt Company quoted for the flooring above mentioned $128.00 per thousand f. o. b. cars Chicago. The East Jordon Lumber Company wrote us on December 27th, 1920, that their agent, D. K. MacPherson, would call. Mr. MacPherson called and quoted us a price of $105.00 per thousand f. o. b. cars Chicago on 13/16–2¼ inch Clear maple flooring. The Northwestern Cooperage & Lumber Co. made a quotation of $129.75 on the same grade of flooring, and later reduced their price to $120.00 per thousand, f. o. b. cars Chicago. We also received quotations from the Strable Lumber & Salt Co. On 13/16–2¼ inch No. 1 Maple Flooring, they quoted $113.00 per thousand, f. o. b. cars Chicago. No other quotations were made on this flooring. The letters of the East Jordon Company, Northwestern Cooperage Company and Strable Lumber & Salt Co are attached to our letter of December 24th, 1920, and are a part of Defendants' Gillespie Exhibit 2 for identification.

(Said Exhibit was received in evidence.)

Defendants' Gillespie Exhibit 3 for identification is a letter I sent out dated May 22d, 1922, asking for quotations on certain items of

maple flooring. The Holt Hardwood Company quoted us on one-third of a car of 13/16 by 2¼ inch clear maple flooring, $94.75 f. o. b. cars Chicago, and Ward Brothers quoted us on one-half car 13/16 by 2¼ inch clear maple flooring, $96.25 f. o. b. cars Chicago. [fol. 822] The quotation of Holt Hardwood Company is dated May 22d, 1922, and the quotation of Ward Brothers is dated July 6, 1922. At the same time the Holt Hardwood Company quoted us $79.75 per thousand for one-third of a car 13/16 by 2¼ inch face No. 1 maple flooring. At the time Ward Brothers made their previous quotation they quoted us one-half car 13/16 by 2¼ inch face No. 1 maple flooring f. o. b. cars Chicago, $86.25 per thousand. The prices above mentioned were subject to the usual two per cent cash discount in ten days from date of invoice.

(Said Exhibit was received in evidence.)

Defendants' Gillespie Exhibit 4 for identification is a letter I sent out dated June 12th, 1923, asking for quotations on 5,000 feet of 13/16 by 2¼ inch face clear, 10,000 feet of 13/16 by 2¼ inch face No. 1; 5,000 feet of 13/16 by 2¼ inch Factory maple flooring, and the quotations received in response thereto. The quotations that we received on the Clear maple flooring were as follows:

Holt Hardwood Co.	$104.75
Northwestern Cooperage & Lumber Co.	107.00
Ward Brothers	106.25

All the foregoing quotations were f. o. b. cars Chicago. We received the following quotations on the No. 1 maple flooring:

Holt Hardwood Co.	$94.75
Northwestern Cooperage & Lumber Co.	99.00
Ward Brothers	96.25

The foregoing quotations were f. o. b. cars Chicago.

The quotations we received on Factory maple flooring were as follows:

Holt Hardwood Co.	$54.75
Northwestern Lumber & Cooperage Co.	56.00
Ward Brothers	56.25

[fol. 823] All quotations were f. o. b. cars Chicago.

(Said Exhibit received in evidence.)

All the foregoing exhibits include all the answers that were received in response to the respective inquiries. We buy all our lumber f. o. b. cars Chicago. We do not want to be checking up expense bills that we receive from the railroads or to be bothered with making claims for overcharges, overweights, etc.

Ever since I can remember the terms generally allowed on all lumber and lumber products is two per cent cash discount ten days from date of invoice. That is the universal custom on any lumber or lumber products. Besides the manufacturers above mentioned

I have from time to time purchased flooring from other manufacturers of maple flooring and have received quotations from all the manufacturers mentioned in the list you hand me, which purports to be a statement of the membership of the defendant Maple Flooring Manufacturers Association. In my opinion there has at all times existed competition in the Chicago market among manufacturers of maple, beech and birch flooring from whom I have received quotations or prices or from whom I have bought flooring.

"Q. State whether or not there has always been a substantial variation or difference between the prices that have been quoted you, or which you have been able to buy flooring at, from these different manufacturers?

A. Well, there has always been a difference. Of course, once in a while, like in any other line, you might receive the same quotations; but there has always been a difference between figures, when we were sending out a list for quotations.

[fol. 824] Q. You mean that some would quote an identical price, but that there would be others that would quote different prices, and that there was always a substantial difference between the high and the low?

A. Well, of course, it all depends upon what you mean by substantial difference. There always has been a difference.

Q. State whether or not the difference was large enough to induce you to give the preference to one rather than the other?

A. Oh, yes.

Q. State whether or not the variation in prices quoted you by different manufacturers of maple, beech and birch flooring was as large as the variation in the prices of other lumber that you bought?

A. I think it was practically the same, and has been practically the same."

Cross-examination.

By Mr. Thompson:

The number of manufacturers to whom I would address an inquiry at any particular time varied. Sometimes I pick out four or five, sometimes I pick out more, or less. There might be some manufacturers, you know, that might not have Chicago for a good market, or freight rates might be against them, and there would be no use of sending to them. The average number of manufacturers from whom I receive quotations at the same time is about six or seven or eight, sometimes more and sometimes less.

Redirect examination.

By Mr. Darby:

I brought with me such inquiries and the answers thereto as I have been able to find in my files. I have never had occasion to ask for a reinspection of any flooring that I purchased from any of the manufacturers. The grades have always been satisfactory.

[fol. 825] DEPOSITION OF GEORGE W. KEEHN,

Taken at Chicago, Illinois, pursuant to the general stipulation for the taking of depositions of the various witnesses and to the special stipulation which was entered into before the taking of the deposition of George W. Keehn, which reads as follows:

"It is stipulated by the parties that the Deposition of George W. Keehn may be taken now, with respect to some preliminary matters, notwithstanding the fact that he intends to be and will be present at the hearing of this cause, and will be available to the Government as a witness in this cause. The defendants promise that Mr. Keehn will be present at the hearing; and the plaintiff agrees that Mr. Keehn's deposition may be taken now and used at the hearing, even though he then be present as a witness."

Mr. KEEHN, being duly sworn, testified as follows:

Direct examination.

By Mr. Darby:

I live at Kenilworth, Illinois, and am the secretary of the defendant Association, and have been since it was organized on January 1st, 1922. In a general way, my duties are as follows: I receive from the manufacturers who are members of the Association, reports regarding fundamental conditions in the industry. I assemble and consolidate those statistics and then report them in bulletins to the members of the Association, to the Department of Commerce, Washington, D. C., the Bureau of Census, and to various trade papers, and to others who may request them, such as, for instance, the Federal Reserve Bank. There have been other maple flooring manufacturers associations of which I was secretary. There was such an association in existence in 1914. That association was organized [fol. 826] on January 1st, 1913, with a limitation as to existence of three years. The name of that Association was the Maple Flooring Manufacturers Association, and I was its secretary. The membership of that Association was as follows:

No. 1, T. Wilce Company.
No. 2, W. D. Young & Company.
No. 3, Mitchell Bros. Company.
No. 4, Wisconsin Land & Lumber Company.
No. 5, Cobbs & Mitchell, Inc.
No. 6, Thomas Foreman Company.
No. 7, I. Stephenson Company, Trustees.
No. 8, Rittenhouse & Embree Company.
No. 9, S. L. Eastman Flooring Company.
No. 12, Bliss & Van Auken Lumber Company.
No. 14, Cummer-Diggins Co.

No. 15, Dwight Lumber Company.
No. 17, John Schroeder Lumber Company.
No. 22, Osgood & Blodgett Manufacturing Company.
No. 24, Kerry & Hanson Flooring Co.
No. 26, East Jordan Lumber Company.
No. 29, Welsh & Kerry Company.
No. 30, Nichols & Cox Lumber Company.
No. 32, A. L. Dennis Salt & Lumber Company.
No. 33, Strable Manufacturing Company.
No. 34, Foster-Latimer Company.
No. 36, W. H. White Company.
No. 37, West Michigan Flooring Company.
No. 38, R. Connor Company.

[fol. 827] No. 40, The Lobdell & Churchill Manufacturing Company.
No. 42, J. W. Wells Lumber Company.
No. 43, Hanson & Ward Veneer Company.
No. 44, Northwestern Cooperage & Lumber Company.
No. 46, G. H. Tennant Company.
No. 47, William Horner.

The firms and corporations above named were all the members of the Association that was in existence from January 1st, 1913, to January 1st, 1916. The following changes in the membership of said Association took place: Rittenhouse & Embree ceased to manufacture maple, beech and birch flooring and their membership terminated on August 1st, 1915. The Bliss & Van Auken Lumber Company joined the Association on March 1st, 1913. A. L. Dennis Salt & Lumber Company, who joined the Association on January 1st, 1913, terminated their membership on December 31st, 1915. The Strable Manufacturing Company changed the style of their firm subsequently to Strable Lumber & Salt Company. The W. H. White Company, who joined on January 1st, 1913, continued their membership under that name until July, 1914, when they went into the hands of a Receiver, and the Michigan Trust Company of Grand Rapids, Michigan, as Receiver continued the membership of W. H. White & Company until September 11th, 1915, when their flooring plant was destroyed by fire. The Lobdell & Churchill Manufacturing Company subsequently changed their name to the Lobdell & Emery Manufacturing Company. William Horner joined the Association on July 1st, 1915, and terminated his membership on December 31st, 1915. The T. Wilce Company is not a member of the present Maple Flooring Manufacturers [fol. 828] Association. The Wisconsin Land & Lumber Company never agreed to join the present defendant Association and never signed the Articles of Association which became effective on January 1st, 1922, and do not consider themselves members of the defendant Association. However, I should state that they contributed statistical data and that data has been exchanged with them during 1922, but they ceased all relations with the defendant Association about

the middle of March, 1923. The Thomas Forman Company are not members of the present defendant Association. Rittenhouse & Embree are not members. Neither is the S. L. Eastman Flooring Company nor Bliss & Van Auken Lumber Company, nor the Dwight Lumber Company, nor the John Schroeder Lumber Company, nor the Welsh & Kerry Company, nor the A. L. Dennis Salt & Lumber Company, nor the W. H. White Company; nor the Michigan Trust Company as Receiver for W. H. White Company, nor R. Connor Company, nor the Lobdell & Churchill Manufacturing Company, nor the Lobdell-Emery Manufacturing Company, nor the Hanson & Ward Veneer Company, nor G. H. Tennant & Company. William Horner is a member of the present defendant Association under the name of Grand Rapids Trust Company as Receiver for William Horner. None of the persons, firms or corporations whom I have stated are not members of the present defendant Maple Flooring Manufacturers Association have even been members of the said association. As to the present membership of the Wisconsin Land & Lumber Company in the present defendant Association, that is a technical question upon which I cannot pass.

The numbers given to the members of the Association in existence from January 1st, 1913, to January 1st, 1916, were for convenience [fol. 829] in keeping our statistical record and in sending out statistical reports. For instance, it was very much easier to use the figure 4 than to write, Wisconsin Land & Lumber Company, or to use the figure 44 instead of Northwestern Cooperage & Lumber Company. There was never any secrecy about the members of the Association and we furnished from time to time when requested, to the Government or to the Department of Commerce or bodies like that, identification numbers and names of members. It was simply as a matter of convenience, because in some of our statistical works it would be very difficult to write out the names on the sheets of paper that we use in the compilation of statistics. Upon the expiration of the Articles of Association on January 1st, 1916, a new Association was formed for a period of three years, or until January 1st, 1919. I have a list of the members of that Association. The membership of that Association was as follows:

No. 1, T. Wilce Company, Membership commenced January 1, 1916.

No. 2, W. D. Young & Co., Membership commenced January 1, 1916.

No. 3, Mitchell Bros. Co., Membership commenced January 1, 1916.

No. 4, Wisconsin Land & Lumber Co., Membership commenced January 1, 1916.

No. 5, Cobbs & Mitchell, Inc., Membership commenced January 1, 1916.

No. 6, Thomas Forman Co., Membership commenced January 1, 1916.

No. 7, I. Stephenson Co. Trustees, Membership commenced January 1, 1916, but their membership was terminated on April 1st, 1917.

No. 9, E. L. Eastman Flooring Co., Membership commenced January 1st, 1916, and was terminated March 1st, 1917, because of fire that destroyed their plant.

No. 12, Bliss & Van Auken Lumber Co., Membership began January 1st, 1916, and terminated November 1st, 1917, on account of fire that destroyed their plant.

No. 14, Cummer-Diggins Co., Membership began January 1st, 1916.

[fol. 830] No. 15, Dwight Lumber Co., Membership began January 1st, 1916, and terminated December 31st, 1918.

No. 17, John Schroeder Lumber Co., Membership began January 1, 1916.

No. 22, Osgood & Blodgett Manufacturing Co., Membership began January 1, 1916.

No. 24, Kerry & Hanson Flooring Co., Membership began January 1, 1916.

No. 26, East Jordan Lumber Co., Membership began January 1, 1916.

No. 29, Welsh & Kerry Co., Membership began January 1, 1916.

No. 30, Nichols & Cox Lumber Co., Membership began January 1, 1916.

No. 33, Strable Lumber & Salt Co., Membership began January 1, 1916.

No. 34, Foster-Latimer Co., Membership began January 1, 1916.

No. 37, West Michigan Flooring Co., Membership began January 1, 1916.

No. 38, R. Connor Co., Membership began January 1, 1916.

No. 40, The Lobdell-Emery Manuafcturing Co., Membership began January 1, 1916; membership terminated on September 1st, 1916, because they ceased to manufacture flooring.

No. 42, J. W. Wells Lumber Co., joined January 1, 1916.

No. 43, Hanson-Ward Veneer Co., joined January 1, 1916.

No. 44, Northwestern Cooperage & Lumber Co., joined January 1, 1916.

No. 46, G. H. Tennant Company, joined January 1, 1916.

No. 48, North Branch Flooring Co., joined September 1, 1916.

No. 49, Bigelow-Cooper Company, membership began November 1, 1917.

Of the persons, firms and corporations above mentioned, the following persons, firms and corporations are not now and were never members of the present defendant Maple Flooring Manufacturers Association:

T. Wilce Company,
Thomas Forman Company,
S. L. Eastman Flooring Company,
[fol. 831] Bliss & Van Auken Lumber Company,
Dwight Lumber Company,
John Schroeder Lumber Company,

Welsh & Kerry Company,
R. Connor Company,
Lobdell-Emery Manufacturing Company,
Hanson-Ward Veneer Company,
G. H. Tennant Company,

and the same statement should be made as heretofore with respect to the Wisconsin Land & Lumber Company. The explanation that I gave before with respect to the use of numbers also applied to the use of numbers to identify the members of the Association that was in existence from January 1st, 1916, to January 1st, 1919.

Upon the termination of the Articles of Association on January 1st, 1919, a new Association was formed to exist from January 1st, 1919, to July 1st, 1919. I have prepared a list of the membership of the Association last named. Said membership was as follows:

No. 1, T. Wilce Company, Membership began January 1, 1919.
No. 2, W. D. Young & Co., ditto.
No. 3, Mitchell Brothers Co., ditto.
No. 4, Wisconsin Land & Lumber Co., ditto.
No. 5, Cobbs & Mitchell, Inc., ditto.
No. 6, Thomas Forman Co., ditto.

No. 7, I. Stephenson & Company, Trustees, Membership began February 1, 1919.

No. 14, Cummer-Diggins Co., Membership began January 1, 1919. [fol. 832] No. 17, John Schroeder Lumber Co., Membership began January 1, 1919.

No. 22, Osgood & Blodgett Manufacturing Co., Membership began January 1, 1919.

No. 23, Holt Hardwood Co., Membership began March 1, 1919.

No. 24, Kerry & Hanson Flooring Co., Membership began January 1, 1919.

No. 26, East Jordan Lumber Co., Membership began January 1, 1919.

No. 29, Welsh & Kerry Co., Membership began January 1, 1919.

No. 30, Nichols & Cox Lumber Co., Membership began January 1, 1919.

No. 33, Strable Lumber & Salt Co., Membership began January 1, 1919.

No. 34, Foster-Latimer Lumber Co., Membership began January 1, 1919.

No. 37, West Michigan Flooring Co., Membership began January 1, 1919.

No. 38, R. Connor Company, Membership began January 1, 1919.

No. 39, Mason-Donaldson Lumber Co., Membership began March 1, 1919.

No. 42, J. W. Wells Lumber Co., Membership began January 1, 1919.

No. 43, Hanson-Ward Veneer Co., Membership began January 1, 1919, and terminated June 30, 1919, because they ceased to manufacture flooring.

No. 44, Northwestern Cooperage & Lumber Co., Membership began January 1, 1919.

No. 45, Flanner-Steger Land & Lumber Co., Membership began March 1, 1919.
No. 46, G. H. Tennant & Co., Membership began January 1, 1919.
No. 47, William Horner, Membership began March 1, 1919.
No. 48, North Branch Flooring Co., Membership began January 1, 1919.
No. 49, Bigelow-Cooper Co., Membership began January 1, 1919.
No. 50, Kneeland-McLurg Lumber Co., Membership began March 1, 1919.

The following persons, firms and corporations are not now and never were members of the present defendant Maple Flooring Manufacturers Association:

T. Wilce Company,
Thomas Forman Company,
[fol. 833] John Schroeder Lumber Company,
Welsh & Kerry Company,
R. Connor Company,
Mason-Donaldson Lumber Company,
Handson-Ward Veneer Company,
G. H. Tennant Company.

William Horner went into the hands of a Receiver at the close of 1921. However, the Grand Rapids Trust Company, as Receivers for William Horner, joined and is now a member of the present defendant Maple Flooring Manufacturers Association. The same explanation that I gave before with reference to the Wisconsin Land & Lumber Company applies here, as does also the explanation with respect to the use of identifying numbers.

Upon the expiration of the articles of association on July 1st, 1919, a new association was formed to exist from July 1st, 1919, to July 1st, 1922, but that association was terminated as of December 31st, 1921. The membership of that Association was as follows:

No. 1, T. Wilce Co., Membership began July 1, 1919, and they contributed statistics during the first quarter of 1922 to the present defendant Maple Flooring Manufacturers Association, but did not become members of the present defendant Association. The same applied to No. 17, John Schroeder Lumber Company.
No. 4, Wisconsin Land & Lumber Co., with the same statement as given heretofore.
No. 5, Cobbs & Mitchell, Membership began July 1st, 1919.
No. 2, W. D. Young & Co., ditto.
No. 3, Mitchell Bros. Co. ditto.
No. 6, Thomas Forman Co., Membership began July 1st, 1919, terminated December 31, 1919.
[fol. 834] No. 7, I. Stephenson Co., Trustees, Membership began July 1, 1919.
No. 14, Cummer-Diggins Co., Membership began July 1, 1919.
No. 23, Holt Hardwood Co., Membership began July 1, 1919, terminated March 1, 1920, and resumed again January 1st, 1921.

No. 24, Kerry & Hanson Flooring Co., Membership began July 1, 1919.

No. 26, East Jordan Lumber Co., Membership began July 1, 1919.

No. 29, Welsh & Kerry Co., Membership began July 1, 1919, and terminated March 1, 1921, because they ceased to manufacture flooring.

No. 30, Nichols & Cox Lumber Co., Membership began July 1, 1919.

No. 33, Strable Lumber & Salt Co., ditto.

No 34, Foster-Latimer Lumber Co., ditto.

No. 37, West Michigan Flooring Co., ditto.

No. 38, R. Connor Co., Membership commenced July 1, 1919, and terminated February 1, 1920.

No. 39, Mason-Donaldson Lumber Co., Membership began July 1, 1919, terminated March 1, 1920, because ceased to manufacture flooring.

No. 42, J. W. Wells Lumber Co., Membership began July 1, 1919.

No. 44, Northwestern Cooperage & Lumber Co., ditto.

No. 45, Flanner-Steger Land & Lumber Co., ditto.

No. 46, G. H. Tennant Co., Membership began July 1, 1919, and terminated June 1, 1921.

No. 47, William Horner, Membership began July 1, 1919.

No. 48, North Branch Flooring Co., ditto.

No. 49, Bigelow-Cooper Co., ditto.

No. 50, Kneeland-McLurg Lumber Co., ditto.

No. 51, Oval Wood Dish Corporation, Membership began August 1, 1921.

The following persons, firms and corporations are not now members of the present defendant Maple Flooring Manufacturers Association:

[fol. 835] T. Wilce Company,
Thomas Forman Company,
John Schroeder Lumber Company,
Welsh & Kerry Company,
R. Connor Company,
Mason-Donaldson Lumber Company,
G. H. Tennant Company,

and the same explanation given heretofore with respect to William Horner and the Wisconsin Land & Lumber Company.

The Association that was organized on July 1, 1919, and which was to extend until July 1, 1922, was terminated as of December 31st, 1921. In stating that the T. Wilce Company membership terminated on April 1st, 1922, I meant that they gave their statistics to the succeeding Association, which was organized during the early part of July, 1922, but T. Wilce Company never became a member of the present defendant Association. The same explanation is applicable to the John Schroeder Lumber Company, and neither the T. Wilce Company nor the John Schroeder Lumber Company have signed the articles of the present defendant Maple Flooring Manufacturers Association.

After December 31st, 1921, a new Association was organized with articles dated January 1st, 1922, but the complete organization was not consummated until in March 1922. These articles were dated back to January 1, 1922, and were to continue in force and effect until January 1, 1925. The names, numbers and addresses of the present defendant Maple Flooring Manufacturers Association are as follows:

[fol. 836] No. 2, W. D. Young & Co., Bay City, Michigan.
No. 3, Mitchell Brothers Co., Cadillac, Michigan.
No. 4, Wisconsin Land & Lumber Co., Hermansville, Michigan, with the explanation heretofore made concerning said company.
No. 5, Coggs & Mitchell, Inc., Cadillac, Michigan.
No. 7, I. Stephenson Co. Trustees, Wells, Michigan.
No. 14, Cummer-Diggins Co., Cadillac, Michigan.
No. 22, Osgood & Blodgett Manufacturing Co., St. Paul Minnesota.
No. 23, Holt Hardwood Co., Oconto, Wisconsin.
No. 24, Kerry & Hanson Flooring Co., Grayling, Michigan.
No. 26, East Jordan Lumber Co., East Jordan, Michigan.
No. 30, Nichols & Cox Lumber Co., Grand Rapids, Michigan.
No. 33, Strable Lumber & Salt Co., Saginaw, Michigan.
No. 34, Foster-Latimer Lumber Co., Mellen, Wisconsin.
No. 37, West Michigan Flooring Co., Manistee, Michigan.
No. 42, J. W. Wells Lumber Co., Menominee, Michigan.
No. 44, Northwestern Cooperage & Lumber Co., Gladstone, Michigan.
No. 45, Flanner-Steger Land & Lumber Co., Blackwell, Wisconsin.
No. 47, Grand Rapids Trust Company, Receiver for William Horner, Reed City.
No. 48, North Branch Flooring Co., Chicago, Illinois.
No. 49, Kneeland-Bigelow Co., Bay City, Michigan.
No. 50, Kneeland-McLurg Lumber Co., Phillips, Wisconsin.
No. 51, Oval Wood Dish Corporation, Tupper Lake, New York.

The Bigelow-Cooper Company's name was changed to the Kneeland-Bigelow Company about January 1, 1923. All the presons, firms and corporations above mentioned have been members of the present defendant Association from the date of its organization, and [fol. 837] are members at the present time, with the reservation, of course, heretofore made with respect to the Wisconsin Land & Lumber Company. The lists that I have prepared of the membership of the various Associations are true and correct.

(Said lists were marked Defendants' Keehn Exhibits 1, 2, 3, 4 and 5.)

In response to questions put by Mr. Thompson of counsel for the plaintiff, Mr. Keehn testified that the Articles of Association were not signed by the several members at the same time; for instance the Articles dated January 1, 1913 may not have been signed by all the members for a month or so after; that the identifying numbers of the different members are not in sequence and that the missing

numbers represent members of previous Associations who had dropped out or who had not become members of succeeding Associations; that after a number had been assigned to a member the said member was given the same number in succeeding Associations.

(The documents marked Defendants' Keehn Exhibits 1, 2, 3, 4 and 5 respectively received in evidence.)

Thereupon direct examination was resumed by Mr. Darby.

The same number was given to a manufacturer who was a member of succeeding Associations simply as a matter of convenience. After a number had been given a manufacturer it was easier to remember the number and obviate confusion if the same number was assigned to him in succeeding Associations.

None of the Associations about which I have testified ever engaged in the manufacture or sale of maple, beech or birth flooring. None of them ever manufactured or sold maple, beech or birch [fol. 838] flooring. The manufacturers belonging to said Associations were engaged in the manufacture and sale of maple, beech and birch flooring. I was not engaged in the manufacture of maple, beech and birch flooring during any of the times above mentioned.

There were Associations previous to 1914. The date of my first connection with any Maple Flooring Manufacturers Association was 1905. I was Secretary of that Association and there were Associations between 1905 and 1914 of which I was the Secretary. Between 1905 and 1914 I had been to the plants of some of the members of the various Associations and had seen flooring manufactured and had seen the flooring in the warehouses and had a general knowledge of maple, beech and birch flooring product. Between 1905 and 1914 I was familiar with the grades of maple, beech and birch flooring. In about 1912 or 1913 there was a movement initiated by the manufacturers of maple, beech and birch flooring with respect to the standardization of the different grades of flooring. Before and at that time the flooring was manufactured in three grades, namely, the Clear grade, which is the best quality, the No. 1 grade, which is the second quality, and the Factory grade. Along in 1910, 1911 or 1912 there was considerable agitation with respect to standardizing the grades. This agitation became quite strong in 1913. In 1914 an effort was made to standardize the grades in order that manufacturers would know what they were expected to furnish and that architects and the consumers of flooring generally would be protected and get the grades of flooring that they wished to use. Some manufacturers were strongly in favor of standardization, some [fol. 839] were luke warm and others were opposed to standardization. All of them felt the importance of standardization in a general way, but like every movement of that kind it grew and developed somewhat slowly.

The conditions that lead to the agitation for standardization of grades were the many complaints that were received by the manufacturers regarding the flooring that they had shipped. There was an absence of a precise definition and authoritative interpretation

of grading rules. Each one put his own interpretation upon what constituted Clear or No. 1 or Factory. This was also true of architects, dealers and consumers. They knew in a general way that there was a Clear grade and a No. 1 and a Factory grade, but there was confusion and disagreement as to what was meant by Clear, No. 1 and Factory as applied to grades.

Maple, beech and birch flooring were shipped to all parts of the United States and the grading rules were differently interpreted in different parts of the United States. As a result of the agitation for standardization, grades were more precisely and clearly defined so that the manufacturer and architect and the consumer would know what was intended by Clear grade, No. 1 grade and the Factory grade. The Association that brought about the standardization was the one that was organized on January 1, 1913. That Association took up the movement for standardization in the spring of 1914. They employed an expert flooring man, Mr. M. H. Robertson of East Jordan, Michigan. Mr. Robertson had had a wide experience [fol. 840] in every branch of the lumber business. He had been a manufacturer of maple, beech and birch flooring. In the earlier days he was an inspector of rough maple and other lumber and had a thorough knowledge of the characteristics and grades of the raw material. He was also thoroughly familiar with logging operations and saw mill processes because at one time he had been an employee of the East Jordan Lumber Company, who had a saw mill and extensive timber holdings. As above stated, Mr. Robertson had been engaged in the manufacture of maple flooring with a plant at East Jordan, Michigan. After that he was engaged in the superintendence of the manufacturing operations and in the sale of maple flooring produced by the East Jordan Lumber Company after that Company took over Mr. Robertson's flooring plant. Mr. Robertson was a man of very high integrity and impartiality and had the confidence of the trade and of the other members of the Association. In the sale of flooring, Mr. Robertson had come in contact with architects, buyers and dealers in travelling about the country. The Association was convinced that if anyone was capable of standardizing the grades, Mr. Robertson was the man. They therefore employed him to do the work and requested him to make preliminary trips among the mills in 1914. Mr. Robertson has also visited the flooring mills at different times since. The three different grades of maple, beech and birch flooring have been defined by means of grading rules by the present defendant Association.

The Defendants' Keehn Exhibit 6 for identification is a copy of the grading rules for maple, beech and birch flooring which were adopted on July 29, 1920 by the Maple Flooring Manufacturers Association then in existence, and copyright.

[fol. 841] When the present Association came into existence on January 1, 1922, it continued to use the same grading rules. The Association which originally adopted said rules on January 28, 1920 had about 40,000 copies of the rules printed and distributed all over the country to architects, contractors, retail lumber dealers, wholesale lumber dealers and others, so that everyone interested in the

use of maple, beech or birch flooring could be fully informed as to said grading rules. Since January 1, 1922, the present defendant Association has merely continued to use such printed copies as had not been distributed.

It has been the custom for a great many years for various lumber Associations to adopt standard grades for their products. As a matter of interest, I have been collecting some of the grading rules of these other Associations. I have also been looking through the publications of the United States Chamber of Commerce of the War Industries Board regarding grading rules that have been adopted by the various Associations. In looking over some of these matters, the first reference that I can find with respect to grades of lumber and inspection service, etc. is in the charter that was granted to the Lumbermen's Exchange of Chicago by the State of Illinois on March 31, 1869, which reads as follows:

"Said corporation shall have power to appoint inspectors, as many as they shall see fit, to examine, measure and inspect lumber, timber, shingles, wood and every other article of traffic commonly dealt in by the members of said corporation or any of them or by persons engaged in what is commonly understood to be the lumber business, [fol. 842] and to prescribe the rules and fix the grades by which such inspectors shall be governed in the discharge of their duties, and a certificate of such inspector as to the quality, quantity or character of such article thus inspected, and their mark thereon, shall be evidence between buyer and seller of the grade, quantity, quality or character of the same, and shall be binding upon the members of said corporation or others interested who shall obtain, require or assent to the employment of such inspector.

"Nothing herein contained, however, shall compel the employment by any one, of any such inspector."

I might add that in those days very large quantities of lumber were shipped to Chicago by cargo. I worked on the cargo market from about 1883 to 1905 and in those days lumber was shipped right from the saw without grading. The full product of the log came upon the market and was offered for sale without a tally from the shipper and had to be inspected and tallied and sold in the different yards engaged in business in those days. Then later on, when the source of production was farther away from the market, different Associations were formed and they adopted grading rules for the different species of lumber.

In former days there were no official grading rules in any of the markets and if a dealer wanted to buy a lot of lumber, it was necessary for him to go to the saw mill, look the stock over, purchase it and then have it shipped. Lumber, as well as flooring, is very bulky [fol. 843] and it would not be practical to carry on the business of selling lumber or flooring and shipping samples all over the country. For example, if a lumber dealer in California or in New England wanted to buy a carload of flooring and there were no standard grades established, it would be necessary for him to make a trip to

the flooring mill to find out what he was going to get, for a manufacturer might call flooring Clear, No. 1 or Factory. On the other hand, if he wanted to have a sample shipped, that would be very cumbersome. A manufacturer might be obliged to ship 100 pieces of flooring as samples of Clear grade, and in that case they would not be typical of all the flooring contained in the grade. Consequently, in order to carry on the business it became necessary for all the different Associations to establish standard grades so that the buyer would know what he was to furnish and the seller would know what he was going to get.

In the earlier days of the maple flooring industry and generally in the lumber business, many honest differences of opinion arose between the buyer and the seller because the grades were not clearly defined. It is my experience that the more clearly the grade of flooring or lumber is defined, the more satisfactory it is to the honest buyer and the honest seller. A clear definition of the different grades eliminates ambiguities and sources of confusion and disagreement. For these reasons grading rules have been adopted by the various Associations. Here are the 1922 standard specifications of grades of Southern Yellow Pine Lumber issued by the Southern Pine Association.

(Said booklet marked as Defendants' Keehn Exhibit 7 for identification.)

[fol. 844] Here are the Standard Specifications for grades of Southern Yellow Pine Lumber issued by the Georgia-Florida Saw Mill Associations, Jacksonville, Florida, and dated 1921.

(Said booklet marked Defendants' Keehn Exhibit 8 for identification.)

Here are the rules for the grading of Northern Pine Lumber adopted by the Northern Pine Manufacturers Association, Minneapolis, Minnesota, dated November 1, 1921.

(Said booklet marked Defendants' Keehn Exhibit 9 for identification.)

Here are the rules for the inspection of Hemlock Lumber, adopted by the Northern Hemlock Hardwood Manufacturers Association, Oshkosh, Wisconsin, February 1, 1918.

(Said book marked Defendant-' Keehn Exhibit 10 for identification.)

There were also grading rules that were adopted by the West Coast Lumbermen's Association for Douglas Fir, Western Hemlock, Sitka Spruce, Western Red Cedar, Port Orford Cedar Lumber, but I have not a copy of such rules.

The National Hardwood Lumber Association has adopted rules for the Measurement and Inspection of Hardwood Lumber, Cypress, Figured Veneers, Thin Lumber and Plywood. These rules were issued in September, 1923.

(Said rules marked Defendant Keehn Exhibit 11 for identification.)

In said rules mention was made of the rules adopted by the Maple Flooring Manufacturers Association for grading maple, beech and birch flooring. On page 53 it is said:

"The National Hardwood Lumber Association has adopted the rules of the Maple Flooring Manufacturers' Association, 30 N. La Salle Street, Chicago, Ill."

[fol. 845] It is therefore possible for non-member manufacturers to obatin from the National Hardwood Lumber Association copies of the Maple Flooring Manufacturer- Association grading rules. Many of the non-members of the Maple Flooring Manufacturers Association belong to the National Hardwood Lumber Association.

Here are the grading rules of the Oak Flooring Manufacturers Association defining the grades of oak flooring.

(Said booklet marked Defendants' Keehn Exhibit 12 for identification.)

Here are the grading rules of the California Red Wood Association and Standard Specifications for Grades adopted June 1, 1923.

(Said booklet marked Defendants' Keehn Exhibit 13 for indentification.)

There are other Associations that have grading rules, like the cypress people, I think, and I think that those other grading rules are incorporated in the National Hardwood Lumber Association rules.

These grading rules are offered merely to illustrate the universality of the practice of having grading rules for different lumber products in order to facilitate the business operations.

In looking through the War Industries Board Price Bulletin No. 43, published by the Government Printing Office in Washington in 1919, I find on page 8 the following references regarding grading and inspection rules:

"The dimensions of sawed material other than timbers are now standardized in all parts of the country, in conformity with trade cus- [fol. 846] toms and demand. This has been brought about largely through the various associations representing lumber manufacturers, each association composed of operators who manufacture some specific species or groups of species or who represent some section in which all the groups of lumbermen have business interests more or less in common. Grading and inspection rules are prepared by these associations, and their enforcement is secured by means of a paid corps of inspectors, who visit the mills, and who by inspection and instruction bring about a uniformity of grading and classification of products. This function is an extremely important one, both to the manufacturer and the consuming public, since a multitude of sizes and complexity of grades would lead to confusion in the merchandising of the product and to great inconvenience to the consumers."

I also produce a booklet entitled "Charter, Rules and By-Laws, the Lumbermen's Association of Chicago," dated 1899.

(Said booklet was marked Defendants' Keehn Exhibit 14 for identification.)

(The said Exhibits 6 to 14 inclusive were received in evidence.)

Sometime ago we received from the office of the Secretary of Commerce its Tenth Annual Report, dated 1922, with a little notation on top of it, in red typewritten form, "Your special attention is invited to pages 4, 8, 11, 12, 13, 15 and 29." That was addressed to George W. [fol. 847] Keehn, Secretary, Maple Flooring Manufacturers Association, 1045 Stock Exchange Building, Chicago, Illinois.

On page 13 under the caption, "Voluntary establishment of grades and qualities," appears the following:

"Agitation has been current for many years for the extension of the Federal laws to the establishment of grades and qualities of different commodities. The lack of such established grades and standards of quality add very largely to the cost of distribution, because of the necessity of buying and selling upon sample or otherwise, and because of the risk of fraud and misrepresentation, and consequently larger margins in trading. It was considered by the Department, however, that it would be infinitely better if such grades and qualities could be established voluntarily in the trades themselves, instead of by legislation, and policed by trade associations, as is the case in several old established trades. To this end a number of conferences have been held in different branches of the lumber, textile, paper and other trades."

There is some more in that paragraph, but that simply refers to this subject. I will read the whole paragraph, if you wish.

Mr. Darby: Just suit yourself, if you think it will throw any light on the subject, Mr. Keehn.

A. I might read the whole thing. (Reading.)

"The service of the Department has been to bring the different [fol. 848] branches of the trade, the manufacturers, wholesalers, retailers and representatives of larger consumers' associations together, and to develop committees of different branches of trades. The plan has been generally welcomed, and applications have been received from many trades for such assistance. The expert services of the Bureau of Standards, Bureau of Foreign and Domestic Commerce, and the other Bureaus of the Department, have been brought into service for technical advice in these matters; and results of important bearing upon the improvement of business ethics and cheapening of distribution have been attained."

I have been Secretary of these various Associations since 1905 and have had charge of the Reinspection Department. Prior to Mr. Robertson's trips among the mills in his standardization work, there were many complaints with respect to the quality of maple, beech and birch flooring shipped by the different manufacturers to different

points in the United States. Prior to that time the grading rules were rather meager and ambiguous. Consequently, the buyer did not always know what to expect when he bought the different grades and the seller did not always exactly understand what he was required to furnish.

Along in 1916 grading rules were compiled and the characteristics of the different grades were clearly defined. That work was done by a committee consisting of different manufacturers and was finally completed by Mr. Robertson and Mr. Fred R. Welsh, who, at that time, were official inspectors of the Association then in existence. Mr. Welsh also had had large experience in the manufacture of maple, beech and birch flooring. Mr. Robertson was one of the [fol. 849] leaders of the movement for the standardization of grades. Here is a copy of the grading rules of November 14, 1912.

(Said grading rules marked Defendants' Keehn Exhibit 15 for identification.)

(Said Keehn Exhibit 15 was received in evidence.)

In 1920 the shape of the flooring was standardized in order that the product of the different mills would match up. Prior to that time the grades had been standardized as to quality but the matching had not been standardized, so that a man could buy flooring of a mill in Wisconsin, the flooring of a mill in Michigan and the flooring of an Eastern Lower Michigan mill or of a Saginaw Valley, and use it altogether in one building. A standard thickness was adopted and steel templates and blueprints were made and furnished to each member so that all of them would know exactly what to do in manufacturing their flooring.

This made it necessary to bring out a new edition of the grading rules, which was done on July 29, 1920. On page 6 of said grading rules under the title "Standard Measurement," there appears the following language:

"The actual thickness of 13/16 inch and thicker flooring is 1/32 inch scant of the thickness used as the trade name. The 1/32 inch scant is taken from the under side of the flooring, leaving the thickness of the wearing surface unchanged."

In other words, the consumer of the flooring got just as good services as before because the wearing surface of the flooring was not changed.

Q. What particular experience led to or brought about that change of rule so that the flooring of one plant would be sure to match with the flooring of another plant?

[fol. 850] "A. During the war, as you probably all know, the Government was very much in need of lumber and flooring to carry on the construction of buildings, cantonments and things like that, and the business was handled through what were known as Emergency Bureaus; and it is really quite interesting to speak about this Committee of National Defense. On page 23 of the War Industries Board Price Bulletin No. 43, appears this:

"The Committee soon decided that both time and intermediate profits would be saved if Government agencies placed their orders directly with the mills. It was not possible, however, for the committee to handle the matter successfully, because of the lack of knowledge of the class of timber owned by each of the many thousand operators, their facilities, and their ability to meet special requirements. Representatives of lumber manufacturers from the forest producing sections were therefore called in the conferences, and arrangements were made with them to organize emergency bureaus, which would act as the authorized distributing agencies for such government orders as were received by them from government contracting agencies, on recommendation of the Lumber Committee."

Now, among the Bureaus that were organized at that time was the Northern Hardwood Emergency Bureau, organized November 24, 1917; and the members of the Maple Flooring Manufacturers Association, which was then in existence, made arrangements with the Northern Hardwood Emergency Bureau to furnish any maple, beech or birch flooring which the Government might require. In fact they placed themselves on record as being willing to put their whole [fol. 851] stocks of flooring at the command of the government, even if it was necessary to postpone the filling of orders which they had on their books. After the arrangement was made we of course kept very accurate records of what stocks were available at the different flooring mills; and there is where our statements of stocks on hand were very useful to the United States Government.

Q. In what way?

A. Because we could look at those statements; and if the Government wanted 100,000 feet of inch and a sixteenth by three and a quarter factory flooring, for a plant at Nitro, West Virginia, we could tell immediately where we could locate it.

Q. Did they send the orders to you direct,—to the Association?

A. In some cases. I think I should say, further, that the orders were mostly sent to us by the Northern Hardwood Emergency Bureau; they were placed with them by the Director of Lumber, whoever that was.

Q. The first bureau that you mentioned forwarded the orders for flooring, to the Association then in existence?

A. Yes; to me, as Secretary of the Association, to be allocated by me.

Q. And you did that?

A. I allocated the orders, and in all cases where it was possible we placed the orders with the mills that could give the most prompt shipment.

[fol. 852] Q. The closest?

A. And which were located nearest to the destination of the shipment—in order to save unnecessary expense in freight, etc. In some cases we were obliged to give them to mills farther off—where the urgency of the delivery was important.

Q. Now, some of those government orders required large quantities of flooring, did they not?

A. Yes, sir.

Q. And in many cases you were not able to get all the flooring, for prompt shipment, from one plant?

A. Yes.

Q. State that was necessary, in order to prevent confusion, and to facilitate the primpt use of the flooring?

A. Here is a typical order, dated October 10, 1918, (indicating) for the Department of Housing, Emergency Fleet Corporation—the construction to be at Erie, Pennsylvania; they asked for 198,000 feet of 13/16ths by 2¼ inch face No. 1 beech flooring. We placed that order with Mitchell Brothers Company, Cadillac, Michigan, 44,000; Cobbs & Mitchell, Incorporated, Cadillac, Michigan, 50,000; Hanson-Ward Veneer Company, Bay City, Michigan, 54,000; Northwestern Cooperage & Lumber Company, Gladstone, Michigan, 50,000; a total of 198,000. Then we wrote a letter—the first part I read, from a carbon copy of a letter I wrote October 4, 1918, to Mr. W. G. Luce, Chief of Construction, Department of Housing, etc., [fol. 853] Philadelphia. Then we followed that up with a letter like this, addressed to him, "Referring to our letter of October 4, regarding flooring for the above named Erie, Pennsylvania, order, please issue instructions to have the different shipments of flooring kept separate when received at destination, as the matchings of the different mills are not exactly uniform, and may not readily go together. The two Cadillac makes are of uniform matching, but we are not certain about the other two, both in respect to each other, and in respect to the Cadillac make."

Here is another example, if you would like to have it.

Q. All right.

A. Here is another lot of flooring—139,800 feet of 13/16ths by 2¼" inch face No. 1 maple flooring, on government order for Erie, Pennsylvania. That order was divided between the East Jordan Lumber Company, East Jordan, Michigan, Foster-Latimer Company, Mellen, Wisconsin, West Michigan Flooring Company, Manistee, Michigan, R. Connor Company, Marshfield, Wisconsin, J. W. Wells Lumber Company, Menominee, Michigan, Bigelow Cooper Company, Bay City, Michigan, in the following proportions, though it is hardly necessary to name them:

East Jordan Lumber Company, 19,800 feet; Foster-Latimer Lumber Company, 20,000; West Michigan Flooring Company, 25,000; R. Connor Company, 25,000; J. W. Wells Lumber Company, 25,000; Bigelow Cooper Company, 25,000; a total of 139,800. October 9 is the date of the order.

[fol. 854] October 10 we wrote to the United States Housing Corporation, Erie, Pennsylvania:

"Referring to our letter of the 9th regarding flooring to be furnished on above named order, will you please issue instructions to keep the different shipments of flooring separate when they arrive at destination, and to avoid mixing the different makes of flooring,

in laying the floors. The matching of the various mills is not exactly uniform, and consequently the flooring from different mills may not readily go together in all cases, although in many cases flooring from one mill fits readily with the flooring from other mills."

Of course we could repeat that, in many other cases.

Q. There were many other orders received by you from the Government during that time?

A. Yes. Here is one that we might speak of, where the Northern Hardwood Emergency Bureau, made particular mention of this fact, too.

Q. About what?

A. About keeping the flooring separate.

Q. That is all right. Of course, they would have to be kept separate, then?

A. Yes.

Q. Those instances that you have given are typical?

A. Yes, sir.

Q. And there were other orders placed for large quantities of flooring, during that time, were there not?

[fol. 855] A. Yes, sir. I think that during that time we must have furnished to the Government somewhere between two million and two and a half million feet of maple, beech and birch flooring; and we made a wonderful record on shipments. I remember one time that we got a telegram that the Government must have some flooring at Nitro, West Virginia, immediately. I got the telegram in the morning about eight o'clock, and gave the order to the Strable Lumber & Salt Company, in Saginaw, Michigan, because I knew they had the flooring on hand. They received the telegram at ten o'clock in the morning. We made it very urgent, in our dispatch—government business, insist on getting car promptly, and so forth. They got the car, and had it loaded, and on the way at three o'clock in the afternoon of that day. And then we were instructed to telegraph the car numbers to the receiving agents for the Government, which was done by the Strable Lumber & Salt Company; they could hardly believe it; they thought that they had faked the car numbers.

Q. Did any of the members of the Association have any truoble with any of those shipments, either with respect to the quality of the product or as to the price of the lumber?

A. None whatever. No complaints were made by the government in any particular whatever; and they accepted all that flooring according to the standard grading rules of the Association which was then in existence.

[fol. 856] At the request of the Government, we filed a schedule of prices f. o. b. mill, also f. o. b. factory with the Government authorities. The Associations at that time did not have any fixed prices for their products and these schedules of prices were compiled at the request of the governmental agencies in question. We agreed with the Government to take certain business on certain bases. In order to embody that agreement in writing, we filed a schedule of

prices. We were requested by the Government to file a schedule of f. o. b. mill and delivered prices.

Q. But up to that time, previous to that time, at that time or since that time, has there been an association price for any grade whatsoever of either maple, beach or birth flooring, that is, an association price?

A. No, because the associations does not manufacture flooring, and does not sell any flooring, and it would have no price on its products.

Q. Have any of the associations that you have ever been connected with attempted in any way—I will withdraw that. Has the present defendant association ever attempted to fix or put a price upon any flooring that is manufactured by any of the members?

A. No, sir.

Q. Or by all the members?

A. The members have always been at liberty to sell their flooring at whatever prices they pleased to sell it at.

It was our war experience that lead to the standardization of the shape, also our previous business experience. This standardication of shape has been of great benefit to the public. For example, it [fol. 857] made it much more convenient to the lumber dealer to have the flooring go together, that was manufactured at the different mills; they would buy a car lot of flooring of one man, and then they could buy a car lot of flooring of another man, and they could mix it together in their sheds, if they wanted to, and deliver both makes of flooring out on the same job, without difficulty.

Q. I think I asked in the beginning, what has been the effect upon the number of complaints by buyers of standardized grades, and defining them, and the standardizing of the shapes?

A. The number of complaints has been very much fewer, in number. It seems to have been a matter of education, to interpret the grades. Then people knew what to expect. And after Mr. Robertson completed this work, and after the grading rules were published in 1916, in which the grades were interpreted, and it was clearly defined what goes to make up a grade Clear, and what goes to make up a grade of No. 1, and what goes to make up a grade of Factory, and these grading rules having been given wide publicity by distributing them all over the United States, among architects and wholesale lumber dealers and retail lumber dealers, everybody was in a better position then to interpret the grades that he purchased, and consequently there were very few complaints, comparatively speaking.

The manufacturers have been educating themselves and the public at the same time. I think that the quality of the grade has been improved by standardization. There has been no difficulty in adjusting whatever disputes have arisen between the buyer and the manufacturer. The custom is when the complaint is received by a [fol. 858] fanufacturer from a customer, the manufacturer telegraphs or writes us with respect to it. If the complainant is willing to have an official reinspection made and agrees to abide by it, we immediately send him an inspector. Mr. Robertson has done a large

amount of work of that kind. He has taken trips to distant states when the amount involved was quite small. We desired to satisfy the buyer that the Maple Flooring Manufacturers Association meant what it said when it standardized its product and that it proposed to stand behind it. If the members had shipped something that was not up to the standard grade, then the member must make it good, or the Association would do so in order that the public might be fully protected.

The industry as a whole has a much higher standard now. I recall the case of a shipment of flooring to Syracuse, New York, which was ultimately received by the Horn Lumber Company. This flooring was shipped by William Horner. A complaint was made by the purchaser. The flooring was thereupon reinspected by Mr. Tucker, who sustained the manufacturer. The buyer thereupon paid $101.72 to cover the expense of the reinspection. Although the buyer had agreed to stand by the inspection, he still complained to the Association. We wanted to do what was right and we had our Chief Inspector, Mr. Robertson, go to Buffalo and inspect the flooring. Before this was done I told the buyer that if Mr. Robertson did not sustain the previous inspection, that I personally would be responsible for the return of the $101.72. Mr. Robertson reinspected the flooring and sustained the buyer. In that case he found that the flooring contained about 8% variation or offgrade, whereas the grad-[fol. 859] ing rules allow only 5% variation or offgrade in feet below the grade specified. In accordance with my understanding with Charles Horn Lumber Company I immediately sent them a check for $101.72. This was a very unusual instance. Adjustments are usually made by the manufacturer. The instructions we gave Mr. Robertson with respect to this job are the instructions we always give inspectors, namely, to be impartial and to report strictly according to the facts without respect to whose ox might be gored.

William Horner, Charles Horn Lumber Company, Chicago, and Wilson & Greene Lumber Company, Syracuse, New York were involved in the shipment to Syracuse, New York and the following letters and Defendants' Keehn Exhibit 17 and Defendants' Keehn Exhibit 18 relate to this matter.

(Through inadvertence there was no Defendants' Keehn Exhibit 16.)

(Said Exhibits were received in evidence.)

Defendants' Keehn Exhibits Nos. 19, 20 and 21 are copies of communications sent to the Department of Housing, Emergency Fleet Corporation, and to the United States Housing Corporation, Erie, Pennsylvania, with respect to orders previously mentioned by me and the keeping of the different shipments of flooring separate when they arrive at destination.

(Said Exhibits were received in evidence.)

Here is a letter that was written to us by William A. Durgin, Chief of the Division of Simplified Practice of the Department of

Commerce, Washington, D. C., dated July 11, 1922. The first paragraph of said letter reads as follows:

"The preliminary lumber conferences with this Department in [fol. 860] May showed the wide interest of all lumbermen in questions of guaranteed inspection, uniform grading, nomenclature and simplication of sizes."

(Said letter marked Defendants' Keehn Exhibit 22 and received in evidence.)

All flooring manufactured by members of the Association bears a uniform trade mark. For instance, on the back of a piece of flooring or on enough bundles to identify the flooring, the manufacturer will put either his own name or "M F M A" followed by a number, which indicates the identity of the mill at which the flooring was produced. In order that the numbers may not be mistaken for grade numbers, 20 is added to the identifying number of the Association member as a trade mark number. For instance, the identifying number of W. D. Young & Company is No. 2 and the trade mark of W. D. Young & Company stamped on the flooring manufactured by said Company so as to identify the flooring is 22. For instance, their flooring would be stamped "M F M A—22". If the figure 2 were used, it might be misconstrued as being of second grade flooring, whereas it might be either Clear or Factory.

In some cases the flooring is stamped on the back by means of a steel die as it comes from the machine. In other cases it is stamped by means of rubber stamps which we furnish members of the Association. The letters "M F M A" stand for Maple Flooring Manufacturers Association.

Some manufacturers also have their own brands of flooring, such as "Acme," "Electric," "Ideal," etc. and such brands are also stamped by means of steel dies upon the back of the flooring, so that it is [fol. 861] always easy to identify flooring shipped by the different members of the Association and to know exactly what mill produced any particular lot of flooring.

Mr. KEEHN was called for further examination on behalf of the defendants on October 22, 1923 at Chicago, Illinois, pursuant to the stipulations hereinbefore mentioned.

Direct examination.

By Mr. Johnston:

I am Secretary of the Maple Flooring Manufacturers Association and as such have charge of its files and records and of the compilation of all data which I received from the members. I have been connected with previous Associations in that capacity, and during all that time I have had charge of the collection and compilation of such data.

I started in the lumber business in Indiana in 1878, where I remained for five years, and then came to Chicago in 1883 and engaged in the business of lumber on the cargo market. I continued this business for about 25 years, after which I became connected with trade association work. During all the time above mentioned I have been more or less familiar with the lumber business. As Secretary of the Maple Flooring Manufacturers Association I have endeavored, from time to time, to have prepared lists of the names and locations of all concerns in the United States engaged in the manufacture of maple flooring. The list you hand me was prepared by me. The said list is one which was introduced in evidence as Defendants' Gordon Exhibit 1 when Mr. Gordon's deposition was taken, and is a list of manufactuers of maple, beech and birch flooring in the United States who are not members of the defendant [fol. 862] Association so far as we are able to ascertain from the sources available to us. The list was compiled from lumber trade papers, from manufacturers' lists furnished by Buckley, Dement & Company of Chicago and from information obtained by means of correspondence with members and non-members as to their knowledge of persons and firms engaged in the manufacture of maple, beech and birch flooring. There may be other manufacturers, but so far as I know, the list is reasonably accurate and complete. As a matter of fact, I think there are several manufacturers that are not on this list that we heard of afterwards. To the best of my knowledge, all of the 70 names on said list are the names of persons, firms or corporations now engaged in the manufacture of maple, beech or birch flooring. I should say that the manufacturers named in said list are largely engaged in the manufacture of maple flooring as distinguished from beech or birch.

We recently applied to the Department of Commerce, Buueau of the Census, for lists of names of mannfacturers of maple, beech and birch flooring in the United States, and they promised to send us one next summer. They cannot furnish us any additional data at this time.

I furnished the figures contained in Defendants' Gordon Exhibit No. 4 to Mr. Gordon and Mr. Grant Keehn. Defendants' Gordon Exhibit 4 contains a table showing the proportion of the total cut of maple lumber in the United States used by members of the Maple Flooring Manufacturers Association and a column of figures showing in millions of board feet what purports to be maple floor- [fol. 863] ing production of all of the members of the Maple Flooring Manufacturers Association. Said Exhibit also includes figures on beech and birch flooring. The maple is about 90% and the other 10% is divided about equally between the beech and birch.

I obtained the figures shown in said Exhibit from statistics furnished to me by the members of the different Associations from 1912 to 1922 inclusive. I have carefully compiled or supervised the compilation of those data, as well as all other data which I furnished to Mr. Gordon and Mr. Grant Keehn. I believe that all the data are accurate.

We have furnished data from our files on the production of maple

flooring and other matters connected with the maple flooring industry to the Department of Commerce, Bureau of the Census, at their request from time to time. Some of the data have been used by said Department in the Survey of Current Busincee since May or June, 1922. We have also furnished considerable information to the Federal Reserve Bank at its request and to the Lumber trade papers.

It is now and has been my duty, as Secretary of the present Maple Flooring Manufacturers Association and of the preceding Associations, to secure from the members data such as those embodied in these tables with respect to the amount of maple flooring produced by the members. It also is and was my duty to compile those data, and so far as possible, to see that the data furnished me by the members were correct. To the best of my ability, I have noted all those records and prepared all those data accurately and correctly.

[fol. 864] Defendants' Gordon Exhibit 6 contains a table called "Index Prices per thousand feet of the product, based upon average prices received by Maple Flooring Manufacturers Association members f. o. b. Michigan and Wisconsin mills." I furnished the data embodied in that table to Mr. Gordon and to Mr. Grant Keehn; that is, I furnished the data concerning the prices, but I am not certain whether we furnished the data regarding the table or not. I furnished the data from which the table was prepared. The table is an index table which Mr. Gordon and Mr. Grant Keehn prepared from the data I furnished them. What I furnished was the f. o. b. Michigan and Wisconsin mills prices of Association members for the years 1913 to 1922 inclusive and the first five months of 1923. Those data were compiled by me in the same way as the other data about which I have testified and were accurately kept and filed.

I have not yet completed the table of figures showing the quantity of maple, beech and birch standing timber owned by members of the Maple Flooring Manufacturers Association. We expect to hear from two or three oher members regarding their holdings of standing timber. We obtained information from the Forestry Department regarding standing maple, beech and birch timber in the United States, I think in 1920. Then we wrote them a letter regarding what may be the standing timber now allowing for the cut of 1920, 1921 and possibly 1922. The Forester's Report was published in April, 1923 and I think it included the cut of 1920. Allowing for that cut, we made an estimate that there are now about [fol. 865] 86 million feet of standing maple, beech and birch timber in the United States, of which our members, as near as I can determine, own or control less than 2%. I would say that it might figure out perhaps 1½%. My calculations were based upon the figures which I have received from the members of the Associations. These figures are almost complete.

Defendants' Gordon Exhibit 7 contains a table which is headed, "Price of 13/16ths x 2¼ Clear. Average price realized by Maple Flooring Manufacturers Association members f. o. b. Michigan and

Wisconsin mills." There are also tables with respect to No. 1 and factory grades. I furnished all the data from which those tables were prepared and these data were obtained by me in the same manner heretofore testified. These data were carefully kept and recorded and are accurate to the best of my knowledge and belief, I not having made all of the calculations myself.

Attached to and made a part of Defendants' Gordon Exhibit 10 is a table headed, "New Orders Booked Monthly 1912 to 1923 in Thousand Feet for all Flooring by Fifteen Identical Members of the Maple Flooring Manufacturers Association." I furnished those data to Mr. Gordon and Mr. Grant Keehn. Said data were taken from my records, which I regularly keep and those records are accurate and correct, to the best of my knowledge. Every effort was made to keep an accurate record of the data received from the individual members and to correctly and accurately compile the same. [fol. 866] Attached to Defendants' Gordon Exhibit 11 is a table showing statistics of production, new orders, unfilled orders, stocks on hand and shipments in thousand feet of identical fifteen members and of the present twenty-two members. The data contained in that table were taken from my books and records and are accurate.

Attached to the same Exhibit is a list of the fifteen members of the Maple Flooring Manufacturers Association who have been described by Mr. Gordon and Mr. Grant Keehn as being the so-called "constant" or identical members through a period of years in this Association and in preceding Associations. I furnished that list to Mr. Gordon and Mr. Grant Keehn from my files and record and said list is true and correct.

Attached to Defendants' Grant Keehn Exhibit 21 is a table, the first part of which is entitled, "Average manufacturing and marketing costs per thousand feet of flooring produced of reporting members of the Maple Flooring Manufacturers Association." It has been a party of my duties as Secretary of the Association to collect such data. I have kept and compiled the same as part of my duties as Secretary and such figures are accurate and correct to the best of my knowledge.

Attached to and made a part of Defendants' Grant Keehn Exhibit 22 are tables, the first of which is headed, "Unfilled orders for all flooring at end of month, in thousand feet, 1912 to 1923, of fifteen identical members of the Maple Flooring Manufacturers Association. The data embodied in that table were furnished by me to Mr. Grant Keehn and Mr. Gordon and represent the correct and accurate [fol. 867] compilation of the figures received by me from those fifteen members, to the best of my knowledge and belief. A large amount of this work I did not do personally, but I directed and caused it to be one. That applies to practically all these tables, including the table which represents stocks of flooring on hand at end of the month. Those data were furnished me by members at my request. The same also applies to the next table, headed, "Production monthly, in thousand feet, of all flooring, of fifteen identical members." Those three tables, as well as all the other tables con-

taining data are made up of figures which were recorded and compiled in my office under my direction and supervision. I furnished to Mr. Gordon and to Mr. Grant Keehn the data from which was prepared the chart, Exhibit No. 28, which contains a comparison of f. o. b. mill prices realized by the members of the Association for the purpose of showing the lack of uniformity in those f. o. b. mill prices. Those data were taken from files regularly kept by me in compiling and recording the data received from the members and are true and correct.

Attached to Defendants' Exhibit 29 of the testimony of Grant Keehn are tables showing the range of f. o. b. mills selling prices of Michigan and Wisconsin members during 1913 to 1923. I furnished all the statistical data from which the three tables attached to said Exhibit were compiled. The fourth table attached to and made a part of said Exhibit, showing the so-called average [fol. 868] costs, were furnished by me from records that I kept as the reports were received from the members. Said data were given to Mr. Gardon and Mr. Grant Keehn. We made the calculations though because the reports of the members come in in total and then we work it out ourselves.

All this work was done under my supervision and direction and was carefully and acturately done. As far as I can determine, all the information that I have supplied to Mr. Gordon and Mr. Grant Keehn for use in the preparation of the tables and charts which have been introduced in connection with their testimony is information which, as Secretary of the Association, I received from the members or had compiled from data supplied by members. I have given that information to Mr. Gordon and Mr. Grant Keehn in exactly the same way that it was shown by my original records without in any wise coloring, changing or varying it. I gave it to them just as it stands in our records.

References were made by Mr. Grant Keehn in his testimony to normal capacity and production capacity of members. The figures showing the normal capacity of the members of the Association for the production of maple flooring were taken from my records and files.

Cross-examination.

By Mr. Thompson:

The normal capacity was determined by me as follows: I wrote to the members last year for a statement of their normal capacity. I did that at the request of the Department of Commerce, Bureau of the Census, and compiled the information given me by all the members and sent it to the Department of Commerce, Bureau of the Census. We also have a list of the normal capacity of the 22 [fol. 869] plants in the Association at that time and of the 15 plants that were used in this connection. Each member made up his own schedule showing his capacity, his working hours, the number of working hours a week and other things like that in detail, and we will

be very glad to give you a copy of the reports that we received from the members and of the final report that we sent to the Department of Commerce, Bureau of the Census.

[fol. 870] DEPOSITION OF MARTIN H. ROBERTSON, TAKEN, PURSUANT TO STIPULATION, AT CHICADO, ILLINOIS, ON OCTOBER 18, 1923

MARTIN H. ROBERTSON, being duly sworn, testified as follows:

Direct examination.

By Mr. Darby:

I am 68 years of age and live at East Jordan, Michigan. I cannot be present at the hearing in Grand Rapids in this case. My health is impaired and for some years I have been going south during colder weather. I am not in any active business now except for occasional trips that I make for the Maple Flooring Manufacturers Association.

I have been connected with various features of the maple, beech and birch flooring industry for 33 years. I manufactured maple, beech and birch flooring from 1903 to the early part of 1905. Before I built the plant which I operated from 1903 to the early part of 1905, I had been connected with the East Jordan Lumber Company, who manufactured some flooring for local use only.

The plant that I built in 1903 was located at East Jordan, Michigan. In operating that plant I purchased the rough lumber on the open market. I found that I could not operate the plant at a profit if I had to buy the rough lumber, so I closed down the mill and a little later rented it to the East Jordan Lumber Company. I could not operate the plant profitable because the rough lumber could be sold at a price so nearly equal to the price that could be obtained for the manufactured product. Now owning any timber, I was forced to buy the rough lumber from other producers, principally [fol. 871] from the East Jordan Lumber Company because of our location. I was not on any trunk line, hence could not take advantage of what is known as the stop-off privilege for manufacturers. The stop-off privilege is a privilege by which a through rate of freight from the initial point to final point of destination is obtained. After shipment of the raw product from the initial point, the said raw product is taken off at the mill or intermediate point, converted into a finished product, reloaded and shipped to final destination. By this means the advantage of a long haul and lower railroad rate is obtained. When the stop-off privilege is obtained, the finished product is rebilled on the original bill of lading.

After I rented my mill to the East Jordan Lumber Company, I became Sales Manager for said Company, which had a saw mill, a planing mill and a shingle mill and operated in connection therewith the flooring mill. The East Jordan Lumber Company owned

a large stand of timber and were not compelled to buy rough lumber. I ran the flooring plant for the East Jordan Lumber Company until 1912 and also was the Sales Manager of their entire product. The East Jordan Lumber Company manufactured maple flooring, but not any beech or birch. Their annual output of maple ran from 4½ to 6 million feet. Their flooring was shipped from the Atlantic Ocean to the Rocky Mountains and from the Lakes to the Gulf. I travelled all over the country and established trade in all the principal cities.

The East Jordan Lumber Company belonged to a Maple Flooring [fol. 872] Manufacturers Association. I think we joined in 1905 or possibly 1906. I attended the meetings of the Association from 1905 to 1912. I standardized the mills for the production of maple flooring and began this work in April, 1914. I am familiar with the conditions which brought about the standardization of the grades of maple, beech and birch flooring.

Q. Will you state them—what you know of your own knowledge as a manufacturer and seller of that flooring?

A. The Association, by reasons of its having adopted a set of rules, each member becomes in a sense an underwriter for every other member; that is, he is re-ponsible for the grades prescribed in those rules. We had what was called an Arbitration Committee, or official inspectors, whose business it was when a complaint was lodged with a member, and it could not be adjusted between the shipper and the consignee it was referred to this committee, and some member, or more, one member or more of this committee inspected, and heard the complaint and passed judgment whether or not the complaint was justifiable or not. It became a burden to the Association. I was one of this committee, and I did a good deal of traveling, and I saw that there was a wide diversity of quality in what was termed the same grade although we had the same rules; both the manufacturer and the buyer had the same rules, but they put different interpretations on those rules; there was not a specific declaration in the rules relative to the smaller, intricate features of the application of a rule. Hence what seemed to be a great grievance [fol. 873] to one man might be much less to another; and so those differences of opinion continued until it became, as I say a burden; and I agitated myself, and so did some others, until we had a standardization of the mills, both as to the grading of the stock, and the manufacturing of it, and all features pertaining to it. We would always have this difficulty—and we would always be having to adjust these differences; and when I ceased to operate, in 1912, I was no longer in touch with it, but in the winter of 1913-1914, I received a letter from Mr. Keehn saying that the Association had finally determined to undertake the standardization of the product, to avoid these continuous complaints, and asking me if I would undertake the matter of standardizing the mills.

The grades that were generally recognized at that time were Clear, No. 1 and Factory. I do not know how long such grades have been generally used. When I entered the flooring business, I found that maple flooring was generally classified into the three grades above

mentioned. I think that all lumber is sold according to some classification or specification of grades. The flooring grades at that time were not clearly defined.

Later on we had a committee appointed composed of a representative from each of the mills, and this committee and I more carefully defined the grades. In 1914 I made three several trips and visited each mill on each of these trips. On my first trip I paid particular attention to the grading of the product as it passed all the machines. I also got a general opinion as to how each one was doing his grading. I took the high and the low and the intermediate and tabulated all these data and from them I arrived [fol. 874] at a standard. I did this after visiting the mills three times and going over the grading. I also made a list of the types of machines used, number of machines, etc. at each plant. My first trip was largely an observation trip and in order to learn the conditions at the different mills. My first trip was made in April and May. I think my second trip was during the mid-summer of 1914. On the second trip I examined conditions more thoroughly and discussed with the various managements imperfections in machinery and in the handling of the product. My third trip, in 1914, was made in October, I think.

From the data obtained on these three trips, I formulated a standard for the different grades. This standard was neither the best nor the clear grades, first; and of a hundred pieces on the average sixty-will all lumber make the poorest. I arrived at a general average of all the mills and from that I prepared our standard.

Q. You say you formulated a standard. How did you formulate the standard?

A. I took a hundred pieces, for example, a hundred pieces of say the clear grades, first; and of a hundred pieces on the average sixty-five of those would stand up in what I call the high strata; and thirty-five of them will fall below, down toward the lower extremity or lower edge of that strata.

Q. But the whole hundred pieces would be clear?

A. The whole hundred pieces would be clear. None of them will contain any defects which are not allowable. We have what we call allowable and unallowable defects. What we call the unallowable defects may occur in a grade; if so, we describe that, and throw it [fol. 875] down into the next grade below.

Q. What is the next grade below?

A. The next grade below is our No. 1.

Q. And the grade below that?

A. Is our Factory.

Q. Now, can you graphically represent the method by which you formulated this standard for the grading of the product.

A. I think we drew, according to my interpretation, something a while ago, and it will save my drawing it again, if we have it.

Q. Draw that, using horizontal lines, if you think that is right (handing a piece of paper to the witness).

(The witness sketched a diagram, etc., upon the sheet of paper.)

Mr. Darby: Mark that Defendants' Robertson Exhibit 1 for identification.

(The sheet was marked as requested.)

Mr. Newman: Mr. Thompson suggests that you do that in the rough, and then we can have one substituted for it.

A. It is understood by lumber men practically no two pieces are exactly alike, as no two faces are exactly alike; hence we cannot say that they all, in the clear grades, are alike in any respect; there will be some distinguishing feature which will distinguish one piece from another. Now, those pieces which are almost free from all defects are what I call my upper strata of the clear grade; and those which have allowable defects are in the lower strata. That may grade from one allowable defect to the extreme number of allowable defects; but they are almost free from all defects, in the upper strata. Now, I found, after giving this the three times interpretation, that the standard rested, at sixty-five pieces out of a hundred, [fols. 876 & 877] rested in the upper chamber—as it were, of this diagram—sixty-five pieces will run in what I call the high. That I have termed it all through my report, "high." And thirty-five pieces in the lower strata, which is denominated "low." Now, that holds good in the No. 1, as well, sixty-five high, thirty-five low. The factory grade rested first at fifty-nine pieces high and forty-one low. It afterward was advanced to sixty high and forty low, where it stands today, or at the last inspection I made.

Q. Now, these sixty-five and thirty-five in the clear, that is, in making up a lot of clear 65 pieces out of a hundred belong in the upper strata and 35 pieces in the lower strata, but it is all clear?

A. All clear.

Q. And the same holds good with respect to the No. 1?

A. Yes, sir.

Q. Now, you recommended then, that in making up a shipment of clear, 65 pieces, or 65 per cent of the clear should be in the upper strata and not more than 35 per cent in the lower strata?

A. Approximately that. Of course the matter of grading, at the grading tables, is a speedy operation. He handles several thousand pieces a day, the grader does, and necessarily must handle them pretty fast; he is human, and so he necessarily makes some mistakes. But approximately we get it at about that.

Q. Now, when this agitation began, and when the agitation for standardization first began, were all the manufacturers in favor of it?

A. Oh, no. At first a number of them treated it quite indifferently, and thought that it would be an impossibility to accomplish [fol. 878] it; but later on,—before I undertook it, it was agreed that they at least would abide by an initial trip, that is, the majority, a large majority, would abide by an initial trip and see what we produced; and they were so well satisfied with it that it has been kept up ever since.

Q. Now state more fully, if you can, the conditions that ob-

tained in the industry which led to the movement for standardization?

A. There was room for complaint. Many times when I would go out on these re-inspection trips I would find that the manufacturer had by some means misinterpreted his grade and there was cause for complaint. The same dealers, or the same consumer, whichever it might be, may have bought another car, of the same mill, and the grade did not correspond—there was somewhat of a difference, quite a difference, in the grading of the same grade from the same mill.

Dissatisfaction of buyers with grades discredited the whole industry because each manufacturer was somewhat of an underwriter for all the members belonging to the Association. My recommendations were heartily received by the members of the Association and I also received many compliments from the lumber trade in general because of the very satisfactory results that had been accomplished.

I made reports to the Association of my different trips. These reports stated conditions as I found them at each member's plant. The plants of the members were designated by the respective identifying numbers of the different mmbers. These reports were sent out to the different members. Each member received a report only of conditions that I found at his plant and the comparative report, [fol. 879] which merely showed the general average with respect to grading for purposes of comparison.

On my first trip I did not visit the mill of Nichols & Cox Lumber Company of Grand Rapids because they objected to standardization and did not want any outside interference with their methods of manufacturing.

(Defendants' Robertson Exhibit 1 for identification received in evidence.)

Defendants' Robertson Exhibit 2 for identification are copies of my reports that I made from time to time. These reports correctly state conditions that I found during my visits to the mills during 1914.

Mr. Darby: I notice on these various sheets, in Defendants' Robertson 2, certain figures. For instance, referring to High and Low and No. 1 under "Clear" and High and Low and Clear under "No. 1," and Factory, High and Low and No. 1 and No. 2 under "Factory," and the percentages that you find there, I wish you would explain what you mean by that.

A. Referring to the inspection of Plant No. 1, the inspection showed that their grade of Clear stood at 62 High and 38 Low, and contained 4.5 per cent of No. 1 or the grade below. The No. 1 stood at 61 per cent High and 39 Low, and contained 2 per cent of Clear and 2 per cent of Factory. Middle grade may contain some of each of the one below and the one above. The Factory grade stood at 61 per cent High and 39 per cent Low, and contained 3 per cent of No. 1.

Q. When you say that the Clear at the No. 1 Plant, or T Wilce

Company's Plant, or what is called on the Defendants' Robertson [fol. 880] Exhibit 2, Plant No. 1, showed 62 High and 38 Low, what does that mean? 62 what High?

A. Out of a hundred pieces 62 per cent would be of the better quality or lie in the upper strata; and 38 would be of the more inferior quality and lie in the lower strata, or down toward the line of No. 1.

Q. But it would all be clear?

A. It would all be clear, yes, sir.

Q. And you say 4.5 per cent of No. 1?

A. It contained that, in their grading.

Q. Yes. In other words 4.5 per cent of what they called Clear should really be classified in a lower grade?

A. Yes, sir, the next lower grade.

Q. And Defendants' Robertson Exhibit 2 also shows, on the bottom of the various sheets, the average of the Association?

A. All the mills, yes, sir, in the Association.

Q. And these sheets also show the result of your second trip?

A. Yes, sir.

Q. Referring to Defendants' Robertson Exhibit 2, I notice that you state that you found a considerable quantity of shallow back. What do you mean by that?

A. That the lumber was too thin to finish on the back.

Q. So that the flooring was——

A. Not dressed on the back.

Q. Is that a defect or a virtue?

A. It is a defect, if it is excessive. In the Clear we can only have 12 inches of it.

Q. What do you mean by shallow back?

A. Not finished on the back. It may be from wane. It may [fol. 881] be from thin lumber.

Q. In other words, the lumber out of which the flooring was manufactured was not sufficiently thick. in the first place?

A. Yes, or it may be from what we call wane.

Q. I see you have stated here that it was not much short tongue. what do you mean by that?

The Witness: Mr. Keehn, will you hand me a piece of that? (Indicating sample flooring). They will be able to get it better in the report, possibly, if I can explain it by a piece of the flooring there. Give me that beech piece (indicating piece of flooring).

There is a piece that is finished on both sides. Now then, if this shows rough—you see, it shows the machine cannot touch it—it is what we call shallow back. Or there may be a piece of wane on this side (indicating), in which this does not finish, on this side, or this, on this side—there will be a wane in there; that comes from the rotundity of the log. in cutting the log, and the piece has carried that rotundity along with it, and is unfinished. Now then, a piece of Clear can have 12 inches of that, but it must not extend through either end of the piece, so that it will have a bearing when you put it on the sub-floor or the joist, and it will not rot.

(Defendants' Robertson Exhibit 2 received in evidence.)

As before stated, I made a third trip during the fall of 1914 and made reports similar to those above mentioned.

Defendants' Robertson Exhibit 3 are true and correct copies of the reports made at that time.

(Defendants' Robertson Exhibit 3 received in evidence.)

[fol. 882] Mr. Darby:

Q. Referring to Defendants' Robertson Exhibits 4, 5, 6, 7, 8, 9, 10, 11 and 12, for identification, state what they are.

(Several documents, each consisting of a number of sheets fastened together, were thereupon marked respectively, as Defendants' Robertson Exhibits 4, 5, 6, 7, 8, 9, 10, 11 and 12 for identification, and were handed to the witness.)

A. Those are copies of the reports of these various trips, as indicated from my inspection book, checked back to it, the originals sent to the members and the copies left with Mr. Keehn in the office.

Q. State whether or not each of them is a true and correct statement of conditions that you found at that time, the recommendations that you made and the criticisms or praise that you extended?

A. They are.

Q. And those reports were made up along the same general lines as the reports of your first visit, which you have heretofore explained?

A. Yes, sir.

Q. I notice that on the first sheet of Defendants' Robertson Exhibit 4 for identification, the first sheet on Defendants' Robertson Exhibit 5 for identification, which relates to the fifth trip, and of Exhibit 6 for identification, which relates to the sixth trip, and the first sheet of Exhibit 8 for identification, which relates to the eighth trip, the first sheet of Exhibit 9 for identification, which relates to the ninth trip, and the first sheet of Exhibit No. 7 for identification, which relates to the seventh trip, the said sheet being white contains certain figures and data. Will you please explain [fol. 883] what they are, and how you made them up?

A. They are what I term a recapitulation of the report of each member. The first column of figures is the member's number that is used by the office for their work here. The next column shows the high strata. The next the low, and the next the No. 1, which is found in the Clear grade. The next column is the High strata, the next the Low, the next the Clear, and the next the Factory, as found in the No. 1 grade. The next column the High; the next the Low; the next the No. 1 grade, and the last the No. 2 Factory, found in the Factory grade.

The sum of all these—divided by the number of members inspected, makes the general average. This is where we obtained our general average, of that trip.

Mr. Darby: Defendants offer all the exhibits last named, and identified by the witness, in evidence, and if admitted we want them

given the same number as they bear for identification (showing documents to Mr. Thompson).

Said documents were received in Robertson Exhibits 4, 5, 6, 7, 8, 9, 10, 11 and 12 respectively.

Mr. Thompson:

Q. What was done with the recapitulation sheets?

A. They are attached to each of the copies, and remain in the office files.

Q. The recapitulation sheets were not sent to the members?

A. No, sir. Each of them has his part of it, and the general average as found on the bottom. We have these recapitulation sheets to get the general average from; and then his report was sent to him, showing his standing, and the general average standing, and his comparison he could make himself.

Q. Those, then, were merely the office memoranda, to obtain the general average?

[fol. 884] A. How is that?

Q. These recapitulation sheets were only for the office use?

A. Yes.

Q. In obtaining the general average?

A. In obtaining the general average.

Mr. Thompson: No objection to the exhibits.

Defendants' Robertson Exhibit 13 is a general report to the entire Association. It is not dated. I think it was the trip I made in 1919 or possibly 1920, after my inspection of the mills of that year. I think I made the trip during September, 1919.

(Said Defendants' Robertson Exhibit 13 was received in evidence.)

My only connection with any of the Associations that have existed since 1914 has been that of Official Inspector and Field Representative. As Official Inspector I inspect the work at all the mills and all phases of the manufacture of maple, beech and birch flooring. Whenever a reinspection is asked, after complaint made on account of grades by the buyer, I reinspect any flooring. Flooring is inspected by the mill and as it is produced and reinspections are made later upon complaint by the buyer as to grades. In the course of production at the mill, the flooring is inspected by an employe of the mill manufacturing it. A reinspection is made by the Official Inspector of the Association. The inspectors who have worked under me from time to time are Mr. Tucker of Chicago and Mr. Welch of Saginaw. I have from time to time during the past ten years made reinspections at the request of Mr. Keehn.

[fol. 885] Q. State what you did on these reinspection trips. What was the general procedure?

A. I would go to the point to which the shipment had been made, whether it was at the point where the consignee lived or not—sometimes it was not—but would go where the shipment was, and unbundle the stuff or have it unbundled, and reinspect it piece by piece to see

whether it conformed to the standard grades of inspection, of whatever grade it was shipped for; and if it did conform within the defined limit, which is five per cent of variation—five per cent in feet, of variation, we are allowed—if it was within that limit I would report no cause for complaint. If it was not I would report the condition, of how much it exceeded the limit, how much it exceeded the limit of our standard, and so report. We did not undertake the adjustment of it; that was left with the shipper.

Q. And there were times, were there not, when you found against the manufacturer, and in favor of the buyer,—and in favor of the manufacturer, and against the buyer?

A. Yes, sir.

Q. State whether or not you tried to perform your duties without any bias and regardless of whom you might find against?

A. I did. That is the only way I can do it, do it justly, and as I understood it, righteously.

Q. State whether or not after making a reinspection you made a report to Mr. Keehn of conditions as you found them?

A. I did.

Q. I hand you Defendants' Robertson Exhibit 14 for identification, and ask you to state what that is.

[fol. 886] (A document, marked as Defendants' Robertson Exhibit 14 for identification, was handed to the witness.)

A. This is a report of an inspection which I made May 15, 1922 of a shipment from William Horner, of Reed City, Michigan, to Charles Horn of Chicago, Illinois, and shipped direct to his customer, Wilson & Greene Lumber Company of Syracuse, New York, billed as 13/16 x 2¼ No. 1 grade.

Q. Do you recall the inspection in question, or not?

A. I do.

Q. State generally what the dispute was about, and what you found?

A. The complaint was that it was not up to grade, and I found that it was considerably below the standard, and so reported, as the report shows. Also I found defective machine work, as the report shows.

Q. Do you know of your own knowledge whether an adjustment was made by the manufacturer with the buyer, or not?

A. No, I do not.

Q. You do not know?

A. No, sir.

(Said Exhibit 14 was received in evidence.)

Q. I hand you Defendants' Robertson Exhibits 15, 16, 17, 18 and 19 for identification, and ask you to state what they are.

(Said documents, marked respectively as Defendants' Robertson Exhibits 15, 16, 17, 18 and 19, were handed to the witness.)

A. Do you want them separately?

Q. No. Just state generally what they are.
A. Generally?
Q. All of them together.
A. These are copies of my reports of the reinspection of these [fol. 887] various shipments from members of the Association to the consignee, as designated on each.
Q. And the report of your findings?
A. The report of my findings.
Q. State whether or not those documents are true and correct copies of the reports you made at that time?
A. They are, sir.
Q. You have not the originals in your possession?
A. The originals would be sent somewhere; I suppose someone here has the originals, with my signature on them. The originals were probably sent to the members, usually.
Q. Do they give typical instances of your reinspection work?
A. Yes, sir, they do.
Q. Some of these last exhibits which have been identified are in favor of the shipper, and some in favor of the buyer?
A. Yes, sir.
Q. You pursued no uniform rule or finding, one way or the other, I assume?
A. No, sir. I reported it as I found it, let the verdict be what it would.

Mr. Darby: Defendants offer those documents in evidence, as Defendants' Robertson Exhibits 14, 15, 16, 17, 18 and 19, and ask that they be so marked and attached and returned with the deposition.
Mr. Thompson: No objection.

[fol. 888] Mr. Darby:

Q. "What results have you noticed, if any, that have flowed from the efforts of the manufacturers to standardize their product?
A. There are not nearly so many of these complaints; and we have very many fewer—very much less of this work to do, so much so that there has never been more than one of us that was necessary at a time, and much of the time none of us were doing any work whatever.
Q. You do not do so much re-inspection work now as you did in former years?
A. Not by a long way.
Q. Do you find that the buyers and the public generally are better satisfied?
A. Yes, sir, and I have means of knowing, because I see them now from time to time in my field representative work.
Q. In this field representative work you travel about the entire country, do you not?
A. Yes, sir.
Q. And you meet architects, contractors and dealers, retail lumber dealers, etc?

A. Wholesale and retail, both, yes, sir, and buyers.

Q. What have you found among them as to the sentiment that exists?

A. They expressed great satisfaction, that we have standardized the product, and thus made it very much more agreeable in handling the product.

Q. It has resulted in better trade relations, better relations between the manufacturer and the buyer and the architect, etc?

A. And the consumer, yes, sir.

Q. Are you familiar with the grading rules now in force, and that have been adopted by the defendant Association, which has [fol. 889] been in existence since January 1, 1922?

A. Yes, sir.

Q. What is your opinion as to the merit or lack of merit of those grading rules that have been in force since January 1, 1922?

A. What is my opinion of the rules?

Q. Yes. Do you consider that those rules are fair to the public and to the manufacturers, too?

A. Oh, yes, sir, I do; yes.

Q. Do you believe that in the practical operation of the flooring industry that those rules could be bettered in any way?

A. There are only one or possibly two criticisms that I might make on the rules, if you want those.

Q. What are they?

A. The No. 1 grade is a misleading term to those who are not acquainted with lumber terms. Many people who have no knowledge of the lumber business naturally think, when they specify No. 1 that they are getting the best grade, whereas it is not the best grade, with our grading system.

Q. What is the best grade?

A. The best grade is Clear; and hence sometimes that is a misleading term to those who are not acquainted with the grading rules.

Q. State whether or not you have made a recommendation to the defendant association that this condition be remedied?

A. Not recently. Formerly, when I was active in the business. I had a concrete example of the embarrassment that it produces, and naturally I criticised the term, and undertook to find some way to get it changed.

Q. Do you believe that any better rules could be made with respect to the Clear? Do you know of any means by which that could be improved?

A. No, I do not. It is as clearly defined as I could do it, and [fol. 890] as I could imagine that it was necessary to be done. It expresses a great deal in its practical application.

Q. Do you believe that that grade gives the buyer a good product?

A. I do.

Q. Now, what do you think about the grade, "No. 1".

A. Grade No. 1 is well defined. It is described specifically. It describes specifically what imperfections are allowable, and what

the buyer may expect. It goes on to enumerate very many things that he can expect in that grade.

Q. Otherwise than to change the name of the grade, do you believe that the grade could be improved?

A. Well—only by changing the name; only, the name would be more clearly understood by those who were not acquainted with lumber terms.

Q. But you believe that the public is given service, and are amply protected if they are given flooring which falls within that grade?

A. Yes, sir.

Q. Was the unsatisfactory experience you mention with a school board?

A. No.

Q. Or some one not familiar with lumber, or with a dealer?

A. It was a commercial building, a bank building that was being built in Johnstown, Pennsylvania. My customer ordered a car of No. 1; and I happened in Johnstown about the time of the arrival of the car, and I discovered that this flooring was to be used in this bank building, and I suspected at once that it was not the grade that ought to go in that building. I asked my customer to take it up with the bank trustees or directors and see if we could not substitute a Clear grade, for I knew that they wanted something better than a No. 1 in that building; and he declined to do this; and of course I did not care to interfere in his deal with his customer—it was not my customer—and he went on and put that floor-[fol. 891] ing in the First National Bank Building. I have never heard any complaint from it, except what I made myself, but, if you go into it, you will find the same conditions, and I think it is pretty unsatisfactory; it is like a man with a pair of bad shoes and a hundred dollar suit.

Q. Now, what is the difference between the Clear and the No. 1?

A. There are so many defects allowed in the No. 1 grade—they belong there; but it does not make a fine appearing floor; and that is what they wanted in that bank, or that is what I would want, anyway.

Q. It is good, serviceable flooring?

A. Surely.

Q. But it doesn't look so well to the eye?

A. The appearance; that is all; it is just as serviceable as the other is.

Q. But does not look so well?

A. It does not look so well.

Q. What do you think of the Factory grade now in use by the defendant association?

A. It is for service and not appearance. There are still many more allowable, and larger defects, are allowed in it than the No. 1 grade.

Q. What do you mean by larger defects?

A. Well, such as a larger knot. And larger shake, and larger brown dark streaks, and little hard streaks, that are found in lumber.

Q. The knots must be sound or tight, though, I suppose?

A. They must be sound, yes, sir.

Q. What do you mean by shake?

A. "Shake" is a condition that is produced in the tree by the wind twisting it, and separating the fibre, making it an open fibre. It is done by the wind, when the tree is younger, and it continues with the timber, and is found with the lumber.

[fol. 892] Q. Is a piece of flooring that contains shake good? Does it stand up under use or is it hard, or what?

A. Oh, yes, unless that shake is loose. If it is what is called a tight shake it stands; the fibre is there, the long fibre is there, and, whilst appearance is against it, the utility is there.

Q. Do you know of any means whereby the Factory grade now in force could be bettered, or do you think it is fair to the public?

A. I think it is very fair.

Q. You think it is fair?

A. Yes, I do.

Q. Now, as the result of your efforts to produce standard rules and interpretation and definition of the rules, would you say that the quality of the product as now manufactured is worse or better than the product that was manufactured say in 1914, and before that, or 1915? In other words, has the product been improved, or has it deteriorated since 1914?

A. The whole product cannot be improved, except by machining. If you take a hundred pieces of the natural production of the trees, or lumber, as it comes as a whole, you cannot improve that any, because you cannot re-make that lumber; you cannot improve the grades perhaps, very much, excepting to interpret them, and closely interpret what is called the off-grade, that is, the grade of No. 1 that may be found in the Clear and should belong in the No. 1. You cannot improve that any. It will all be in that space that I have defined there as belonging to the Clear grade. But you can't have it all in there; that is what we are expecting.

Q. What do you mean by cannot have it all there?

A. Well, there are what I call sharp practices, taking out a little of the upper Clear and putting a little of the upper No. 1 over into this Clear, and putting a little Factory over into the No. 1, and calling it a grade in which it does not belong. If I take out some of the upper strata of that Clear grade, it clearly lessens the value of that grade; it should all be there.

[fol. 893] Q. Assume that the rules are followed strictly, and a person is given 65 of the upper strata in the Clear and 35 of the lower strata, would you say that he now receives less service or better service than what he was receiving in 1914?

A. Better service than when?

Q. Than in 1914.

A. Before 1914?

A. Yes, or before 1914.

A. He is receiving better, because it is uniformly that; there is no departure from that rule,—that is, there is a slight departure, I had better put that; humanly speaking we do not get things perfect.

Q. Why not give them a hundred pieces of the upper strata instead of 65?

A. Because the timber would not make it, or the lumber would not make it; and if that is done, he has got to rob some other shipment to do it, in other words, it is what we call robbing Peter to pay Paul.

Q. You say the rules provide for 65 of the upper strata of clear and 35 of the lower strata?

A. Yes.

Q. It being all Clear. Now, why not give the buyer 100 of the upper strata?

A. Because the product will not make it, the raw material will not make it.

Q. Did he at any time ever receive 100 of the upper strata when he was buying?

A. Not unless some other shipment was robbed to do it.

Q. If the rules now in force are strictly followed by the manufacturer is the buyer in a worse or better position than he was before 1914?

A. He is in a better position.

Q. In what respect?

[fol. 894] A. Because they have come to a better knowledge of what this standard is and what it means, and they adhere to it very tenaciously—with some departures, of course, but they still adhere to that, and thus there is a uniformity. A new grader comes on, and they are afraid to trust that new grader until he has been instructed either by me or by the former grader, who has had his instructions from me; and thus that uniformity exists, not only in a given mill but in all the mills—so much so that it is surprising how nearly they conform to the standard. And that makes it very satisfactory to the buying public.

Q. Do you think calling this second grade No. 1 would be confusing to the retail or wholesale lumber dealer?

A. Oh, no, they understand all this.

Q. They know that?

A. Yes.

Q. How about architects?

A. Architects quite generally understand it, too. They must inform themselves before they specify; so they quite generally understand it, too.

Q. It is likely to be misleading, though, to members of school boards?

A. The consuming public.

Q. Or someone who is not in the habit of buying lumber, and who would happen to buy it direct from the manufacturer instead of from a dealer?

A. Well, they might as in this case in Johnstown. They bought from the dealer, but they specified No. 1. He thought they wanted No. 1, and ordered it for them.

Q. I wish you would explain what is necessary to be done in the manufacture of maple, beech and birch flooring, I wish you would begin with the tree in the forest, and follow the different processes right straight through, to the flooring.

A. The first move, as it now is practiced, is to establish camps [fol. 895] in a given tract of timber, where they are going to operate. These camps must be suitable for the accom-odation of the men who are to operate in felling the timber, which is the next process—cutting it into suitable length for saw timber. This is followed by the skidding crew, who skid it to either a logging road or a spur of the railroad if we transport by rail. It is then brought to the mill, dumped into a pond of water, which in the winter season is heated; this is for the purpose of cleansing the log from any sand that may have accumulated in the bank, in the skidding process. It is then taken into the sawmill, which has usually a band saw or circular saw, which cuts the log into boards, or flitches, sometimes. It then goes to the re-saw, in most mills, where it is resawn from these larger flitches to boards of the required thickness which in flooring is one inch. From there it goes to what is called the edging saws, which are sometimes a single circular saw, sometimes a single band, sometimes a gang of each of these—where it is cut into suitable widths, and the larger defects are removed. And from this it goes to the trim saws, trimming out more of the unallowable defects. It then goes to the grader, who grades it for the piling. It is then transferred——

Q. Just a moment, you are speaking now of the rough lumber?

A. Of rough lumber. That is what you wanted, is it not?

Q. Yes—out of which the flooring is ultimately manufactured. Now, you say that after the various trimming processes the lumber goes to the grader. What are the grades of the rough lumber?

A. It is there graded into Clear—Do you mean the present grading?

Q. Yes.

A. Those grades have been changed, since I have been in it. The present grading is Clear, Select, No. 1, No. 2, and No. 3 common. [fol. 896] Q. Of what grades is the flooring manufactured?

A. The flooring is manufactured principally from No. 1, No. 2 common, and some No. 3 common.

Q. You have named the grades, in their order of quality?

A. Of their excellence, yes, sir.

Q. Now, name those again.

A. Clear; No. 1; No. 2, and No. 3 common—that is, No. 1 common, No. 2 common and No. 3 common.

Q. What is done with the better grades?

A. I omitted in that last—there is a Select in there now. I omitted that because when I was a lumber inspector there were not so many grades. The grade of "Select" was not in use at that time.

Q. It is in use now?

A. It is in use now, and has come into use since I quit the business.

Q. What is done with the grades that are not used for the manufacture of flooring?

A. The higher grades are sold in the rough, usually, by the sawmills.

Q. What are the higher grades ultimately used for?

A. Various purposes; they are used by the furniture manufacturers, as chair stock, inside trim, somewhat and various purposes.

Q. Automobiles?

A. Automobile bodies, yes, sir.

Q. Now, what are those better grades that are used for those purposes, and are not used for the manufacture of flooring.

A. That would be Clear—that is, most of them use all of their Clear, ship all of their Clear in the rough, or nearly all of it; use a very little of the lower strata of the Clear but they cannot afford to put the Clear into flooring, because the Clear in the rough will sometimes sell for more than you can sell the flooring for after it has been manufactured, and you put in somewhere from $12 to $25 in the manufacturing process.

[fol. 897] Q. Now, what is done with those lower grades out of which flooring is manufactured, after it has been through those various sawing processes?

A. It is then taken some distance from the mill, to avoid fire hazard, and there it is piled, in cross piles, or what we call piling with stickers; usually we use dry stickers, to avoid sticker marks in the flooring lumber. It remains in these piles anywhere from nine months to eighteen months.

Q. Why?

A. So as to give it what is called the air drying process.

Q. Is that necessary to properly season the lumber?

A. Well, we all consider it so, after having given up some of these other ideas, which have been promulgated by certain kiln manufacturers—that they can take it direct from the saw and save us that process of handling it, in piling, from the sawmill, and from the long carrying charge, of anywhere from nine to eighteen months; but that has been tried out and has not proven satisfactory to the flooring manufacturers; hence, we all give it the air drying process

Q. That air drying process is used, is it not, by the present members of the defendant association?

A. Yes, sir.

Q. Now, what is done after it has been given the air drying processes?

A. Then it is transferred to the dry kiln, the initial end of the dry kiln, where it is loaded on steel trucks, and wheeled into the dry kiln for the kiln drying process, which is the second drying.

Q. Mr. Newman thinks that you did not state how long the air drying process required. You did, did you not?

A. From nine to eighteen months.

Q. Now, describe the construction and the size, etc., of these dry [fol. 898] kilns.

A. They are usually constructed of concrete or brick, sometimes of steel and concrete structure, and occasionally of wood. They are built with tracks; and rails are about eight, eight or nine feet apart, on which these steel trucks run; and each kiln is about 18 feet wide, so as to nicely clear 16 foot lumber, which is the longest lumber we run in hard wood.

Q. The walls require considerable thickness, of those kilns, do they not?

A. Yes, they are usually a thick wall, so as to retain the heat.

Q. Describe the process by which the lumber is treated in the kiln. What is done with it?

A. As I said, it is piled, loosely piled on dry stickers, on these kiln trucks, which are about six feet long, and the pile would thus be about six feet wide and about eight or nine feet high. The kilns are heated by coils, steam coils, which receive their steam from the steam plant of the mill, and the coils extend, from the lower end of the kiln, they extend about a little over half way through the kiln, so that we have——

Q. The moist heat at the beginning?

A. Moist air, and not so hote, at the receiving end. It gradually received the more intense heat as it comes down into the kiln, at the end from which it is extracted.

Q. Why is it necessary to have considerable humidity in the first part of it, and a lesser degree of humidity in the——

A. In the discharging end?

Q. In the discharging end.

A. To prevent what we call case hardening. If you submit it to intense heat at once the lumber shuts up, like a clam, as we sometimes say, and it will not receive any heat; and this is what we call case hardening; the interior of that board will still be as moist, and [fol. 899] retain as much moisture as it had when it went into the kiln.

Q. At the discharging end state whether or not the humidity is reduced there, and there is a dry heat there?

A. It is a drier heat but a more intense heat.

Q. A more intense heat?

A. Up to one hundred and eighty degrees.

Q. State whether or not the air at different times is tested, in order to keep it proper at both ends.

A. Yes, sir; we test the conditions frequently.

Q. How long does the kiln dry process take?

A. From six to seven days.

Q. How many times a day is the rough lumber admitted into the kiln?

A. Only once a day.

Q. How many times a day is the rough lumber taken out of the kiln?

A. Discharged once a day, too.

Q. How many square feet of kiln is required to a machine, or what is the proportion? Do you get what I mean? The space needed for a kiln, for one machine?

A. For one machine, running about from seven to eight thousand, it requires a kiln about a hundred feet long, which will receive fifteen or sixteen of these trucks nicely, truckloads of lumber, about six feet wide and eight feet high.

Mr. Thompson: What machine?

Mr. Darby: The flooring machine.

Q. One flooring machine now requires a kiln space of about how much?

A. About a hundred feet long.

Q. About a hundred feet long and about eighteen feet wide?

A. About eighteen feet wide, yes, sir.

Q. What is the average number of machines operated by a mem- [fol. 900] ber of the defendant association, at this time?

A. That varies greatly. They run from one machine up to fourteen of fifteen or sixteen machines; sometimes they are not running all their machines at any one time; hardly any of those with the large number run all of them at the same time.

Q. Now, after it comes out of the dry kiln, what is done then?

A. It remains in the cooling room.

Q. What is the purpose of that?

A. For cooling the lumber so that we will not run it while it is hot.

Q. What is the disadvantage, if any, of running it while it is hot?

A. Well, it would still be a little spongy, a little on the spongy order, and you would not get as fine a face on it, as good a face on it.

Q. You want to reduce the temperature of the lumber to the temperature——

A. Of the mill.

Q. Of the mill?

A. Yes, sir.

Q. While it is being processed?

A. Yes.

Q. Now, what is done then?

A. It next goes to the rip saws which rip it into suitable widths for the flooring. These widths are various.

Q. What are the principal widths manufactured ordinarily by you?

A. Inch and a half, two, two and a quarter, and three and a quarter.

Q. Those are the principal standard widths?

A. The principal standard widths, yes.

Q. What is done next?

A. Next it goes, after it is ripped into these strips, it goes, in some mills, to a double surfacer, which surfaces it on both sides. But in most of the mills, especially the modern ones, we have the flooring machines which accomplish all of the work on the strip, that is it surfaces, hollow-backs, tongue and groove, and, where we bore, it [fol. 901] also bores.

Q. How about end matching?

A. End matching is a subsequent process.

Q. Oh, yes. Now, what do you mean by surfacing it?

A. That is, taking the rough off of it and making it smooth, both sides, as it is shown by all finished flooring,—putting a face on one sade, and a hollow-backing on the other. There is a hollow trimmer, that trims off the rough surface.

Q. What do you mean by hollow back?

A. Cuts out a little hollow in the back, so that it will lie level on

the sub-floor, and creates an air space under the floor, and makes it less shipping weight.

Q. What other advantage, if any, does the hollow-back have?

A. I think there are no other advantages than those that I have mentioned.

Q. Does it not as a matter of fact tend to reduce the possibilities of rot?

A. That is what I mean by air space under there.

Q. That is one of the objects of the air space?

A. Oh, yes.

Q. Now, describe that fully, will you.

A. The air circulating under there prevents the accumulation of dead air and moisture. We have what we call a moist rot and we have a dry rot. A dry rot will be set up where the air is extracted from a given space. A dry rot will set up if you create a vacuum in this room, and continue that vacuum, in course of time, this woodwork would all dry-rot.

Q. And the flooring manufactured by the member of the defendant association is all hollow-backed, as I understand it?

A. Yes. No.

Q. What is not?

A. The Wisconsin Land & Lumber Company does not hollow-back.

[fol. 902] Q. It does not? You do not know whether the Wisconsin Land & Lumber Company is a member of the defendant association at this time or not?

A. No. I know that I have inspected their mills.

Q. Yes.

A. Up to the twelfth trip.

Q. All of the rest of these do manufacture hollow-back flooring?

A. I think so. Yes, I believe so.

Q. You say that the more recent machines surface it on both sides and tongue and groove it?

A. And hollow-back it.

Q. And hollow-back it?

A. In the same process.

Q. The same process?

A. With the machine.

Q. Tongue and groove. Describe what you mean by that?

A. For matching the flooring a tongue is made on the one side and a corresponding groove on the other, and when the matching process obtains this tongue fits properly into the groove.

Q. What must be done by those manufacturers who have not the modern machines? What do they do? Run it through different machines?

A. All the machines, since I have been connected with the industry, have surfaced on both sides, that is, the machines have been in use that would do that, although the lighter machines that were manufactured some twenty or twenty-five years ago were pretty light to do the whole job of surfacing both sides, tonguing and grooving, and so sometimes we put in a double surfacer to relieve this machine

of its heavy duties, and thus it would better do the more delicate work of putting a good surface on the face side and a correct tongue and groove. We lay a good deal of stress on a correct tonuging and grooving, so that the matching will be perfect.

Q. And then what is done with the product?

A. In some cases from the machine it goes to the trim saws, which [fol. 903] trim out the defects, and from that is goes to an automatic end matcher, which puts the end match on each board.

Q. The end matching consists of a groove or a tongue?

A. Yes, sir.

Q. So that the ends of the flooring can be matched, as well as the sides?

A. Yes, sir.

Q. Then what is done with it?

A. Then it goes to the grader, in that case. Now, there is another process, which is a more recent process—from the machine or matcher, it goes to a machine which does both the end matching and the trimming, trimming out of defects and end matching is the same process—so that one of these other processes, the older style, has been eliminated.

Q. Now, what is next done with it?

A. Next it goes to the grader.

Q. To the grader?

A. Who grades it in the proper grades, of Clear No. 1, and Factory, as he interprets it, and he throws it either on the trucks that are designated for those grades *of* into pockets, and from there it goes to the tying racks, where it it tied in bundles.

Q. How many pieces of it are included in a bundle?

A. From six to twelve. Some are using only six pieces in a bundle, more of them eight, and quite a good many ten, and some twelve pieces in a bundle.

Q. Is there any difference in the number of pieces, in a bundle between the different grades?

A. No, they have the same number.

Q. You say it is tied. With what is it tied?

A. It is tied with binder twine by a good many of the operators. Others use wire binders.

Q. A wire binder? In case a wire binder is used they also use a piece of metal band at right angles, so as to protect the edging of the [fol. 904] flooring, do they not?

A. Some of them do; that is a patented process, and is used by some of the members; and others use the wire just as they do a string, they have a machine that pulls the wire—the flooring is pulled back out.

Q. So that the wire will not cut the upper surface?

A. So that the wire will not mar the appearance of the floor, or the face side of the board.

Q. Those who do not use wire use what?

A. Those who do not use that clamp patent, the one you speak of, use the wire only, and they have a machine that draws it up tightly.

Q. And other persons use what, you say?

A. Binder twine.

Q. Then what is done with it after it is tied?

A. Then it goes to the warehouse, and is piled by grades and sizes.

A. That warehouse is under cover, is covered, is it not?

A. Always connected with the factory. The stuff is not allowed out from under cover after it is received at the receiving end of the kiln.

Q. And of course the warehouse has a floor; it does not rest on the ground, does it?

A. Oh, no; it is kept up off the ground well, with plenty of air space underneath all the time, air circulation. And then the cars for shipping we run into the warehouse, and load them in the warehouse, so that it is never out in the air.

Q. You do not load out in the open?

A. Do not load out in the open. There is only one exception to that in the Association.

Q. Now going back to 1914; at that time would the flooring manufactured by one manufacturer match with the flooring manufactured by another?

[fol. 905] A. In very few cases it would.

Q. For instance, in a building, a large commercial building, like the Illinois Merchants Bank, being constructed in Chicago, which requires some eight hundred thousand feet of flooring, how could they use flooring from different manufacturers, say, in 1914?

A. Well, it would be somewhat embarrassing to undertake to do it, except by carefully separating manufacturers' shipments and not allowing them to be intermingled in the unloading, and then using one on each floor or each set of floors, as it would cover.

Q. How about the flooring that is manufactured by the members of the defendant association today?

A. They have a uniform template now.

Q. And what does that result in?

A. That results in uniform matching.

Q. So that the flooring of one manufacturer can be used with the flooring of another?

A. Yes, sir.

Q. What is the function of the template? What is the template?

A. It is a steel pattern, just like that piece of flooring we had here, except that it is steel and is not susceptible to any change or wear—a heavy piece of steel. We have those made for each mill, so that there will be uniformity.

Q. Do you consider the matching of the flooring of one manufacturer with the flooring manufactured by another of benefit to the buyer?

A. It is a great benefit to the buyer.

Q. In what way?

A. Well, in such buildings as we were just describing, it might be very difficult for him to get from any one manufacturer or maybe from any two manufacturers a sufficient quantity of flooring to floor that building, and he would necessarily be at the disadvantage

of having to constantly guard against getting that flooring mixed in the handling of it. And then the retailer, he stocks the product; [fol. 906] he puts in a carload of a given manufacturer; and perhaps the next time he wants a carload of that same grade, and his manufacturer cannot supply him, and he has to buy from another. Now, he must necessarily keep them apart in this warehouse, or else great confusion will arise. So he is very much gratified—all over this country you will hear expressions about it, "You have accomplished a great thing in the uniformity of your matching."

Q. It gives the buyer a greater independence of any one manufacturer, too, does it not?

A. Yes, indeed it does.

Q. He is not at the mercy of any one manufacturer, he can select from another, where before he was more or less required to buy of one, was he not, after having bought?

A. After having started, yes, sir.

Q. You spoke a while ago of your having done that representative work for these various associations. What has been the nature of that work?

A. Would you want me to describe a little of the introduction of it, or just what I am doing now?

Q. What you have done. In a general way, what does that work consist of?

A. It consists of interviewing all classes, practically, of the users of the product, maple beech and birch flooring.

Q. Who are these persons?

A. First, the architect, and the principal. He is the man who initiates and specifies on, especially all the larger class of work.

Q. Who else?

A. There is the wholesale and retail dealer. School boards. Bank directors, who are building these large propositions. Trustees of colleges. The Municipal, State and Federal authorities, having in hand the building of large propositions. And corporations who themselves are interested. And we frequently interview them.

[fol. 907] Q. Such work has taken you from time to time over the entire United States, has it not?

A. Yes, sir, all the States in the Union except two.

Q. What two are those?

A. Nevada and Vermont. They have no large cities. I visit only the large cities, and they have no large cities; hence I have not gone into those two states.

Q. I wish you would state what is the Clear grade of flooring generally used for, the Clear grade of maple, beech or birch?

A. In maple, it is used in good homes, primarily, and good apartments, office buildings, and considerably, especially in the latter years, in high class school work; and in colleges and dormitory work, in the college buildings; and it is used quite largely by the textile industry, in the industrial buildings of the South, and in New England, especially; the textile mills require a good grade of flooring, smooth, free from anything that will catch lint; it must be free from all those defects that will catch the lint.

Q. You mean roughness, or splinters, or defects of any kind?

A. Yes, sir.

Q. You spoke of maple. How about clear beech or birch?

A. We recommend our clear beech and birch principally for high class work, *m*uch as we have described, excepting in the industrial buildings we do not use it so much, in the industrial, where service as well as appearance is required. It is almost equally hard, especially beech, but it is not used so much. We are using it in schools, and all these other classes of building; and then we use it especially where the architect desires to carry a color scheme; it is very susceptible of representation; you can make a beech and birch a very good substitute for mahogany or walnut or cherry or any of the higher class goods; and it takes an expert to detect the representation; it is very susceptible to stain, and to a high finish. It is used in bathrooms, and all that, for enamel work. There is a great deal of enamel work done, and they carry a color scheme with [fol. 908] that enamel work, to relieve the monotony of the building.

Q. The interior?

A. The interior finish, yes; and our birch and beech work goes well with that.

Q. But for flooring of the clear grade it must be free from stain, must be uniform in color and the appearance must be good?

A. How is that?

Q. The Clear flooring, the Clear grade of flooring.

Mr. Newman: Of what kind?

Mr. Darby: Of maple, beech or birch—must look well.

A. Yes, sir.

Q. And have no streaks?

A. The appearance. The appearance *if* one of the characteristics of it.

Q. Now, what is the No. 1 grade of flooring used for?

A. That is used for the same purposes, in a cheaper class of buildings; and we use it a great deal in school buildings.

Q. And that permits somewhat of discolorations and spots, etc.?

A. We have stores. Take the large department stores; and then grading them down, to the country stores. Used very much in store building. All commercial buildings, and all industrial and warehouse work, the better class of warehouses, use the No. 1 grade very extensively?

Q. Where they want something that is durable and serviceable, but do not care much about the appearance?

A. Not so much about the appearance.

Q. What is the factory grade used for mostly?

A. It is used in factory buildings, such as do not need or do not care so much for the smooth appearance, the smooth condition; and warehouses of all kinds, and all the industrial buildings, manufacturing shoes and clothing and all kinds of cutlery, and glass, and everything of that industrial description.

[fol. 909] Q. What is the chief characteristic or virtue of, we will say, maple as a flooring?

A. It is a very close fibred wood, close and compact, and interlaced, and knit so very tightly.

Q. It has great lasting qualities?

A. Yes, sir.

Q. In your trips about the country you have become familiar, have you not, with the flooring, whether natural or synthetic, that compete with maple, beech or birch flooring?

A. Yes, I come in contact with that.

Q. I wish you would name the competing floorings.

A. Do you mean in wood?

Q. In wood, and synthetic, too.

A. Well, in wood there is the oak, and the yellow pine, white pine, Norway pine, fir, Tamarack, cypress, gum, redwood, spruce, wood block; and they make even hemlock flooring.

Q. How about fir?

A. I named fir; fir is quite competitive.

Q. They use some walnut, and gum, too, in some parts of the country?

A. I named gum, and walnut.

Q. And some mahogany?

A. Yes. They are not very common, since there is not much of that timber left in the United States.

Q. What are some of the syntheic floorings that compete?

A. Cement, and tile, and slate, and soapstone, terrazza, asphalt, mastic, mastolith, gypsum, cork linoleum, and marble.

Q. What is the terrazza?

A. Terrazza is chipped marble, bound by a cement process. You will find this a great deal in corridors of hotels, and such uses.

Q. And commercial buildings?

A. And commercial buildings.

Q. Now, you have made at different times trips to the south or to the southern states, have you not?

[fol. 910] A. Yes, sir.

Q. In your field representative work?

A. My first work was done in the south.

Q. There is a great deal of oak flooring manufactured in the south, is there not?

A. Yes, sir.

Q. What would you say as to the magnitude of the oak industry in the south?

A. I noticed a report just yesterday, and I verified it today, that 60 per cent of all the oak flooring manufactured in the United States was manufactured within a radius of two hundred miles of Memphis, Tennessee.

Q. There are great numbers of flooring manufacturers in the States of Tennessee, Arkansas, Missouri and Mississippi?

A. Not so many in Mississippi, but many of them in the two Virginias.

Q. And in Arkansas and Tennessee?

A. Arkansas and Tennessee, yes, sir. And some in Kentucky.

Q. Now, state whether or not the machines that are used in the manufacture of oak flooring can also be used in the manufacture of maple, beech and birch flooring?

A. Oh, yes. They use the same equipment throughout.

Q. The same equipment as the equipment used by the——

A. Maple flooring manufacturer.

Q. Now, state what you found down there in Tennessee and the southern states generally with respect to competition down there between maple, beech or birch flooring manufactured by the members of the defendant association or some of the preceding associations with the flooring that was manufactured in the south, whether it was oak flooring or pine or beech or maple, or mahogany, etc.?

A. They are all competitive. We meet competition, sometimes from the oak manufacturers, sometimes from those who manufacture both oak, maple and beech—they have not much birch down there. And especially all through the south country the compe-
[fol. 911] tition is very sharp on yellow pine. The rift-sawn yellow pine, the A-rift, especially, is a close competitor with our maple flooring, for the same purpose.

Q. You found that down there in your trip, you found that competition?

A. All through the south country.

Q. Then state whether or not maple flooring is manufactured in Tennessee and different places down there?

A. I beg pardon?

Q. State whether or not the maple flooring is manufactured down in Tennessee?

A. Yes, it is manufactured by any of these mills in Tennessee and the two Virginias, and in Arkansas some.

Q. In trying to popularize the products made by members of these various associations that preceded the present Association, did you find dealers down there who expressed a preference for the local product over the northern products?

A. The preference was in the matter of price, and by reason of their close proximity to the manufacturing points.

Q. How did the prices of the local product differ from the prices of the northern product?

A. Sometimes I had occasion, and the privilege of comparing it by seeing quotations. There is *h*ot much difference in the price at the mill; sometimes it is a little lower, but usually about the same prices that are made by the northern manufacturers; but the freight haul is very much less in that country to the points adjacent to the mills, of course, and that would make the cost less to the consumer.

Q. The southern manufacturer has an advantage over the northern manufacturer with respect to freight?

A. With respect to freight, yes.

Q. What did you find out about the price of the oak flooring as compared with the price of maple, we will say?

A. For many years the price of oak has oscillated between about five dollars and twenty-five dollars, on the Clear grade, we will say,

higher than maple; sometimes there is a wide difference. Oak varies, [fol. 912] has always varied, in my experience, more than the maple manufacturers. I do not know that I am able to estimate why that is true, excepting it is possibly the reason that they get stocked up heavily, and they must unload, and then they sometimes come down to within five dollars of the price of the maple product; and I have know it $25 above.

Q. What do you mean? Five dollars and twenty-five dollars above——

A. Per thousand feet.

Q. You visited wholesale and retail lumber dealers down there, too, did you not?

A. Yes, sir.

Q. What did you find with respect to the stock they carried? Did they all carry stocks of flooring manufactured by the members of the various associations for which you have worked, or did they carry stock that was manufactured by others?

A. Oh, it varied. Some of them carry stocks of the northern manufacturers; some prefer the northern product, and do not choose to carry any other. Others prefer the local product and do not choose to carry any other. And some give their customer the preference of whichever he may choose.

Q. Did you during the course of your work learn that wholesales or retailers down there were carrying northern maple, beech or birch flooring which had not been manufactured by members of these various associations?

A. Oh, yes, frequently.

Q. State whether or not there existed competition between the flooring manufactured by northern firms who were not members of any of these associations for whom you have worked and flooring manufactured by members of some of these associations?

A. Yes, we find competition in this line.

Q. You found some dealers down there expressing a preference for some manufacturer's flooring who was not a member of any of these associations?

A. Oh, yes.

[fol. 913] Q. And others expressed a preference for the flooring manufactured by some member of these associations?

A. Yes, sir.

Q. Did you talk to any of the architects or dealers down there with respect to the standardized features, the standardized product of which you have spoken?

A. I always do that wherever I go. I recommend our product on the ground of its having been standardized, and thus the assurance and insurance.

Q. Did you meet any persons there who expressed an opinion as to the value or lack of value of such standardization?

A. Yes, I have had them question the value of that, on the subject of price only.

Q. What was said?

A. They would ask me what value the standardization feature would be to them, when the quotations were so widely apart, from different members of the Association. We adhere to no standard on price.

Q. And what did you say to that?

A. I always say to that that we have no standard on price, that our Association members are at liberty to quote as they choose.

Q. That merely the product was standardized?

A. The product was standardized and not the price. In fact, I do not keep in touch with the price question.

Q. What did they say with respect to the value of having the stock standardized, after they had once used it?

A. I never heard any criticism about it; in fact I have had very many compliments on it.

Q. What have some of the people said? What did they say to you with respect to it?

A. That it resulted in satisfactory results, or satisfactory dealings—satisfactory results were obtrained—in that they had a uniform grade, and they could depend on the uniformity of that grade [fol. 914] coming the next time when they ordered, and they could thus have as uniform product at all times to recommend to their customers.

Q. What about mitigating disputes and litigations, etc.?

A. Yes, that has always been.

Q. Now, you made trips, also, in the New England States, and New York, and the Eastern states generally, did you not?

A. Yes, sir.

Q. What did you find, what competition between the flooring manufactured by the member of some of these Associations and other flooring in the New England States?

A. In the New England States we have the Vermont and New Hampshire maple, and quite a good deal in Maine, but especially in Vermont we have large forests of maple and birch.

Q. You say "we." You mean that they exist there.

A. I mean they exist there. I should not say "we."

Q. And there is considerable flooring manufactured in the New England states, is there not?

A. Yes. It is not standardized, neither is it graded, according to our grading rule. They manufacture it in long lengths, but do not grade it in accordance with our grading rules, at all, on most of it.

Q. What are the differences between the Eastern grading and the grading of the present defendant Association?

A. There are defects allowed in their stock which are not allowed in our grading; and they will leave the boards as they come from the matcher, long, with the defects in. We trim them out, and make the grade, make the grade all Clear, No. 1 and Factory. Maybe there is a defect down there, pretty close to the end of the board; we will throw that end of the board into Factory. And they leave that the whole lenght, and call it a log run; it is just as it comes from the log, or lumber.

Q. What do you say, if there is a defect in it? What defect do you mean?

[fol. 915] A. Knotts, shakes, splits, hard, or anything—such defects as have been mentioned before in my testimony.

Q. What other manufacturers sell in the New England States, maple, beech or birch flooring?

A. Well, we have the manufacturers of all our northern states, where maple, beech and birch is manufactured, and, of Pennsylvania, and of the Adirondacks.

Q. How about the Canadian?

A. Canadian comes in, too. All the northern states.

Q. State whether or not the Canadian manufacturers sell maple, beech and birch flooring not only in New England but in most of the border states?

A. We find it coming in from Canada.

Q. With perhaps the competition somewhat stronger in the New England States?

A. Well——

Q. With perhaps more sale in the New England States then in others, or, what would you say?

A. The buyers are a little partial to the States at the same price and the same quality.

Q. They are?

A. Yes, sir.

Q. Considerable Canadian flooring is sold in New England, is there, however?

A. Yes, if they make the price, that catches many of the customers.

Q. Now, do you remember a visit that you made to Rochester, New York, in October, 1919? Do you remember it, or not? It does not make any difference to me, whether you do.

A. If I had something to refresh my recollection. I presume ther- is correspondence in the office, if I was there at that time.

Q. Do you remember any talks you had with some dealers in Rochester, New York, some retail lumber dealers, who spoke about putting in machines there?

A. Oh, yes.

[fol. 916] Q. State what that conversation was.

A. A number of them had planing mills, in which they dressed stock for local trade, and they were putting in a flooring from one or two of the flooring machines, and they were buying products from Pennsylvania, that they were going to run their own flooring, for their local trade.

Q. That is, Pennsylvania maple lumber?

A. Maple and beech.

Q. And they were going to manufacture flooring?

A. Yes, sir.

Q. How many feet will one machine produce in a day on the average?

A. It depends on the speed with which you run it. I have found

it to the best advantage, producing the best results and getting the best quality, most of the machines, running at from 65 to 80 feet a minute, lineal feet a minute. But the American No. 229, which is now very extensively used, will run up to 115 lineal feet a minute, and do good work; but it is very difficult for the help behind the machine to take care of the product properly, and do it economically. So I recommend the machines always to be cut down to not exceeding 90 to 92; and I prefer to have them at 80 to 82 lineal feet a minute—where I find the best results, from the average run of lumber.

Q. And about how many feet will the average machine run?

A. If they are running 115, they will go through, 10 to ten and a half thousand a day to ten hours each, but usually we run from seven to eight.

Q. Seven to eight thousand feet a day?

A. Yes, sir.

Q. How about competition in other kinds of flooring, between the maple, beech and birch flooring and other flooring, in the East? Do you remember one trip you made to Boston?

A. They are substituting, those who formerly used maple, especially, in the large commercial buildings, I found last fall, just about a year ago, when I was in Boston, a very large number of commercial buildings being built, and they were substituting cork linoleum; [fol. 917] they put in a sub-floor of concrete, and over this they run the cork linoleum, and they have pretty nearly a noiseless floor, and they claim a fireproof structure, and thus they have made great inroads upon the maple product.

Q. They have carried on a considerable advertising campaign there, have they not?

A. Yes, they were spending large amounts of money in the advertising of their product.

Q. And what you have done in these various trips throughout the United States is to popularize, so far as you can, the maple, beech and birch, the flooring manufactured by members of these different Associations?

A. Yes, sir. I do not criticise other materials; I enter into no discussion as to their popularity. I try to show that for specific purposes, and very many of these specific purposes we have them, which I can very easily demonstrate—then many of the substitutes.

Q. State whether or not throughout the United States competition existed between the products manufactured by he members of these various associations and the local woods which we have mentioned, as well as synthetic flooring, generally?

A. Keen competition ever since I have been on the road.

Q. They were pushing their respective products, and you were pushing yours?

A. Yes, sir.

Q. And you found that to exist, between the Northern manufacturers of maple, beech and birch flooring, who were not members of the Association, any of the Associations, and the different members of these various Associations?

A. Yes, sir.

Q. Out West fir is used considerably for flooring, is it not?

A. We begin to run very strongly onto the competitive flooring of the West when we come to Denver; from Denver on we [fol. 918] have to fight the fir, if we are to get in. It is a beautiful wood, a splendid wood, and it is diamond cut diamond out there.

Q. There is considerable fir in the West, is there not?

A. Oh, indeed, That is where it grows.

Q. And many flooring manufacturers?

A. Yes, sir.

Q. Of fir?

A. Yes, sir.

Q. And these same machines that manufacture fir flooring could be used for the manufacture of maple, beech or birch?

A. Oh, yes. They do use them.

Q. They do use them out there?

A. Yes, sir.

(Certain groups of papers were marked respectively as Defendants' Robertson Exhibits 20 to 31, inclusive, and shown to counsel for plaintiff, and then to the witness.)

Mr. Darby:

Q. I hand you documents marked respectively Defendants' Robertson Exhibits 20 to 31, both inclusive and ask you to state what they are.

A. These are copies of my reports, on visits to the variouc cities named, in years mentioned, which were 1917, 1919, 1922.

Q. Are the facts therein stated true, to the best of your knowledge and belief?

A. They are.

Q. And these reports were forwarded to Mr. Keehn at different times?

A. Yes, sir.

Q. And you understand, do you not, that they were bulletined out by Mr. Keehn to the various members of the then existing Association?

A. Yes, sir.

Q. You made many other trips besides the specific trips mentioned in these reports?

A. Yes, sir.

Q. These reports are typical of the reports habitually made by you?

A. Yes, sir, they are.

[fol. 919] Q. In the course of your field representative work?

A. Yes, sir.

Mr. Darby: The defendants offer the exhibits last mentioned in evidence.

Mr. Thompson: No objection.

Cross-examination.

By Mr. Thompson:

I have *down* work for the various Associations since 1914 and also prior to that date. Standardization was started in 1914. Prior to that I was one of the official inspectors of preceding Associations. From 1905 to 1912 I was connected with the East Jordan Lumber Company. Since 1914 I have done field representative work and reinspection work for the various Associations. I did my first field representative work in 1917. In connection with the standardization work, I became thoroughly familiar with all the operations at all the Association mills. Some of the members do not own standing timber and do not conduct logging operations nor manufacture rough lumber. Osgood & Blodgett Manufacturing Company, Holt Hardwood Company, Kerry & Hanson Flooring Company, Nichols & Cox Lumber Company, Strable Lumber & Salt Company, West Michigan Flooring Company and the North Branch Flooring Company do not own stumpage. All of them purchased their rough lumber on the open market.

Q. You have spoken about finding that the maple, beech and birch flooring manufactured by the Association members enters into competition with similar flooring, that is, flooring of the same woods manufactured in the south, and also in Pennsylvania and Vermont, I believe, and also some other Northern manufacturers. In the [fol. 920] course of your field investigative work have you been able to make any estimate as to what percentage of the maple, beech and birch flooring is manufactured by the Association members?

A. No, I have never made any calculation, myself, not being particularly interested in a precise report of that fact. I only know that there are a large number of the mills, and they are operating, and we come in competition with them.

Q. Well, without having made any tabulation that would tend to be accurage, can you give a general estimate from your general experience?

A. You mean as to their proportion of the whole or as to their proportion as compared to the Association members as mentioned in this list?

Q. Yes.

A. Or, do you mean capacity, or numbers?

Q. Well, general proportion of product manufactured and sold.

A. Of maple, beech and birch, I should roughly estimate that the non-members of the Maple Flooring Manufacturers Association might be somewhere from sixty to seventy per cent of the whole product manufactured of those three woods. There is a considerable amount of maple and beech in these localities—and considerable of birch in Maine, but not so much in Vermont, or New Hampshire, quite a large amount of it in the Adirondacks, not much in Pennsylvania, practically none of it in Arkansas, Tennessee, or the two

Virginias, where we get a good deal of maple, in the Appalachian Mountains, especially in the Blue Ridge.

[fol. 921] Q. Then, considering the territory, Michigan and Wisconsin, where most of the members of the Maple Flooring Manufacturers Association are located, what percentage of the maple, beech and birch flooring produced there is produced by the Association members?

A. Do you mean in the two states of Wisconsin and Michigan?

Q. Yes.

A. What percentage of the whole?

Q. Yes.

Mr. Darby: That is, produced in those two states alone?

Mr. Thompson: Yes.

A. I should say the non-members of these two states would produce somewhere about forty to forty-five per cent of all the production of the two states of Michigan and Wisconsin,—the non-members, I mean.

Q. Are the grading rules adopted by the Maple Flooring Manufacturers Association used by non-members?

A. If they can avail themselves of a copy of them they very much desire to use them; but the Associations from time to time have had them copyrighted, and have not distributed them promiscuously to non-members. However, they observe the same rules of grading, so far as they are able.

Q. The Associations' rules are supposed to be for the use of the Association members only, then?

A. Yes, sir.

Q. How is the lumber of the non-Association members graded, do you know?

A. Do you mean the lumber or the flooring?

Q. The flooring?

[fol. 922] A. It is graded quite largely according to these rules that I speak of, since they have the opportunity of employing graders who have been in the mills which have the Association grading and know pretty nearly how to grade flooring.

Q. Is the same designation of the grades generally used?

A. Yes, sir; but the interpretation may vary considerably, as I testified in my direct testimony. That was the intent of the standardization feature, so that some one who can see all of this and can get a birdseye view of all the mills, can keep it at the standard. And a graded may be on the table today, and he may take sick at noon and another one be put on this afternoon, who may not be so competent; there may not be so competent a man available, and he may differ very widely from the man who graded in the forenoon; and thus, if there is not some person who has a birdseye view of the entire process they are apt to diverge from the proper standard. That was the main intent of the standardization feature,—to get them in line, and then keep them there.

Q. I believe you testified that at the start of the standardization

work there were a few members of the Association who objected to it, and who did not allow you to inspect their mills?

A. After they had fully decided, and I had come out in the field and had begun the work, I think there was only one member who did not allow the inspection, on the first round, and they did not object strenuously, only that those chose to abide by their former regulations; and finally they asked me to come to their mill and inspect it, [fol. 923] within I think about two years—probably the third or fourth trip, but I do not recall.

Q. Then after the third or fourth trip the standardization work took in all of the Association members?

A. Yes, sir; all the mills were standardized, according to the standard established.

Q. And that has been the case continuously since then, has it?

A. From time to time, as I have made the trips we have inspected all the mills under the different Associations that have existed since 1914; I have not kept any track of the different Associations; Mr. Keehn has been secretary, and has called on me from time to time to make these trips of inspection. I have never been present at the winter meetings, when he states that these different organizations were instituted. I attend only the meetings when I am called by the secretary, on something pertaining to my feature of the work.

Q. Your work has been confined entirely to the standardization and the field investigative work, has it?

A. Since 1914.

Q. Since 1914?

A. Prior to 1912 I was an active employe of the East Jordan Lumber Company.

Q. Then since 1914 you have personally had no knowledge as to the prices charged by any of the Association members?

A. I do not pay any attention to prices, except as they are discussed by those whom I meet in the field work. Sometimes they begin to discuss, begin a discussion of prices, and I keep away from them, for it would be an almost infinite mind which could remember prices, in [fol. 924] the various localities, and I make these cities today and maybe jump five hundred miles tomorrow, and I do not know the prices in this city and would not know it in the one tomorrow, I do not know what prices are prevailing; so I choose to keep away from them. Then I have to deal with all classes, from the architect, the contractor, the wholesaler, to the consumer. Now then, the wholesaler must have something for his services, and the retailer must have something for his, and the architect must have something for his services; and it would not do to make one price in Omaha to the architect, and the jobber and the retailer and the consumer; they each must fix their own prices. So I keep away from the price question entirely, except to assure them that our members have that entirely in their own control. My business is to discuss the product as a fit product for this or that. If they are not fully posted as to what they should put into a building, I try to acquaint myself with what would be the best to use for that building. For instance, an architect may

not be very familiar with beech, and he has heard about it; he inquires, and I am supposed to enlighten him as to what beech will do in a certain use. For instance, in an industrial building, or in a commercial building, or in a school building, or in a college or in a church, or in a home, or what kind of a home they are going to build, what kind of flooring should I use? These are matters that are interesting to the architect, and I am there. And then I am sure to get information as to what is going on in that city, and our members can acquaint themselves then and be apprised of what is going on in that [fol. 925] city, what is going to be built—there is going to be a commercial building, or so many commercial buildings built, or there are going to be so many industrial buildings; they will take one class; the homes will take another; the apartments may take much of the product, this year. There may be a great many college buildings going up in certain localities. The Federal government may be active; the state may be active; the city may be active, in a certain year, and in another they may be inactive. Now, it will not be necessary to canvass those cities by members of our Association, if there is nothing doing in that city. I get this for a year ahead, and I tabulate that, and you can see by my remark that that is what goes to them. They can thus economically manufacture their product.

[fol. 926] DEPOSITION OF LESTER N. GODFREY, TAKEN, PURSUANT TO STIPULATION, AT BOSTON, MASSACHUSETTS, ON NOVEMBER 8, 1923

LESTER N. GODFREY, being duly sworn, testified as follows:

Direct examination.

By Mr. Johnston:

I live in Brookline, Massachusetts. I am the Treasurer of the Godfrey Lumber Company and have been engaged in the wholesale lumber business in Boston for 43 years. We deal in all kinds of lumber except mahogany. We handle hardwood floorings quite extensively. We deal in maple, beech and birch flooring, and oak flooring, and have been selling them wholesale for a great many years, I should say about 30. I don't know just how many feet of maple flooring we handle a year, but I know it is more than anyone else in Boston. We handle considerable quantities of beech and birch flooring, but much less beech than birch. We handle more maple than we do birch. We handle much more than a million feet of maple flooring a year.

For many years I did the buying, but have not done so for the past three or four years. Previous to that time I sent out inquiries for prices. Whenever we have a large contract for maple, beech or birch flooring, we send out an inquiry addressed to various manufacturers in Michigan and Wisconsin in order to obtain prices and to buy the flooring as cheaply as possible. We did not buy exclu-

sively from any one mill, but bought from whoever made us the best price. To whom we would address an inquiry depended upon [fol. 927] the flooring that we wanted and our knowledge of what the mills usually could supply. We received from time to time from the various manufacturers of maple, beech and birch flooring, lists showing the stocks of the various grades and sizes of flooring then on hand. These stock lists give us some idea of to whom inquiries should be addressed. For instance, if my lists here show that a manufacturer is out of a particular grade and size which we want, naturally we don't send an inquiry to him; on the other hand, if we find a party is overstocked or is accumulating a certain kind of flooring of the grade we want, we address the inquiry to him, thinking we will get a lower price. It has been our experience that we frequently get a lower price from the manufacturer who is overstocked or has accumulated the kind of flooring we want.

Q. Now, in the many years that you have been engaged in the purchase of maple, beech and birch flooring, has there ever been a time in your experience when all of the manufacturers of that flooring, or at least all with whom you come in contact as a purchaser, were quoting uniform prices for their product?

A. I cannot remember such a thing, no.

There has always been competition among the manufacturers of maple, beech and birch flooring in the sale of flooring to large dealers such as my company. That competition has expressed itself in varying prices quoted by the manufacturers on the same grade and size of flooring. That condition has always existed as far as I remember. It certainly has existed during the last ten years.

[fol. 928] I gave you such inquiries as I was able to find that were sent out by my company to the flooring manufacturers during the year 1922 and the replies that were received in response thereto. The documents you show me are copies of letters and the letters that I received in answer thereto that I sent out dated January 6, 1922, addressed to William Horner, Cummer-Diggins Company and the Kerry Hanson Flooring Company.

(Said documents marked Defendants' Godfrey Exhibit 1, and received in evidence.)

In my letter of January 6, 1922, addressed to the manufacturers above mentioned, I asked for quotations on 13/16 x 2¼" Clear Maple flooring. The quotations that I received were as follows:

William Horner	$98.50
Cummer Diggins	99.50
Kerry-Hanson	94.50

All the prices above mentioned were f. o. b. cars Boston and were subject to the usual commission.

While I have not had direct charge of the buying during the last few years, I go through all the correspondence every day. I haven't had a vacation for years and it is only a matter of convenience whether Mr. Fisher or either of my sons dictate an inquiry or have

the stenographer send one out. I am the head of the business of our company and direct the affairs of it and devote all my time to the management of said company.

In the letter of William Horner dated January 9, 1922, which forms a part of Exhibit 1, it is said, "We do not see how we can possibly cut this figure, but it if will help you out any, we would be willing to go $1.00 per thousand lower."

[fol. 929] It has been my experience frequently, in dealing with manufacturers, that they endeavor to give me a price which would enable me to meet competition and would cut their own prices accordingly below prices previously quoted by them. If the prices were uniform, or substantially uniform, for the same grades or sizes of maple flooring, we would not have to send out any inquiries at all.

In the telegram of Kerry & Hanson Lumber Company dated January 9th, they state, "Will make up to five dollars per thousand reduction. Do best you can on price." It is quite a frequent occurrence, where manufacturers endeavor to meet competition by giving us as low a price as they feel they can. In that particular case Kerry & Hanson practically left the price to us.

The letters you show me are copy of an inquiry that my Company sent out on February 11, 1922 and the answers that were received in response thereto. All these letters were receivd in the regular course of mail.

(Said documents marked Defendants' Godfrey Exhibit 2 and received in evidence.)

On 13/16 x 2¼" No. 1 Maple flooring, the following quotations were received:

William Horner	$72.00
Kerry & Hanson Flooring Co.	74.50
Flanner-Steger Land & Lumber Co.	69.50

On 13/16 x 2¼" No. 1 Beech flooring, we received the following quotations:

William Horner	$62.00
Kerry & Hanson Flooring Co.	64.50

[fol. 930] All the foregoing prices were per thousand feet f. o. b. cars Boston or New England delivery rate and subject to the same commission.

The documents you hand me are a copy of an inquiry our Company sent out on February 14, 1922 and the letters that were received in response thereto.

(Said letters marked Defendants' Godfrey Exhibit 3 and were received in evidence.)

On 13/16 x 2¼" Clear Maple flooring, we received the following quotations:

Flanner-Steger Land & Lumber Co..... $94.25
Cummer-Diggins Co..... 99.50
William Horner..... 98.00

On 1/16 x 2¼" Clear Beech flooring, we received the following quotations:

Cummer-Diggins $84.50
William Horner..... 80.00

On the 13/16 x 2¼" No. 1 Beech flooring, we received the following quotations:

Cummer-Diggins $64.50
William Horner..... 60.00

On 13/16 x 2¼" face No. 1 Maple flooring, we received the following quotations:

Cummer-Diggins $44.75
William Horner..... 43.00

All the prices above mentioned were on a delivered basis.

The Flanner-Steger Land & Lumber Company's prices were subject to a commission of $3.00 per thousand and the prices quoted by the other manufacturers were subject to a commission of $2.00 per thousand.

[fol. 931] In our letter to Cummer-Diggins Company, which is a part of Defendants' Godfrey Exhibit No. 3, we state: "Beg to advise that our customer had a price of $80.00 on 13/16 x 2¼ inch clear beech and $94.25 on 13/16 x 2¼ clear maple. Therefore we were not in it." That represents a typical case where some other wholesaler was able to quote a lower price than our Company was. Sometimes our competitors are able to underbid us and sometimes we underbid them. There are a good many wholesalers of maple, beech and birch flooring in this territory, and all of us are bidding for the business. The competition has at all times been vigorous and active and we send out inquiries in order to find out what we can buy the flooring at. We get the business sometimes because we are able to make a better price through getting the flooring cheaper than our competitors and *and* sometimes vice versa. Such conditions have always existed.

The documents you hand me are a copy of an inquiry our Company sent out dated March 30, 1922 and the letters that were received in response thereto.

(Said documents marked Defendants' Godfrey Exhibit No. 4 and received in evidence.)

On 1 1/16 x 2¼" face No. 1 Maple flooring, we received the following quotations:

Kerry & Hanson Flooring Co..... $84.50
Grand Rapids Trust Company, Receiver for William Horner 79.00

On 1 1/16 x 3¼" face No. 1 Maple flooring, we received the following quotations:

Kerry & Hanson..... $85.50
Grand Rapids Trust Company, Receiver for William Horner 80.00

[fol. 932] All the prices above mentioned were on the same freight basis and subject to the same commission.

The documents you hand me were received in response to an inquiry sent out by our Company on April 8, 1922.

(Said documents marked Defendants' Godfrey Exhibit 5 and received in evidence.)

On 13/16 x 3½" jointed factory maple flooring, we received the following quotations:

William Horner..... $40.00
Strable Lumber & Salt Co..... 36.00

On 13/16 x 3½" jointed No. 1 and better flooring, William Horner quoted $77.00.

On 13/16 x 3¼" face No. 1 maple flooring, we received the following quotations:

William Horner..... $72.00
Strable Lumber & Salt Co..... 78.00

Strable Lumber & Salt Co. also quoted 13/16 x 3½" No. 1 maple flooring at $80.00. All flooring was bid delivered at the same place.

The Strable Lumber & Salt Company's commission was 5% and the commission of William Horner was $2.00 per thousand. Some companies allow us a commission of 5% and others allow us a commission of $2.00 per thousand. The commissions allowed by the different manufacturers vary.

The two documents you show me are letters received by our Company in response to an inquiry dated May 10, 1922.

(Said documents marked Defendants' Godfrey Exhibit 6 and received in evidence.)

On 13/16 x 3¼" face Clear Maple flooring, we received the following quotations:

[fol. 933] Flanner-Steger Land & Lumber Co..... $94.50
Cummer-Diggins Co..... 89.50

On 13/16 x 2¼" face Clear Maple flooring, we received the following quotations:

Flanner-Steger Land & Lumber Co..... $99.00
Cummer-Diggins Co..... 99.50

All quotations were on the same freight basis. I got an extra commission over that allowed anyone else from the Flanner-Steger

Land & Lumber Co. The Cummer-Diggins Company allowed the regular commission of $2.00 per thousand. Flanner-Steger Company also allowed us to make the price. They very largely relied upon our judgment as to prices. We do not represent them exclusively in this territory, but buy wherever we can to the best advantage.

The documents you hand me are letters taken from our files and were received in response to our inquiry sent our during November, 1922.

(Said documents marked Defendants' Godfrey No. 7 and received in evidence.)

On 13/16 x 3½" jointed clear maple flooring, we received the following quotations:

Kerry & Hanson Flooring Co.	$95.00
Strable Salt & Lumber Co.	91.75

On 13/16 x 3½" jointed maple flooring, we received the following quotations:

Kerry & Hanson	$90.00
William Horner	82.00
Strable Lumber & Salt Co.	86.75

On the 13/16 x 3¼" clear maple flooring, we received the following quotations:

Kerry & Hanson	$89.50
William Horner	88.00
Strable Lumber & Salt Co.	89.75

[fol. 934] On 13/16 x 3¼" face No. 1 maple flooring, we received the following quotations:

Kerry & Hanson	$84.50
William Horner	79.00
Strable Lumber & Salt Co.	84.75

The quotations of William Horner and of Strable Lumber & Salt Company above mentioned were subject to $2.00 per thousand commission and the quotations of the Kerry & Hanson Flooring Company were subject to a commission of $3.00 per thousand. All of said quotations were f. o. b. cars Boston.

The documents you hand me were received in the ordinary course of business in response to an inquiry that we sent out dated December 13, 1922.

(Said documents marked Defendants' Godfrey Exhibit 8 and received in evidence.)

On 13/16 x 2¼" face No. 1 maple flooring, we received the following quotations:

William Horner $93.50
less $2.00 commission.
Kerry & Hanson Flooring Co. 93.50
less $3.00 commission.
Flanner-Steger Land & Lumber Co. 93.50
less a commission of 5%.

On 13/16 x 2¼" face factory maple flooring, we received the following quotations:

William Horner $43.50
Kerry & Hanson 48.50
Flanner-Steger 46.50

On 13/16 x 3¼" face No. 1 maple flooring, we received the following quotations:

William Horner $78.00
Kerry Hanson 84.50

[fol. 935] On 13/16 x 3¼" face Factory Maple flooring, we received the following quotations:

William Horner $48.00
Kerry-Hanson 54.50

On 13/16 x 2¼" face clear birch flooring, we received the following quotations:

William Horner $95.00
Flanner-Steger 98.50

On 13/16 x 2½" face No. 1 Birch flooring, we received the following quotations:

Kerry-Hanson $83.50
Flanner-Steger 88.50

All the foregoing prices were f. o. b. cars at Boston. We prefer to buy our flooring delivered because if we did not buy it that way it would take up so much time in ascertaining railroad rates and finding out the waste of each kind of flooring and figuring out the cost. It would entail much costly clerical work and besides we might make mistakes. Our customers will not buy flooring any other way.

The variations between the prices quoted by different manufacturers upon the same size and grade of flooring as evidenced by the eight preceding exhibits are typical of the variations that have always existed between the prices quoted by the manufacturers of maple, beech and birch flooring as long as I have been familiar with the business. The variations fluctuate according to the conditions of supply and demand, but there has always been a difference between the prices which a number of manufacturers would quote on the same article.

[fol. 936] I am familiar to a certain extent with oak flooring and the prices on same. Oak flooring costs more than maple, beech or birch flooring, but making allowance for the higher cost on such floring, I should say that the prices quoted by the manufacturers of maple, beech and birch flooring vary as much as the prices quoted by the manufacturers of oak flooring. Oak flooring is a new fad, and being high priced there is quite a little variation in prices. I should say that there is a greater variation of price on oak flooring than there is on maple flooring.

The documents you hand me are two letters received by my Company in the ordinary course of business and carbon copies of two letters that were sent out by my Company.

(Said documents marked Defendants' Godfrey Exhibit No. 9 and received in evidence.)

Q. Mr. Godfrey, I note in these letters which I have just shown you and which have been offered as Defendants' Exhibit 9 statements such as this: You say to the Kerry & Hanson Flooring Company, "For your information, beg to advise that we have been offered 3¼ inch Number One Maple Flooring by one of your association mills at Seventy Seven Dollars." To which Kerry and Hanson reply, "We note that some association mill has quoted you Seventy Seven Dollars, but we are receiving all the business we can take care of in this size and grade at Seventy Nine Dollars and Fifty Cents." Is that typical of the situation that you encounter from time to time?

A. That is typical of the situation from time to time, yes. Not always.

[fol. 937] Q. In other words, have you found, Mr. Godfrey, that the question of supply on hand of a given grade and size of flooring has been a most important factor in determining the price for which that manufacturer of that flooring would sell his flooring?

A. Yes. For instance, a man accumulates on certain grades and has had a big demand on other grades. He makes a concession to move that to make uniform his stock on hand. Cut it down to a proper basis.

Q. And that is occurring practically all the time with one manufacturer or another?

A. Frequently, yes, sir.

Q. And that enables you to buy from the manufacturer who is long a particular grade and size at a considerably cheaper price than other manufacturers will offer you the same grade and size for?

A. That is why we send out those inquiries. Otherwise we wouldn't have to send them out.

Q. If there wasn't that variance?

A. Yes. Otherwise we would simply have to quote a man and send it. If we didn't keep posted and write for these quotations we would be lost. We have competition herein buying—very strong. I think there are more lumber dealers than there are paving stones in Boston. I think we have added over one hundred and fifty in the last two years.

Q. Which makes for very sharp competition in the lumber field?

A. Very.

The standardization of the flooring manufactured by the members of the Maple Flooring Manufacturers Association is the most important feature in the business. It has been of great assistance to manufacturer, wholesaler, retailer, architect and consumer. Substantial variation in prices quoted upon the same *same* and size of [fol. 938] maple flooring, as evidenced by the exhibits, cannot be accounted for by the difference in quality of the flooring produced by the manufacturers. Since standardization has been put into effect, the price difference which would be allowed for the difference in quality between the different manufacturers would be relatively small. To the best of my knowledge and belief, all the manufacturers of maple, beech and birch flooring are trying to follow the Association gradage and rules. That is one of the great benefits of the Association.

We have never had occasion to ask for a reinspection.

Cross-examination.

By Mr. Benton:

As a general rule, we buy from Cummer-Diggins, William Horner and Kerry & Hanson, and very frequently from Flanner-Steger Land & Lumber Company, perhaps more frequently from them than the others.

Some of the manufacturers of maple flooring have exclusive representatives here and if they have we don't address inquiries to them. They give their representatives the benefit of their distribution and would not quote us. That is one of the reasons why we don't send out to more than five or six manufacturers at one time. It might be a material advantage to address inquiries to a larger number of manufacturers. Even among the small number to whom we address inquiries, there is a great variation in price. We send inquiries to about all we know about who make good flooring and manufacture in large enough quantities to supply our orders. We dicker with the different manufacturers as to commissions and prices in order to obtain as low a price as possible so that we may meet com- [fol. 939] petition. Of course, if a manufacturer gives us a larger commission, his profit would be less. The purpose of allowing a larger commission is to secure orders and the one allowing a larger commission may underbid the other fellow.

I could not state what the average variation in the various prices on a certain grade of maple flooring would be. My correspondence is accessible to either the plaintiff or the defendant. You will find quite a variation at different times. It is owing, a great deal, I imagine, to the amount of lumber they have on hand of certain grades. I don't know whether the difference in freight rates has a bearing upon the price of flooring. I don't know what effect standardization of flooring has had upon prices, but I do know that it has been of great assistance to us. We now have a more dependable grade.

I buy all our flooring outright.

(Redirect examination.

By Mr. Johnston:)

When a manufacturer of maple flooring has a special representative in this territory, I frequently make inquiry of the representative as to the prices of his principal. We often get oral quotations from them. For some reason or other these representatives make concessions to me. The different manufacturers from whom I buy do not know of the commission allowed by the other manufacturer. When we get an extra commission they don't want the other fellow to know it. They do not want to know each other's business in that respect. It is a secret between the shipper and ourselves and the commission varies, as we can show by our books and correspondence. The manufacturers are particular to ask us not to let anyone else [fol. 940] know the commission allowed us. The difference in prices varies all the way from $2.00 to $10.00 to the thousand.

Recross-examination.

By Mr. Benton:

Q. May I ask one question more. What in your opinion, Mr. Godfrey, is the reason for the manufacturers from whom you purchase maple flooring not wanting the other manufacturers to know their prices? Why is it a secret?

A. Well, if you were selling any other product other than that, for instance, and there was competition, if you conceded something off your regular price, whatever you may be asking, in order to secure that order which you particularly wanted, you wouldn't want your competitor to know about it.

Q. Do you know if he has secret agreements with the other wholesalers?

A. I never heard of it. So far as I know he doesn't have.

[fol. 941] Deposition of Vernon J. Bert, Taken, Pursuant to Stipulation, at Chicago, Illinois, on October 23, 1923

Vernon J. Bert, being duly sworn, testified as follows:

Direct examination.

By Mr. Darby:

I am the Manager of the Drygoods Department of Sears, Roebuck & Company of Chicago. I have been associated with that Company for 20 years. I have been Manager of the Drygoods Department since 1914. From 1909 to 1914 I was buyer for that Department, and prior to that time was an employee of Sears, Roebuck & Company's New York office, buying general line of merchandise.

Sears, Roebuck & Company are a concern doing a general merchandise business by mail amounting to between two hundred and two hundred fifty million dollars a year, making them perhaps the largest mail order house in the country. We have branch stores at Philadelphia, Dallas and Seattle, with headquarters at Chicago. All initial buying of merchandise is done by the Chicago Managers. We handle a very complete line of merchandise. I do not know of any specific line of goods which we do not handle.

I am and have been engaged in buying all the lines known cotton piece goods and beddings. My experience on general merchandise is more or less limited. Cotton piece goods are the first state of textiles and form the principal raw material for manufacturers of wearing apparel and kindred goods. Beddings are a species of [fol. 942] drygoods and include such articles as bed spreads, sheets, pillow cases, mattress pads and covers. The textile industry, which is largely cotton piece goods,—almost entirely,—is probably the country's ranking industry. Cotton piece goods can be divided into several principal classes, such as grey cloth, ginghams, percales, ducks, tickings, tobacco cloths and converted materials, meaning colored fabric made from grey goods.

These goods are distributed by two principal methods. The first method is for the manufacture or mill to sell its products entirely to the dealer. The second method is for the manufacturer to distribute his drygoods through a commission sales agent, who receives a fixed percentage for the sale of the goods and assumes the credit risks and all expenses connected with selling. The headquarters for these sales agents and also the sales offices of mills selling direct is in New York City, confined in a small area in the general neighborhood of Worth and Church Streets. Almost without exception every manufacturer is represented in that market.

To keep informed of the market conditions, a buyer should and does make three trips to New York City and interviews the sales agents. The information thus obtained is supplemented by printed lists that he receives from time to time. There is a type of selling done through brokers, who receive a recompense from the seller. Their profits, however, are confined entirely to that form of drygoods known as sheets and grey goods, meaning unfinished cloth as it comes from the loom. This type of merchandise is sold to converters, who send it to public finishers and convert it into finished merchandise by means of trimming, dyeing, mercerizing or bleaching. [fol. 943] Q. Now, I wish you would take up, for instance, either percales or ginghams, and tell what if any variation in price there is among the different manufacturers, and so forth.

A. Percales are an outstanding important item in dry goods, being a fabric largely used for women's housewear. There are three principal manufacturers, and it is customary for them to manufacture a part of their cloth, having only limited facilities for weaving the amount of fabric they use. Their principal business is that of dyeing and printing the grey cloth, and putting it in shape for the garment manufacturer and the dealer, for distribution by the yard. It is cus-

tomary for these manufacturers to sell their product for fixed periods of delivery. It is my experience and observation that the three principal manufacturers rarely vary in price on their product. Percales are a very standard article. The product of the different manufacturers being identical, the only difference would be in the character of patterns or colors. Prices are made by them, it would seem, almost simultaneously. They print a price list, mailing it to all of their customers, the cash discount and dating being in all cases the same. Percales are considered a highly standardized article.

Q. Give, if you will, an illustration of the prices at some particular period which would be typical of the usual spread. How much a yard does that sell for usually, and what is the spread between prices? [fol. 944] A. The last price fixing period was in July, when prices were made on a basis of twelve and one half cents per yard, for the light ground patterns, or what is known as 64 by 60 construction of cloth. Terms were two per cent ten days, and sixty days extra, with deliveries at the option of the buyer, up to November 1, 1923, with the price guaranteed by the seller up to date of invoicing of the merchandise; the billing date and the delivery date, as laid down by the buyer, not necessarily being the same. This price, together with prices for other of their percale constructions, was printed in a circular and mailed to the trade. A circular by M. C. D. Borden & Sons, New York City, sales agents for the American Printing Company of Fall River, Massachusetts, Lawrence & Company of New York City, sales agents for the Pacific Mills of Lawrence, Massachusetts, Converse & Company, sales agents for the Windsor Print Works —location not known—were at one level, and the price lisits all bore the same date. At the present time all of these sellers have withdrawn their goods from sale, and there is at the present no quotation to be had on percales.

Q. Were the prices usually identical, as in the instance you gave, or was there any spread, and if so, how much?

A. I stated before that it was my observation that percale prices were almost always uniform, comparing one manufacturer's prices with another.

Q. Percale is a standardized article, I believe you said, is it not? [fol. 945] A. I stated also that percales were a highly standardized article, being made from a standard construction of grey cloth, and the only variation in different manufacturers' products being a matter of taste on the part of different buyers as to superiority of style of one manufacturer over another.

Q. How do you buyers generally regard the matter of standardization of a product? Do you consider it a convenience or an inconvenience, as a matter of safety or a matter of peril for you buyers?

A. My personal opinion—and I think it is that of most buyers of goods—is one of appreciation of standarization in any merchandise we may use. Uniformity of quality is an exceedingly difficult thing to accomplish in manufacturing—so that wherever we encounter it it is a measure of protection not only to the dealer but to the consumer as well. I might say at this point that these mills prefer to sell their goods under their own brand, though there are instances where they

will sell their merchandise to a dealer under the dealer's brand, or without brands, and so forth. The standardization of an article is a protection to the user of goods, and greatly simplifies the re-ale. As an example, in times of difficult merchandise conditions branded goods, because of being well known, are much more easily salable than the type that has no identification, meaning that it is unknown as to its quality.

Q. What is your opinion as to whether or not standardization [fol. 946] is a protection against fraud, and whether or not it is a benefit to both the honest buyer and the honest seller?

A. In my opinion a manufacturer who attempts standardization of his goods and puts thereon his brand, so that the consumer may know it is his goods, takes pride in maintaining a uniform quality, so that the consumer, once having used the article and finding it satisfactory and of good value, could secure more of it. Dealers of course follow the line of least resistance in the merchandising of goods. We all lean to those articles which we can sell most easily; and it is my experience that this we can most easily do when dealing with goods that, because of being sold under the manufacturer's brand, or at least sold on sample or description, of a reputable manufacturer, lends assurance that the merchandise will be fully up to sample and uniform over a period of time.

Q. How about standardization of the same article among different manufacturers? You spoke about the standardization of one article by one manufacturer. Suppose now that several manufacturers have a uniform or standard product—do you consider that an advantage or a disadvantage to the buyers and to the public generally? I believe you mentioned that percales were pretty largely standardized.

A. Standardization of goods really means the uniformity. Manufacturers will work up or down from a fixed standard. In the case of the percales described, standardization has brought uniformity of the products of the three mills described, so that the products of [fol. 947] one with another are interchangeable, which of course, is advantageous to the dealer in securing adequate supplies of goods, by being able to use the product of these mills interchangeably.

Q. Now, I wish you would take up and state what your experience has been in buying ginghams, as to the quotations that you have received from manufacturers, and the spread, if any, and what your experience generally has been?

A. There is not the same degree of standardization in the manufacture of ginghams as there is in percales. There is much more workmanship in the manufacture of ginghams, ingenuity in styling, and variations in the finishing of the cloth, all of which would have a bearing on price. Ginghams are generally sold with a price opening twice a year, spring and fall, and it is my observation that most of the gingham manufacturers prefer to allow the Amoskeag Manufacturing Company, of Manchester, New Hampshire, to set a price on its products before pricing their own. In the class of fabrics that this concern makes they are considered eminent, so that other manufacturers generally speaking sell their products at a slight

reduction from the Amoskeag prices. There is usually a difference in price of approximately one half cent per yard between the Amoskeag prices and that put on what would be called the nearest competing fabric. As an example, the Amoskeag Company, on its principal cloth, known as 19,000 Chambray, made a price in September of 17½ cents per yard; its chief competitor, the Riverside & Dan River Cotton Mills, of Danville, Virginia, quoted 17 cents on their [fol. 948] competing fabric, known as Security Chambray. Most of the buyers consider these two fabrics of parallel quality, conceding perhaps a shade advantage to Amoskeag because of superiority of finish. This little difference is, of course, emphasized by buyers, and is used as an argument against the Riverside mills, in their effort to secure the lowest price possible. It is my understanding that the gingham manufacturers, with perhaps one or two exceptions, are members of an open price association, the effect of which, according to my observation, has little bearing on quotations of gingham manufacturers. The Amoskeag Company, being so large a factor in the manufacture of ginghams, makes the market price.

Q. You spoke about the chief competitor of the Amoskeag Company. How about other people who manufacture the same line of goods?

A. All other manufacturers of ginghams are in very much smaller manufacturing units. Their methods of selling are the same as those of the Amoskeag Company, and here also it is my observation that they find it necessary to accept a lower price for their goods on parallel qualities. I might state here a peculiar condition, in this big cotton industry—that of the industry being first established in New England, and at one time manufacturing all the cotton piece goods that were manufactured in the United States, find a keen competition at the present time in the establishment of mills in the southern states, because of accessibility to their raw material, namely, [fol. 949] cotton, lower real estate values, and longer working hours, more lenient child labor laws, are enabled to produce parallel qualities of goods at a lower cost per yard than it is possible to do in New England. The industry being newer in the south has not, until recently, reached the state of perfection that exists in the New England mills. Buyers of goods have therefore had a distinct prejudice for the New England made article, and even now, when the efficiency of southern mills has brought their product to just as high a state of excellency, as the New England goods, they are still made to suffer by the prejudice which still exists in the preference of buyers for New England made merchandise.

Q. How about the spread of price among the lesser units you mentioned? Could you compare the price that you receive from one against the other, of the smaller manufacturers?

A. There is not the same standardization of gingham qualities as exists on percales. Hence price comparisons are more difficult to make. Uniformity of price only exists in ratio to the difference in qualities of goods of one manufacturer's make to another's.

Q. State, if you will, some of the disadvantages that a manu-

facturer incurs in selling his product to you buyers or to some buyers, or to the trade in general.

A. The product of cotton mills is largely sold to general manufacturing concerns, garment manufacturers, and to jobbers who resell the goods as piece goods. Generally speaking, purchases are made [fol. 950] by a salaried staff of men hired for their ability to buy closely. These buyers of course use every argument, in their negotiations with sales agents, to secure the lowest price possible on the goods they buy. The method used is that of pitting one manufacturer against another; and there are, no doubt, instances where the seller is at a disadvantage through unfairness on the part of some buyers, making misstatements as to quotations made by sellers, the object being to create the impression that similar merchandise can be bought for a lesser price.

Q. What, in your opinion, are the important factors that produce uniformity of price among manufacturers?

A. There cannot be uniformity of price unless there is a degree of uniformity of quality. Competition for business on the part of the seller is more accountable for a leveling of quotations than any other factor.

Q. In what way does that work?

A. As stated before, the mills sell directly or they sell through commission agents. A mill quoting its product above the average would not secure its share of the business. On the other hand, a mill selling below the average would perhaps find itself in a position of selling goods at a lesser profit, a situation it might have to explain to its stockholders. And, in the case of marketing the goods, through a commission agent, might seek a new agent if in their opinion that agent was not securing market prices for its goods.

Q. Do manufacturers keep in touch with what prices their competitors are getting, or how do they learn that? By what means?

[fol. 951] Mr. Thompson: I object to this, as incompetent, no foundation having been laid. He has testified that he is a buyer, and you are asking him questions of practices among manufacturers.

Mr. Darby: I will withdraw that question.

Q. Go into detail more fully as to why competition results in a leveling of prices.

A. Taking for illustration that character of cotton piece goods known as grey goods, this type of goods is sold to the trade almost entirely through professional brokers, who are in touch with selling agents for mills, almost hourly, and it is my observation that quotations made by these brokers at any given time show practically no variation. These brokers have a well defined place in the trade, and are considered a very necessary part of the business of distributing dry goods. Many of these brokers print a price list of standard construction, of sheetings and grey goods, and mail them to their clients weekly. A comparison of the prices quoted by different brokers at any one time would show practically no variation in quotations covering a range of a hundred or more qualities of goods. These quo-

tations could be considered a composite price ruling at any one time and covering some one particular construction of cloth.

Q. Do buyers as a rule prefer to buy in a stabilized market, or in a widely fluctuating market?

A. Personally—and I believe it would be the attitude of men engaged in buying goods as I do—there would be a distinct preference [fol. 952] for buying in a stabilized market, for the reason that stabilization of price eliminates to some extent the hazards of business. Hazards in business are necessarily costly, producing a higher rate of mortality,—business mortality—and it is my opinion that this results in a higher general cost of doing business, which in the end of course must be borne by the consumer. Cotton goods, generally speaking, are purchased in an advance way, meaning contracts are entered into for deferred deliveries. If prices are stable these forward contracts can be entered into with a greater degree of confidence on the part of the buyer,—which is a healthy situation, and enables the manufacturer to lay out his manufacturing program in an orderly manner, making for toncinuous runs of goods, which it would seem would make for lower costs, that should be reflected in the price.

Q. If a man offers you his merchandise at too much under the market, how do you regard that?

A. An offering of goods by a manufacturer at a price below the average level would raise a question in the buyer's mind as to whether the goods were as represented, and would also occasion question in his mind as to whether the deliveries of the merchandise would be executed as laid down in the contract of purchase. There have been instances, to my knowledge, where goods bought at a low level of price have not been delivered. Take, for instance, in a rising market, a mill having sold goods at a low price, and finding that it later on could sell that same merchandise for a higher price, could become delinquent in delivery and perhaps be relieved of the obliga- [fol. 953] tion of delivering the merchandise, through cancellation. The rights of the buyer in contracts covering the purchase of dry goods are clearly defined, but these contracts also provide many reservations to excuse the manufacturer from delivery, such as strikes, lock-outs, acts of God, failure of water power. A manufacturer becoming delinquent in delivery could offer as an explanation that his power had been shut off, and it would be exceedingly difficult for the buyer to prove that this shut-off of power was or was not the real cause of the delinquent delivery.

Q. What has been your experience and observation with respect to quality, when you were quoted too much below what you consider the market should be or is?

A. A buyer being quoted a price much below the average level would have his curiosity immediately aroused as to the reason therefor; and unless the quotation came from a manufacturer of proven integrity he might expect adulteration in the manufacture of the goods in question. All cotton merchandise is not standard in construction; and a degree of adulteration would be possible, and escape

the cursory examination that cotton piece goods receive in general trade handling.

Q. As I understand it, then, you buyers prefer to buy at the average of the market, and in a stabilized market, rather than a widely fluctuating market?

A. The buyer of course always aims to buy at the lowest price possible. We covered, before, the question of a stabilized market; [fol. 954] we prefer it, as it reduces the hazards of our business.

Q. About how many manufacturers would you say there are in the United States that manufacture cotton goods? You have mentioned one or two of the leading ones. About how many are there?

A. There must be considerably over three thousand mills manufacturing cotton piece goods. That, however, is a matter of record that could be determined.

Q. Yes. Now, I wish, if you could, you would make it a little more specific, concerning the spread that would exist, if any, between the different manufacturers on identical or similar lines, giving some illustration.

A. A good example would be the matter of selling cotton duck. Ducks are made in a wide range of weights and widths; and for convenience for both the buyer and the seller manufacturers have adopted what is called a card list, fixing a price for each weight and width, at various levels of basic cost. Quotations are then made, with a discount from these list prices.

Q. Each manufacturer stating his own discount from the card list?

A. Yes, sir.

Q. Now, give some instances of what one manufacturer has quoted?

A. At the present time the general quotation on what is known as numbered duck is thirty-five per cent off the list. The spread of quotation, one manufacturer compared with another, is about two and one-half per cent, at the present time.

[fol. 955] Q. And what is the price on that particular product that you have just mentioned? What do you call it? Numbered duck? What is the list price? You say it is thirty-five per cent off. What is the list price per yard?

A. There are so many numbers and so many qualities, that I have not in my mind at the moment any particular one, as to what its price per yard is, on this card list.

Q. But you say general by 35 per cent off the list?

A. The list is being used by all manufacturers of this duck, and they are making their prices by means of a discount off of this list.

Q. And two and one-half per cent would cover the spread that exists between the high and low on that list?

A. At the present time there is only a variation of two and a half per cent between the highest and the lowest; and this could be explained by a little variation in the quality of the product; duck being made out of common cotton, one mill might use a little better grade that would perhaps cost a little more than the average used.

Q. And what would be the extent of the spread? Does the spread remain constant, or has it fluctuated in the past? Give some idea as to the spread at other times.

A. It is my observation that there is always some difference in the discount quoted by different duck manufacturers. I am unable to say now just what that spread is at different times.

[fol. 956] Q. Would it exceed four per cent, ever?

A. I have never known it to be that much.

Q. When do you find the periods of the greater spread or the lesser spread, ordinarily? I wish you would state that, please.

A. I would not say that that spread is any more or less at one time as compared with another.

Q. How about the difference, if any, between a rising market and a dead market, or good business and poor business?

A. No, I could not say anything more than what I have said there. The spread in discount is not at any time very much.

Q. Mr. Newman has suggested that perhaps your answers with respect to the spread have been confined to one article. Does that cover more than one?

A. I am speaking only of these ducks—going back to my statement that prices are arranged through a means of this card list, which carries a price for every weight and every width in the ramifications of that article.

Q. How many different weights and widths?

A. There is a card for what is known as numbered duck. There is a card for what is known as Army duck, and I think there is a card for what is known as belting and hose duck, each one of which is—each one of which is made specifically for a certain purpose.

Q. But each card will have many different weights and widths?

A. Has many different weights and many different widths.

[fol. 957] Q. And this spread you spoke of, would or would it not cover all those different weights and widths?

A. The discount would apply equally.

Q. To all of them?

A. To any grade, any weight or any width.

Q. Could you cover approximately now, as you have done with respect to the spread on the cotton, the spread that exists generally between the high and low, on all classes of merchandise that you buy? In other words, I want to get what would be the spread between the high and low generally on all the lines that you buy. Put a maximum, if you can.

A. We have experienced, since 1920, some very wide fluctuations in the cost of cotton goods, due to two reasons,—firstly, the very wide fluctuation in the principal raw material, namely, raw cotton; and, secondly, an unbalanced condition in distribution of cotton piece goods. We have had a period of slackness, followed by a period of feverish activity, and followed again then with a slack period. Cotton goods, taking specifically 64-60 print cloth, from which percales are made, have had a spread this year of from 8½ cents per yard to 10¾ cents. Speaking of spread, we mean that that is the trend of the average cost of that item this year. If by "spread" you

refer to quotations by competing manufacturers, the spread is practically nothing.

Q. How much a yard, between the different manufacturers, now?

A. At the present time there is a wide spread—manufacturers [fol. 958] maintaining that the present price of goods does not return them a fair profit, so that you find a situation where one manufacturer is asking as much as 10¼ cents for this construction today, and others willing to take 9¾.

Q. Do you consider that an unusually large spread?

A. A very large spread for that item.

Q. What is the usual spread ordinarily when conditions are more normal?

A. A difference of as little as ⅛th of a cent a yard would be all that there would be in the quotations of competing manufacturers on that particular article.

Q. Do you consider, from your knowledge of conditions, that there is competition in that industry, and has been, among the different manufacturers?

A. The competition on this particular article is especially keen, and made more so by the activities of brokers, described before, through whom the most of that particular article is sold.

Q. I believe you said before that the prices there were uniform. I believe you mentioned that it was twelve and a half cents. How about periods before? Was there any spread between the different manufacturers, on percales?

A. We have had three price levels on percale this years, namely, 14½ cents, 15 cents, and 12½ cents per yard. At each level all manufacturers were quoting a uniform price.

Q. How about ginghams, now?

[fol. 959] A. The price of ginghams has not moved in the uniform manner that percales have.

Q. What is the spread of the present between the high and low of the different manufacturers?

A. The price on gingham has been better stabilized this year than on percales, due principally to the importance of the Amoskeag Company in the manufacture of ginghams. They made a price during the first half of the year of 17½ cents for their 19,000 Chambray, which covered deliveries in the second half of the year. They recently made a price again for deliveries into the first half of 1924, continuing the 17½ cent price.

Q. And their nearest competitors at the different times were what—their principal competitor that you mentioned?

A. The nearest competing cloth, the Security Chambray, made by the Riverside mills, has on each occasion been a half a cent lower.

Q. Now, those two mills are more or less in a class by themselves, as I understand you?

A. In a class by themselves, as being very large in that particular field of manufacturing.

Q. And their goods being of very excellent quality and of good reputation?

A. Yes; their goods run very uniform; and both of these manufacturers are considered most reputable.

Q. Now, take the smaller fry—we will call them—and among themselves what was the spread, the extreme spread, between the quotations that you received from them, that is not comparing them with the two larger competitors, but comparing them one with another?

[fol. 960] A. I wish you would make that question over.

Q. You have compared the prices of the two leading manufacturers, and have stated what the spread was between the quotations or the prices made by them. Now take the smaller manufacturers, and compare the prices of one of the smaller manufacturers with the prices of another; what I wish to get at is the spread that existed between the prices made by these various small manufacturers, that are not of the size of the two leading ones that you have mentioned.

A. On parallel qualities, made by the smaller gingham manufacturers, I would say that their prices, made early this year for deliveries into the second half of the year, showed as an average very little differential, as compared with the Amoskeag price. At the present time, owing to over-production of ginghams, and the apparent inability of manufacturers to sell their full production, these smaller mills, who six months ago quoted a very slight differential in comparison with Amoskeag, are now quoting a much wider differential. For example, the Highland Park Mills, of Charlotte, North Carolina, have a gingham known as Spencer; their quotation was 16½ cents per yard last spring, as compared with the Amoskeag at 17½. With the Amoskeag price now still 17½, the Spencer cloth is being quoted at 15 cents.

Q. How about in years of normal conditions?

A. In a period of normal conditions the differential in price of the smaller manufacturers, compared with the Amoskeag, would be approximately, in percentage, four per cent.

Q. Now, you mentioned that in periods of normal activity the [fol. 961] differential between the smaller manufacturers and the Amoskeag would be four per cent. There are several, as I understand your testimony, of the smaller manufacturers. What would be the differential among that group of smaller manufacturers, in ordinary times?

A. There is not the same degree of standardization among the smaller manufacturers, so that price comparisons are hard to make. Competition for business among them, however, does bring about, in the opinion of the buyer, a uniformity of quotations, taking into consideration the variations in quality.

Q. When you use the phrase "uniformity of quotations" what do you mean? How big a spread would there be? Do you mean an identity of price or a substantial identity, or what?

A. I mean that a quotation from one mill, say at 14 cents a yard, as compared with another's at 14½, would be, by reason of the higher price article being somewhat superior to the cheaper cloth.

Q. But you cannot make any closer comparison, you say, on account of the difference in quality among the smaller manufacturers?

A. There is not the same standardization of quality among the smaller manufacturers.

Q. And you do not think you could make any closer comparison, because of that fact?

A. No, sir.

Mr. Darby:

Q. Do you know, from your experience in buying, the terms of discount, I mean the terms with respect to discount, and the terms of sale made by the different manufacturers engaged in that busi-
[fol. 962] ness?

A. Naturally. Whether or not I buy a mill's goods, we either have a printed price or an oral quotation; and we find that manufacturers of any particular character of cloth are almost entirely uniform, not only as to the cash discount but lengths of dating as well; terms of two, ten, sixty extra are considered regular terms in the cotton piece goods business.

Q. Please interpret that "two ten extra," please.

A. Two per cent, cash discount, ten days, and sixty days extra dating.

Q. What does sixty days extra dating mean?

A. If the invoices are not paid within the seventy days the terms would revert to two per cent cash discount, and ten days' dating, with interest charged at 6 per cent per annum for time elapsed after the ten-day dating has expired.

Q. Up until paid, I suppose?

A. Until paid.

Q. Your testimony now has covered—as Mr. Newman suggests—percales, ginghams and ducks. How about bedding, etc., that you mentioned before, which you buy?

A. The principal item of bedding is bed spreads. There are four principal manufacturers, and about that many other smaller ones; and standardization does not exist in this group, for the reason that styling plays such a big part in the merchandising of this character of goods. The terms and discounts, however, are uniform with all manufacturers of bedspreads.

Q. What are those terms, please?

[fol. 963] A. Two per cent cash discount ten days, and sixty days extra.

Q. For the reason that the matter of taste and artistry in producing the product enter into the prices of the different manufacturers you, I assume, are unable to make comparisons as to prices among the different manufacturers?

A. We can make comparisons of prices of similar qualities.

Q. I wish you would do that, then, please.

A. The product of the Stevens Manufacturing Company, of Fall River, Massachusetts, ranges in price, for various qualities, from $1.02½ to as high as $9.00. The product of the Monument Mills,

of Housatonic, Massachusetts, starts at the same minimum price, but does not extend as high, for the reason that they do not make as high a quality as does this first manufacture. They do, however, have qualities which are to some extent comparable. It is my experience that these two mills very closely parallel each other's prices, on what appears to be an equal quality of article.

Q. Now, take up the different qualities, or give us some idea of how closely they approximate in price on qualities which are substantially the same.

A. Do I understand by that question that you want me to select a fairly comparable grade from both mills, and tell you the prices of them?

Q. Or the spread between them, or what is usual. Not what it is necessarily now, but what would ordinarily be the spread between them or differential.

A. To my best knowledge now the beginning number or quality [fol. 964] of satin weave bedspreads,—the comparison would be 2.30 for the Stevens goods, and 2.35 for the Monument goods; but what they call those particular qualities I do not at the moment know.

Q. Would that be typical of the spread that usually exists between them?

A. No, that is not typical. We found occasions when the Monument quality was lower than the Stevens.

Q. How much lower?

A. That, offhand, I could not answer.

Q. Could you tell what would represent the usual or average spread between them? Would five cents represent it or would it be six, seven, eight, ten, fifteen, two, three, one, or what?

A. My experience is that those two mills' prices very closely parallel each other, for what looks like a similar quality of goods.

Q. And you say the first one began at a price of what?

A. 2.30 for the satin weave. They make cheaper bedspreads, in what is called crochet weave.

Q. How about the spread between the two mills on that grade of stuff?

A. To my best knowledge now, the Monument, on that particular thing, are lower than the Stevens article.

Q. Give us an instance.

A. I cannot give an instance of the price at the moment. These things, however, are a matter of record. Their printed price lists are out, and are available to anyone in the dry goods trade, who is interested.

Q. You have spoken about two of the principal mills. You said there were four principal manufacturers. Can you make any com- [fol. 965] parison between the other two?

A. Not without referring to their printed price lists,—which are existent.

Q. Would you say that the spread between them was any larger, or smaller, or within the spread between the other two?

A. To my best knowledge the spread would not be any greater, or any less.

Q. Approximately what is the amount, in dollars, that you buy, annually, in your department?

Mr. Newman: Of these commodities?

A. Approximately twenty million dollars a year.

Cross-examination.

By Mr. Thompson:

Q. When you mentioned the figure of approximately three thousand manufacturers did you refer to manufacturers of what are called grey goods, cotton grey goods?

A. I answered that question, that there were approximately three thousand cotton mills, not necessarily making only grey goods, but all types of dry goods that there are. To clarify that, we have duck mills, sheeting mills, grey cloth mills, gingham mills.

Q. Your ducks which you purchase would then be made by mills other than those which make the ginghams and percales that you purchase?

A. Duck mills are almost in every instance organized just for the making of that one product, though there are mills that have other machinery, for making other rough forms of cotton cloth. Duck is cotton cloth in just about as common a state—it needs no great amount of skill; it is automatically produced on looms; and [fol. 963] the element of hand labor in it is very small.

Q. Are percales and ginghams both finished products which are made from the unfinished product which is called grey goods?

A. Percales are, but ginghams are not. Percales are manufactured very much like a newspaper is printed. It is made from a cloth which is known in the trade as print cloth, and there are various constructions of that, and the principal ones for percales are known as 64 by 60, 68 by 72, 72 by 76, and 80 by 80; and that means the number of threads per inch each way in the fabric, meaning so many threads in the filling per inch and so many threads in the warp per inch—so that 64-60 means 64 warp threads, and 60 filling threads in an inch. Those goods, taking for example, the operations of the largest manufacturer, the American Printing Company, of Fall River—they manufacture grey goods, but nowhere near adequate to the amount that they use, so that they buy in the open market, utilizing these brokers, to buy whichever mills' grey goods it can get for the best price. Then it is their function to put this stuff over their printing machines, and it is printed and colored at the same time; when it comes off of that it requires very little further operation; it is then run over hot rollers, to straighten it out, and then it is folded into pieces, cased, and is ready for the trade, either to be shipped to the garment manufacturer or to the jobber who is going to distribute it to the retailer.

Q. As I remember, you stated that three concerns in New York were practically the only ones that sold percales?

[fol. 967] A. Not the only ones, but the principal ones.

Q. The principal ones?

A. And outside of them there is probably only one manufacturer selling percales; but there is a group who buy this grey cloth and send it to public finishers. Public finishers will undertake work for any reputable business concern. That is what is called converting. Now, converting can either be done by concerns which are known as converters, and sell the goods to the dealer, or a concern, such as Sears, Roebuck & Company or Marshall Field & Company of Chicago will buy this grey cloth, frequently, and send it to these public finishers, who will finish it into percales for them. But I would say that the volume handled in that manner, on percales, is almost nothing as compared with the tremendous product of these three principal manufacturers that I have named and who have a capacity of nearly four million yards per day.

Q. Those three concerns which you mentioned in New York are, then, themselves manufacturers, are they?

A. They are sales agents for the manufacturers.

Q. And those manufacturers for whom they are sales agents both produce the grey goods and do the printing and finishing, themselves?

A. The mills perform all the manufacturing operations, and the selling agents merely do selling—with the exception of M. C. D. Borden & Sons, who are the selling agents for the American Printing Company, and in that instance the ownership of the sales agency and the ownership of the mill is identical—so that no doubt there is a certain amount of the mill's functioning, in the way of [fol. 968] buying supplies, and so forth, done in the sales office.

Q. I just wanted to bring out whether these goods that you were discussing were goods which were manufactured by one concern, and then went through these independent printing concerns?

A. No, these three do not; these three are known as manufacturers of percales; they are not called converters.

Q. And those three manufacturers, I take it, manufacture the large percentage?

A. The bulk of the total product of the country.

Q. Could you state that in approximate percentage?

A. No. I only have a personal opinion on that, and not backed up by any facts; but I would think that it is more than 75 per cent, and might be as much as 90.

Q. In the method of manufacturing and selling ginghams, is that the same?

A. That is different; gingham is an article in which ingenuity enters more. Ginghams are manufactured in a mill from yarns; the mill may spin those yarns or it may buy them; but in either case they weave the goods, and then there are certain processes of finishing, such as singeing, for example, to take off all the hairy particles that stock to it; it must be scoured, to remove any machinery stains; it is then folded into pieces, and it is ready for the market.

Q. There again the whole process is done by the mills?

A. By the mill.

Q. There are no independent converters who do part of the process?

[fol. 969] A. Converters do not enter into gingham construction at all.

Q. What is the open price association to which you referred as functioning in that grade?

A. The open price association of gingham manufacturers is an organization that I know exists; I do not suppose it is necessary for me to state why I know it exists, but I do know it exists; and I have had described to me, by members of that association, how it functions. I have reason to think that there are open price associations in some other branches of cotton piece goods manufacturing, but I do not know positively.

Q. You do not know the exact name or title of that association, the one functioning in the gingham manufacturing business?

A. I think it is known as the Gingham Association.

Q. As I understand it, in the purchase of ginghams, you buy directly from the mills?

A. No, we buy only part directly from the mills.

Q. And part from brokers?

A. Because, as I described earlier in my testimony, there are two principal methods of marketing: firstly, the mill sells its product directly to the dealer, or sells it through a commission agent, who assumes all the risks of the transaction, guarantees the account, assumes all the selling expense, maintains an office in New York, maintains outside offices, and travels, and so forth.

Q. And you buy partly through each of these methods?

A. From each. And we see no particular advantage, in one system over the other.

[fol. 970] Q. When you were speaking of both ginghams and percales, then, you used the terms "finishers" and "manufacturers", meaning one and the same process?

A. No, I do not mean them to be the same. Public finishers will undertake to finish a piece of grey cloth in any shape that the customer desires; they will color it for you; they will print it; they will mercerize it; they will bleach it; and there are many other things that they can do. They can nap it, for example.

Q. Yes, I understand that. I was just trying to get the course of these trades straightened out; and I thought you just testified that in both the ginghams and percales the public finishers did not materially enter into consideration?

A. They do not, on those two particular fabrics; they do enter, on percales, to some small extent, but they do not on ginghams.

Q. Yes, but you used the term, as I remember it, "finisher", several times, in the course of your examination. I just wanted to have it straightened out as to whether you meant then the public finisher, or were then just referring to a part of the manufacture.

A. If I mentioned "finisher" I meant "public finisher." Wherever I used that term I meant public finisher.

Q. And by "manufacturer" you meant the person who did the whole process?

A. Manufacturer is different, from public finisher.

Q. I understand that. Did you state whether or not there is a trade association functioning in the cotton duck manufacturing industry, or whether you know?

[fol. 971] A. I think there is, I do not know.

Q. You do not know about it?

A. I know that there is a conference of manufacturers, to establish this card list; it could not be established in any other manner; I cannot establish it, as a buyer; it must be a group of manufacturers do that; but that does not fix a price; it merely establishes a basis for price, and market fluctuations are cared for in the discount, which is given at different times.

Q. But you do not personally know of the exact method used to establish that basis?

A. No, but it is reasonable to assume that the card basis is merely the establishing of the relation of one weight of goods to another weight of goods, regardless of by whom made, or one width of goods to another width of goods. To illustrate: No. 6 duck, 48 inches wide, would be fixed at a certain price; the 72 inches wide of the same weight of material would be approximately one half more; that merely sets a basis for the different weights and widths. But the price fluctuation is cared for by the discount. The price of any particular width or weight would not vary over a period of years, but the discount from that price would.

Mr. Darby:

Q. State now whether each manufacturer makes his own discounts; that is not fixed by an association, is it?

A. Each manufacturer, to my best knowledge, and belief, makes his own discount. Otherwise there would be no variation in it.

Mr. Thompson:

Q. From your acquaintance with purchasers and purchasing methods, do you consider it common practice for buyers to make [fol. 972] misrepresentations or false statements when dealing with the sellers?

A. I am glad to say that I do not think that that exists, generally; but I do know that you must find in every group of men a percentage of men who are not necessarily high in ethics. I should say here that frequently innuendo takes the place of a direct misstatement; for example, a buyer could say to a sales agent, "Your price is too high," and if that seller chose to interpret that statement as meaning that he said, and hoped to accomplish by the statement, has been accomplished; he has not perhaps been guilty of a direct statement in saying, "I have been quoted a lower price."

Q. But you consider that as a general matter the business of buying and selling in these lines, which you have testified concerning, is carried on honestly, without misrepresentation?

A. Oh, absolutely, I think that is true, in the greatest number of instances, because there is very little turnover, in the concerns manufacturing cotton piece goods; and professional buyers could not maintain their reputation for integrity, which naturally becomes a part of every transaction, if they were discovered as being guilty of mis-practice.

Mr. Thompson: That is all, I think.

Redirect examination.

By Mr. Darby:

Q. State whether or not in your opinion the open price association such as you have described as existing in a certain part of the [fol. 973] trade is a protection against unscrupulous buyers, a protection to the manufacturer against unscrupulous buyers?

Mr. Thompson: Has he shown any knowledge as to the operations of that open price association?
Mr. Newman: No.
Mr. Darby: Well, of course, he does not know——

A. I think I have made answer to that before; an open price association is a service to the manufacturer or the seller in enabling him to know the condition of his competitor; I have had it explained to me that an open price association means that all transactions and all quotations made by any member of the association are reported to the association, who give out that information to all members.

Mr. Thompson:

Q. But you have no personal knowledge as to the operation of that particular open price association, have you?
A. Only having been told by a member thereof how it functions.

Mr. Darby:

Q. You say most of these manufacturers are confined to a comparatively small district there in New York?

Mr. Newman: Not manufacturers. Commission men.

Mr. Darby:

Q. I mean, their sales representatives.
A. I have testified that they all have their offices in a confined area in New York City, and are no doubt closely in touch with each other at all times.

Mr. Darby: I think that is all.

[fol. 974] DEPOSITION OF G. J. L. JANES, TAKEN, PURSUANT TO STIPULATION, AT CHICAGO, ILLINOIS, ON OCTOBER 23, 1923

G. J. L. JANES, being duly sworn, testified as follows:

Direct examination.

By Mr. Newman:

I live at Chicago, Illinois, and have for 42 years. During all that time I have been a buyer of all food lines. I was with Hillman's, a large department store in Chicago, until about a year ago. I was connected with Hillman's for about 15 years and for many years was in charge of all their good departments, including confectionery and drugs.

The principal staple products in the grocery line are sugar, flour, canned goods, evaporated fruits, teas, coffees, etc.

While with Hillman's I bought all the food lines. I am now President of the American Bureau of Foods, with headquarters at Chicago.

Q. Will you please explain the institution?

A. It is an institution I organized immediately after the time I left Hillman's, a year ago last March,—organized for the purpose of concentrating in one bureau all the necessary technical skill, or the knowledge of it, rather, in the manufacture of bakery goods, confectionery, delicatessen, salads, and food ready for the table. That was the principal object of the organization of the American Bureau of Foods; and I have been continuing to function, in that Bureau, up to the present time. Another enterprise, somewhat an offshoot of that, was organized about six months later—which is [fol. 975] known as the G. J. L. Janes Company, located at State and Adams Streets; there we are engaged in the manufacturing and selling of goods that we manufacture in the various lines, that had been originally fathered by the American Bureau of Foods, in its engineering experience—such as bakery goods, confectionery, table delicacies, and food ready for the table.

Q. Will you please state what was your experience, and what knowledge you have on the subject of the prices at which sugar, flour, canned goods, evaporated fruits, teas and coffees, were sold by the various manufacturers of thos- commodities, in normal times?

A. As to the variation in prices, and quotations, do you mean?

Q. Yes.

A. My experience extended over the large number of years—42 years—that I have been a buyer of those products, dealing mostly with first-hand people, that is, like the refiners of sugar, in California; and, in the sale and shipment of dried fruits; and, with few exceptions—especially, we will take sugar, the greatest staple—that is based on the quotations direct from the refiners—like the American Sugar Refining Company, Arbuckle's, etc.—there usually was a difference—a variance of about a quarter of a cent.

Q. Per pound?

A. Per pound—or about five per cent variation, in different prices. Seldom did those refiners all quote at one price. The American Sugar Refinery quoted but one price, although they represented quite a number of refiners, but they were subsidiaries largely of the American Sugar Company. But there was competition, like what [fol. 976] we call Arbuckle Brothers, Spreckles of San Francisco; there was always kind of a war on prices, and some cutting. I do not remember any time when they were all uniform on one price.

Q. But what was the rate of variation?

A. About five per cent, I should say. Sugar was five cents; it was a quarter of a cent; and, when sugar was about ten, it was about two and a half per cent of the selling price.

Q. How about canned goods?

A. Canned goods, in the last few years, they have been largely subject to the Canners Association arrangement, in different localities. For instance, in New York and Wisconsin they get a premium for their peas over Indiana and Illinois, where they do not produce quite as good a quality, and there is a variation of price arising out of quality production; and even in the case of peas in the Wisconsin district there is a variation there between different canners, as to the prices they make, largely arising as to whether any particular value attaches to the name of the canner, or the brand, giving it a better selling value with the public; and the difference usually was covered in that kind of a way; with about as good a value they got about ten cents a dozen more, because they had a more salable product. But, the usual competition, I don't think the association ever controlled the prices, even in that particular line; they indicated just about what the price ought to be, and the canners had to sell at the best price they could get, according to their local market. That was true also of the California Dried Fruit Association, and the raisin association, in which the largest part of California products [fol. 977] are controlled. The main association quoted, of course, one price out there, while a few independents quoted a price a little under them, in order to sell, and there was always that competition, as far as their particular range of prices—that covered the whole line of California products, including canned fruits, dried fruits, and other items they produce.

Q. With all that activity, what was the range of variation, with respect to price?

A. Oh, not over five per cent. Sometimes two per cent would be the difference. That is applying strictly to staples. Two per cent means a good deal to the wholesale grocer. That will usually make the sale, for the concern that wants to get in. Those variations of price are strictly competitive, as far as I could judge, in a general way.

Q. What have you to say on that subject, with respect to evaporated fruits?

A. Well, I am speaking of evaporated fruit, in a general way; the California associations control dried fruits; and another, raisins, and another canned goods.

Q. That is what you call evaporated fruit?

A. Yes; they are a selling organization, organized from the growers out there, a good deal like in Idaho, on potatoes. They are a marketing association, more than a controller of prices; they standardize their qualities, and they sell at fixed quotations,—always against the competition of some independents, that do not belong to the association.

Q. But with all that activity the range would not exceed five per cent?

[fol. 978] A. No, not on the same qualities. They do no need to, in order to make the markets, in that kind of a competitive condition.

Q. What have you to say with respect to teas and coffees, on that subject?

A. Teas and coffees—the manufactured product is a good will proposition, largely. For instance, the Thomas J. Webb Coffee might bring a cent a pound more than an equally good coffee in a can, like McLaughlin's, not so well known, or so generally distributed, but which are quite close together. Five per cent. would pretty well cover the range of prices between the manufactured coffees sold in cans, like Yuban, White House, Savoy brand, and so forth.

Q. What have you to say with respect to green coffees, on that subject?

A. Green coffees are sold in a strictly competitive market, largely based—Santos, and Rio is based on the New York Exchange quotations, and it goes up and down somewhat with the market—an option market, a good deal like wheat is handled. There is the strictest competition in the selling of coffee. There is no combination, that I know of, ever to establish a price—in the primary market, like Brazil, or South America, or over in Europe, where they sell Java coffee.

Q. With all that competition, what is the extreme variation—range of variation?

A. In coffee—green coffee particularly, five per cent. would be very unusual. Two per cent. would make a sale any time, on the same described product, for there is no good will value to a brand of green coffee, to speak of.

Q. What have you to say with respect to flour, on the same subject?

[fol. 979] A. Three brands of flour have been sold on this market, for a good many years—that is, Pillsbury's Four X, Ceresota, and Washburn-Crosby's Gold Medal. There is very seldom any variation in price at all, in the last few years. There used to be, but it is pretty well arranged for now, I guess; that is the way it seems to operate, anyway. I am speaking about mill brands. I am not speaking about bulk flour, that is sold to bakers, and so forth, which is sold on a strictly competitive market. I am talking about those three well advertised brands, that they get about a dollar a barrel more than they would for the same quality, not advertised.

Q. That is the flour that the housewife uses?

A. Yes. Those three brands pretty well cover the market.

Mr. Newman: That is all.
Mr. Thompson: No cross-examination.

[fol. 980] DEPOSITION OF WILLIAM BACON, TAKEN, PURSUANT TO STIPULATION, AT BOSTON, MASSACHUSETTS, ON NOVEMBER 9, 1923

WILLIAM BACON, being duly sworn, testified as follows:

Direct examination.

By Mr. Johnston:

I live at Brookline, Massachusetts and am Treasurer of the Davenport-Peters Company, a corporation engaged in the wholesale lumber business. I have been in the wholesale lumber business for 42 years. Most of the time I have been manager of the business and have done both buying and selling. I am fully acquainted with the purchase of the commodities that I deal with. Our Company handles maple, beech and birch flooring; I should say that we handle about 2½ million feet of maple, beech and birch flooring a year. We sell flooring entirely to retail lumber dealers. We purchase maple, beech and birch flooring under the grading rules of the Maple Flooring Manufacturers Association. We are the representative of Nichols & Cox Lumber Company and very rarely buy flooring from others. We have represented them in this territory for 35 years. When Nichols & Cox could not furnish the flooring we wanted, we have purchased it from others at the lowest price we could get. We have kept informed as to the prices being asked by the various manufacturers of maple, beech and birch flooring by writing occasionally to the manufacturers.

In the Boston territory there are a number of representatives of maple flooring manufacturers. We meet these representatives in competition, but do not obtain prices from them. In selling maple flooring in this territory, I find that competition is very active. [fol. 981] That condition has always existed since I have been in the business. It takes the form of varying prices asked by different wholesalers for the same grade and size of flooring. Sometimes I am able to get the business because my price is lower and sometimes the other wholesaler gets the business. From time to time I have sent out inquiries to a list of manufacturers in order to check up on the market as to prices and in the replies from those manufacturers I have found variations in the prices. There hasn't been much variation. The differences were chiefly that some manufacturers cut their prices but there hasn't been a great deal of difference. I found that the manufacturer who had a considerable stock of a certain grade and size that I inquired about would quote very substantially lower prices than the others for the same flooring. My experience has been that the question of supply and demand has been a controlling factor in determining the price.

The letters you hand me were received by us in response to our request of August 3, 1922 for prices upon certain sizes of flooring and No. 1 maple flooring.

(Said letters clipped together and marked Defendants' Bacon Exhibit 1 were received in evidence.)

The prices quoted by the manufacturers in the letters above mentioned were all prices f. o. b. Boston. I always buy flooring on a delivered basis. Our customers want it that way. They want a price f. o. b. cars Boston or a price on Boston rate of freight.

Q. Have you had occasion to observe the effect of the standardization of the product of maple flooring as the same has been put into [fol. 982] force by the Maple Flooring Manufacturers Association?

A. From my own experience in the lumber business I think it was one of the best things that was ever done to have Association grading rules. It has helped the architect to know what to specify in his contracts. He could tell the customer what to expect and the manufacturer and the wholesaler and the dealer all have these rules to guide them. And we couldn't do business satisfactorily without them.

Q. You have had the benefit of being in the business long before such rules were put into effect?

A. Yes, sir.

Q. And are able, therefore, to compare the conditions before they were put into effect and at the present time?

A. Yes.

Q. And in your opinion the standardization of the product has been, I take it, highly beneficial to the trade as a whole.

A. Those are the exact words to use.

Q. And that benefit accrues to the consumer of the product as well as to those dealing in the product?

A. Every one concerned benefits.

I haven't noticed any tendency to uniformity in price because of standardization. In fact, standardization of the product has tended to broaden the field. New manufacturers have gone into the business because they would know what grading rules they could use in working up their lumber into flooring. Before that everything was at sixes and sevens, they didn't know how to grade flooring.

Standardization is also essential in order to take care of large contracts where it is not possible to get all the flooring desired from one manufacturer. The amount of commission allowed wholesale dealers [fol. 983] by manufacturers of flooring varies. In the letters contained in Defendants' Bacon Exhibit 1 there is a difference between the high quotation and the low quotation of $6.50 per thousand. Such a difference is not unusual when quotations are received from a group of manufacturers on a given commodity. I have usually found in sending out inquiries that there were several manufacturers who quoted low prices upon a given size and grade, whereas others might be considerably higher than the average.

We have never had occasion to ask for a reinspection. Our firm also handles oak flooring. There is as much difference in the prices

quoted by the different manufacturers of maple flooring for a given grade and size of flooring as there is in the prices quoted by the manufacturers of oak flooring for a given grade and size.

In the Boston territory, we have met competition from Canadian, Vermont and New Hampshire mills. That competition is quite active. A considerable quantity of maple, beech and birch flooring comes into this territory from Canada, Vermont and New Hampshire. In selling flooring it is necessary to sell it at prices which will compete with the prices asked by manufacturers or representatives of manufacturers in Canada and in the New England States. The stock of the Canadian manufacturers is comparable to the stock manufactured by the Wisconsin and Michigan Mills.

Cross-examination.

By Mr. Benton:

We are the exclusive representatives of Nichols & Cox and purchase a great majority of our flooring from them. We rarely purchase from any other manufacturer. I testified that there was but [fol. 984] little difference in the price of the various manufacturers of maple flooring on a certain grade and size.

Q. I take it from you- statements, Mr. Bacon, you have deemed it not advantageous to your concern to consider seriously doing business in general with more than one manufacturer?

A. Well, now, I will answer that in this way. It is always desirable for a wholesaler to connect himself with a manufacturer who has as good an article as any on the market and whose prices are reasonable. And people know Nichols and Cox flooring and they turn to us and say, "We want another car of Nichols and Cox flooring" and for that reason it is much better for us to connect with a concern like that than to be, so to speak, shopping around and buying from this one and that one.

Q. I appreciate that. Now, on the other hand, if the prices of the other manufacturers were substantially less than those of Nichols and Cox it would be to your advantage, of course, to deal with more than one? If the prices were substantially less.

A. No, because we find that flooring is sold a great deal by the manufacturer's name and product. Consumers come to know a certain flooring and they will pay a price to get that particular flooring and you might offer them something else equally good at a lower price and they would say, "No, I have had that flooring and I want it on this job."

Q. That is usually a matter of preference?

A. Preference on the part of the consumer.

Q. What do you consider to be the cause for the slight difference in price of the various manufacturers on their lumber? Difference in the freight rates from certain points to Boston or the difference in the particular quality of the flooring of each manufacturer? Don't both of those elements bear upon the prices, to wit, the difference in the freight rates and the difference in the quality of the particular manufacturer?

[fol. 985] A. They all seem to make a price delivery Boston and they may absorb any extra freight in order to reach this market.

Q. But, notwithstanding, all that necessarily has a material bearing upon the price they charge the wholesaler or retailer?

A. The freights don't vary very much from the shipping points to Boston.

Q. Now as to quality?

A. The quality seems to be all the same. Because they are carefully graded under these rules by inspectors.

Q. Now, how about Nichols and Cox? You think their product is in great demand by those with whom you do business?

A. They make no better grades but something, the service and careful attention, clean drying and mill work, ability to furnish mixed cars of different thicknesses and grades.

Mr. Benton: That is all I have to ask, thank you.

Redirect examination.

By Mr. Johnston:

Q. I believe you said the factor you have observed as determining the prices or the difference in prices was supply and demand of the product?

A. Yes. We frequently have letters from people making special prices because of the surplus, and then we write and ask them if they couldn't make a lower price on something else and they say, "We have orders. We are booking ahead."

Q. And it is not infrequent that the spread in prices under such circomstances between the high mill, that is the mill quoting the highest prices and the mill quoting the lowest price will be as much as ten dollars a thousand?

A. Well, not quite so much as that. I should say five dollars, from our experience, would be the spread. Sometimes greater.

Q. Of course, in meeting the competition which you must meet of the other manufacturer's agents or other wholesalers in this ter- [fol. 986] ritory you come in contact with the varying prices charged by the different manufacturers? Either directly or through their agents?

A. Yes.

Q. Where you have been endeavoring to secure a large order, Mr. Bacon, and have found that the customer was being quoted a lower price than the price which Nochols and Cox have given you on the desired size and grade of maple flooring, have you had occasion to go back to them and say that you will have to have a price which is so much lower than that in order to meet this competition?

A. No. Nichols and Cox usually give us their prices which they thought were right and we stand or fall by their prices.

Q. You haven't asked them to lower prices, to lower the given price to enable you to give bids?

A. Very rarely do we ask them to meet lower prices.

Q. Occasionally that has been done?

A. Occasionally that has been done.

Q. And they have sometimes acceded to your request and sometimes not?

A. They would accede when they had a surplus of stock. It all seemed to depend on their supply and demand.

Mr. Johnston: That is all.

[fol. 987] DEPOSITION OF WILLIAM C. McCONNELL, TAKEN, PURSUANT TO STIPULATION, AT BOSTON, MASSACHUSETTS, ON NOVEMBER 9, 1923

WILLIAM C. McCONNELL, being duly sworn, testified as follows:

I am a dealer in hardwood flooring and am President and Treasurer of the McConnell Company and in active charge of the Company's business. We handle oak, maple, birch, beech and pine flooring and sell to the wholesale and retail trade. We wholesale in New England and retail in Massachusetts. Our concern has been engaged in the hardwood flooring business from 20 to 30 years. My father was in the business before me. Upon his death I succeeded him and have been in the business for about ten years. We handle between a million and a half and two million feet of maple, beech and birch flooring a year, a greater part of which would be maple. The flooring that we handle is purchased from the manufacturer. We send out inquiries from time to time in order to obtain prices. The number of mills to whom we would send inquiries has varied. Sometimes we might write five or six other times only two. The general average perhaps would be three or four.

There are a number of manufacturers of maple, beech and birch flooring who have special representatives in the Boston territory. We are in competition with these representatives and naturally learn the prices which they are quoting. From my experience I should say that there is active competition among the manufacturers of maple, beech and birch flooring in the sale of their product to the [fol. 988] dealers such as our Company. The competition is very active sometimes. Of course, if a mill isn't in the market, that is, if they haven't the particular size or grade on hand, they are not so keen for an order. The competition is evidenced by the varying quotations or prices made by the different mills for the same grade and size of flooring. As a general rule, the prices vary substantially. Of course, if flooring is very hard to get and the prices are what you might call high, there would perhaps not be a great deal of difference. Perhaps six months later there might be a difference of from $10.00 to $15.00 a thousand. It all depends on conditions. The difference in the prices quoted depends on the supply and the demand. Some manufacturers' stock is not worth as much as another fellow's. He shouldn't get as much as the other fellow. He can't get it.

Since standardization of the flooring, there isn't as much variation

in the quality as formerly, but in the machine work and things like that there is always a slight variance. The difference in quality is not sufficient to account for a large spread in prices. Even if one manufacturer knew another's price, I imagine that he would say he ought to get $1.00 or $2.00 a thousand more for his product because he took more pains with it. It has been known for years Cobbs & Mitchell get anywhere from 50¢ to $1.00 more for their flooring and they find many people who will pay for it.

I found that the supply of a given size and grade of maple flooring that a manufacturer has on hand makes a difference in the price which he quotes. If he is overstocked and wants to move it [fol. 989] quickly, he will make a price to move it. The supply of a commodity is one of the great factors in determining the price. I have found that a manufacturer who is practically sold on a given grade and size of flooring is rather firm in his price whereas the manufacturer making the same flooring who has a large stock on hand will cut his price very substantially in order to move it.

Sometimes we wire an offer and they accept the offer. Other times they wire us to get an offer on it. This variation in prices for the same quality and grade of maple flooring has existed ever since I have been active in the business. There has never been a time when all the manufacturers of maple flooring, to my knowledge, were quoting a uniform price.

In the sale of maple flooring in Massachusetts, we come into competition with other dealers and the special representatives of manufacturers. Competition with them has been very active since I have been in the business. This competition takes the form of variation in prices. Sometimes we are able to quote a lower price than our competitors and at other times we are not. Whether we are able to quote a lower price would be largely governed by the fact that a manufacturer, by reason of having an oversupply of a particular item, would make us a better price than the other manufacturers were able to make our competitors. It frequently happens that when a manufacturer has quoted us a certain price and we have an opportunity to sell at wholesale a large quantity of flooring, we wire the manufacturer that we must have a lower price in order to meet competition. Sometimes he makes us a lower price to enable us to [fol. 990] meet competition and others times he does not.

We buy our flooring outright in most instances, to fill particular orders. Our customers want a delivered price. They are not interested in what the flooring costs at the mill, but in what it is going to cost them at the particular place where the flooring is to be used. Accordingly we have to quote delivered prices. We don't care what it costs at the mill. We have never had any difficulty in getting an f. o. b. mill quotation, and as I understand it, the manufacturers will quote anywhere in the United States.

I know that for some years the Maple Flooring Manufacturers Association has been attempting to standardize maple flooring. We had occasion to ask for a reinspection only once. Then the inspector came out here and satisfactorily adjusted the matter. It was a

very good thing for us. He decided against the mill which shipped the flooring.

Q. Now, what would you say has been the effect of the standardization of the product put into operation by the Maple Flooring Manufacturers Association?

A. Well, of course, it has given the customer a knowledge of what he was really going to get. And it has given us a basis where we had a definite article we could sell. We knew what is would contain and it wouldn't contain any qualities worse than what was specified in the rules. Of course, if we didn't have that business would be more or less demoralized. You wouldn't know what you were going to get.

Q. So from your observation it is your experience that the adoption of uniform standards in the maple flooring industry have been beneficial to the trade as a whole?

A. Yes, sir, very much so.

[fol. 991] Q. And that benefit accrues to the ultimate consumer of the product does it not?

A. Yes, sir.

Q. As well as to those who are dealing in it?

A. It accrues to the consumer more than it does to us because in the final analysis he is the man who get the goods.

Q. The affect of standardization has been, hasn't it, to permit the filling of large orders from several different mills?

A. Yes, sir.

Q. Without being obliged to fill the order from one particular mill.

A. Yes, sir, that is true.

Q. And you find, do you not, Mr. McConnell, that this has rather broadened the market to which you can apply?

A. Yes, it has broadened the market, but not only that, it has helped any dealer who is carrying a stock, because if he got down to four or five thousand feet in his warehouse in one mill's material he could bring in a car from another manufacturere, providing he could buy cheaper or for whatever reason he wanted to do so and put it in his original stock and if he got an order for ten thousand feet he could use five from each car and it would go together all right.

Q. All of which, I take it, from you- statements, you regard as being a great benefit to the trade as a whole?

A. Yes, sir.

Q. And to the consumers of the product?

A. Yes sir.

Q. I believe you said, Mr. McConnell, you have at all times since you have been in business found the various manufacturers of maple flooring in active competition to sell their commodity, maple, beech and birch flooring?

A. Yes, sir.

Q. And willing, wherever their supply on hand justified it, to make every effort to get the business and meet competition by reduction of prices.

A. They have to meet it.

Q. And there has never been a time, in other words, where the business was parceled out to one manufacturer in one territory and another manufacturer in another territory?

A. No.

Q. There has always been a fight for the sale of the product so [fol. 992] far as you observed?

A. Of course, some mills might be able to quote lower prices in a certain territory. For instance, a Michigan mill hasn't as favorable a freight rate to Boston as a mill would have located in the Adirondacks or perhaps some points in Canada, so they might not be able to come into a certain territory, and they couldn't because freight rates went against them.

Q. Do you meet much Canadian competition?

A. Yes, sir, we meet quite a little of it.

Q. And that maple flooring is in competition with the Wisconsin and Michigan flooring?

A. Yes, sir, the prices on the Canadian flooring are low. We have to meet that competition very severe competition.

Q. And there is a considerable quantity of that flooring comes into this territory?

A. Yes, sir.

Q. You also meet here the West Virginia flooring competition?

A. Not much from West Virginia but quite a lot from the Adirondacks and New York State. And then we have a little competition from Vermont.

Q. Vermont is now manufacturing quite a little maple flooring?

A. Yes, sir, quite a lot of it.

Q. And do you know any of the mills up there, the names of any of those mills?

A. Yes. Parker-Stearns at St. Johnsbury, Vermont. And a mill at Morrisville, George Morris, at Morrisville. There is the Asa Lumber Company, maple flooring manufacturing. They are up at—in New Hampshire, I don't remember the town. It is a small town up there. And I should say there are possibly fifteen mills throughout Vermont, New Hampshire and Maine. Of course, they are not large, as large as the western mills, but they are always in competition.

Q. And in the aggregate they manufacture and ship into this territory a considerable quantity of maple flooring?

A. Yes, sir, ship quite a large quantity.

[fol. 993] Q. So it is necessary for the representatives of the Wisconsin and Michigan mills to meet that competition?

A. Yes, sir.

Q. And meet it by quoting as low or lower prices?

A. Yes, sir.

Q. The product of those Vermont, New Hampshire and Maine maple flooring mills comes into this New England territory principally, I suppose?

A. Well, I think it gets down into New York, too.

Q. Yes, they probably ship into New York.

A. Of course, the Canadian mills, well, they are practically, you

may say the same as the Vermont mills. They are not very far distant. Perhaps one hundred or two hundred miles. Seaman and Kent is a large concern. They have four different mills.

Q. And their product comes into this territory just about as freely as the Vermont and New Hampshire mills?

A. Yes, sir.

Q. They make a good quality of flooring?

A. Yes, sir.

Q. The flooring of these northern mills in the New England States and Canada is comparable to the flooring of the Michigan and Wisconsin mills?

A. Yes, sir.

Mr. Johnston: I think that is all.

[fol. 994] Cross-examination.

By Mr. Benton:

We purchase from Kneeland-Bigelow Company of Bay City, Michigan, from William Horner, from the Indiana Flooring Company, from Cummer-Diggins Company and various Vermont mills. We purchase most of our flooring from Kneeland-Bigelow Company.

The machine work of some manufacturers is not so good as that of others. Of course that affects the quality of the flooring.

Q. Does not the difference in the quality of each manufacturer's flooring have a material bearing upon the price that they charge for their flooring?

A. Why, it is materially different to a small extent. Of course, by that I mean a manufacturer could get one dollar or perhaps two dollars a thousand more for the quality of the flooring but he would not be very likely to get five or ten or fifteen, as much as the market fluctuates at times.

Q. But he does get a considerable different in price which amounts to dollars and cents?

A. Well, of course, it depends on what you consider a considerable difference. One dollar a thousand is not much on a product which is selling at the rate of one hundred and ten dollars.

Q. When you buy a considerable quantity at a time that does mount up?

A. Well, it makes enough of a difference to change the orders. I can put it that way.

Q. That is what I want to know. Now, does not the difference in the freight rates from the various points where the manufacturers are located necessarily have some bearing upon the prices of the various manufacturers because they can ship cheaper, some of them, than others?

A. Well, a mill in Vermont, of course, could ship cheaper than a mill in Michigan but I don't think there would be enough difference [fol. 995] in mills in different towns in Michigan.

Q. But there is a difference in mills in Michigan and those in Wisconsin.

A. It is my opinion the freight rate is the same.

I buy possibly 20% of my stock from Vermont, New Hampshire, Maine and Canadian companies. I couldn't give the average spread between the prices of the different mills because sometimes some mills would be way down if they have a large stock of flooring they want to move. That isn't usual, but you can always find one manufacturer who has something he wants to sell badly. I don't always go to the same manufacturer to see if he has that. The price of one manufacturer who has a large quantity on hand is sufficient low to justify my sending out inquiries to each and every manufacturer in order to ascertain who the low man is. I haven't done so because we believe that by giving one mill most of our business, as an average we would be better off than by buying around here, there and the other place.

Redirect examination.

By Mr. Johnston:

We handle substantial quantities of other hardwood flooring. The variation between the prices asked by the manufacturers of maple flooring for a given grade and size is a- great as the variation between the prices asked for oak flooring of a given grade and size. The same is true with respect to pine. Sometimes the variation is greater between the prices quoted by the maple flooring manufacturers. At other times it is greater in the oak and pine and vice versa. The difference between the prices quoted varies according to market conditions. There is a very great different in oak flooring today because the market is dropping and some mills are very much lower [fol. 996] than others, as much as $20.00 a thousand. In a falling market in maple flooring the same conditions exist. All manufacturers of maple flooring quote us f. o. b. Boston prices.

[fol. 997] Deposition of Ralph A. Brown, Taken, Pursuant to Stipulation, in New York City on November 7th, 1923

Ralph A. Brown, being duly sworn, testified as follows:

Direct examination.

By Mr. Johnston:

I live at Bayside, Long Island. I am associated with John A. Daley Lumber Company, 350 Madison Avenue, New York City. We specialize in white pine, hardwood lumber and hardwood flooring. Our concern has been in business under that name since February 1st, 1922, and it handles about 2,000,000 feet of maple flooring a year. I have been engaged in the lumber business since 1904. With the exception of the first four or five years I have been connected with the handling of hardwood flooring continuously,

in Pennsylvania, the South, Maryland, West Virginia, New England and Eastern States. Practically all my experience in hardwood flooring has been selling as a wholesaler or as a mill representative. My first mill connection was with the W. M. Ritter Company, Columbus, Ohio, on August 1st, 1907. I remained with them until the end of October, 1910. On November 1st, 1910 I became associated with the Strable Manufacturing Company, now known as the Strable Lumber & Salt Company, of Saginaw, Michigan, and opened a New York office for them as manager and remained with them until May 1st, 1917. From May 1st, 1917 until my association with the John A. Daley Lumber Company I handled flooring and hardwoods and other lumber on my own account at wholesale and on commission, and continued to represent the Strable Lumber & Salt Company on a commission instead of a salary basis. John [fol. 998] A. Daley Lumber *Lumber* Company has been handling chiefly stock of the Strable Lumber & Salt Company and Holt Hardwood Company, and the stock of possibly half dozen other mills who manufacture maple flooring. In selling maple flooring I have come in competition with other manufacturers of maple flooring and their representatives. There has always been competition in the sale of maple flooring in the Eastern market from the very beginning of my connection with it. Competition takes the form of variation in prices quoted by manufacturers of maple flooring or their representatives. Of course, sometimes the matter of delivery also is a factor. However, the matter of price is the chief factor and competition has always existed in the industry with respect to price. There have been times when quite a number of manufacturers of maple flooring would be quoting similar prices, but it was rare that the prices would be uniform. There was always somebody that would cut under the price on any very large order. Practically all the mills soliciting business in this market were members of the Maple Flooring Manufacturers Association and they were competing against one another in the matter of prices. The supply of any particular grade or size of flooring that a manufacturer had on hand would also be a factor and the tendency would be for a manufacturer who had a large supply of a particular item on hand to quote a lower price than the manufacturer who did not have such a supply. We hear of this from our customers—that some mill had a good supply and were making special prices or were offering to meet the best prices quoted or something of that kind or better. We frequently get stock lists from various manufacturers, and generally [fol. 999] where a manufacturer is long on any particular sizes or grades, he lowered his prices. Sometimes if he was oversold on any particular size or grade the tendency was not to reduce his price to meet competition, but on the contrary, sometimes his prices might be higher. In representing the Strable Company I from time to time had occasion to advise said Company to lower their prices in order to meet legitimate competition when they had the stock on hand to fill orders. Naturally when they were oversold on a certain size or grade, we could not meet competition against somebody that was long and that was cutting the price to move the stock. I

was frequently advised by Strable Lumber & Salt Company to meet competition by quoting prices which would be attractive and get the business.

The John A. Daley Lumber Company sends out from time to time general letters of inquiry among maple flooring manufacturers in order to obtain quotations especially for large amounts of flooring or mixed cars when we are uncertain as to what mill can furnish the stock and where the time of delivery is either immediate shipment or future shipment. I have got from our files all such inquiries and replies thereto that I have been able to find. We destroy a lot of our correspondence at the end of each year or after we have received information. We keep only such answers as we use, and if we lose the business we destroy the inquiry and the answers thereto. We keep only current price lists or inquiries and answers until we either get the business or lose it. The inquiries and replies that I have with me do not represent all the inquiries and replies that have been sent out or received from time to time. They are all that we [fol. 1000] have at this time. When we moved our office in April, 1922, we destroyed considerable correspondence. The papers marked Defendants' Brown Exhibit 1 are a general form letter sent out by John A. Daley Lumber Company on May 20, 1922, reading as follows:

"Form Letter to Maple Flooring Manufacturers in Wisconsin, Michigan and Illinois

GENTLEMEN: Please quote us very best prices delivered New York rate, for shipment in three to four weeks stating best wholesale discount on usual cash terms:

15 M ' 13/16 x 3¼" fc. #1 Maple flooring.
3 M ' 13/16 x 2¼" fc. Clear Maple flooring.

As we are handling considerable hardwood flooring right along, we would be pleased to receive your latest stock and price lists on flooring, also lumber, and as issued.

Thanking you in advance for prompt reply, we are,

Yours very truly, (Signed) John A. Daley Lumber Company. RAB:KK."

That letter was sent to and replies were received from Sawyer-Goodman Company, Marinette, Wis., Robbins Flooring Co., Rhinelander, Wis., Bigelow-Cooper Co., Bay City, Michigan; John Schroeder Lumber Co., Milwaukee, Wis.; J. W. Wells Lumber Co., Menominee, Michigan, W. D. Young & Co., Bay City, Mich., Grand Rapids Trust Company, Receiver William Horner, Reed City, Michigan; Ward Brothers, Big Rapids, Michigan; Flanner-Steger Land & Lumber Company, Blackwell, Wisconsin.

In response to the foregoing letter we received the following quota- [fol. 1001] tions:

On 13/16 inch by 3-¼" No. 1:

Sawyer-Goodman Co.	$85.25
Robbins Flooring Co. (Sam E. Barr)	74.00
Bigelow-Cooper Co.	80.25
John Schroeder Lumber Co.	76.00
J. W. Wells Lumber Co.	75.00
W. D. Young & Co.	75.25
William Horner	84.50
Ward Bros.	71.50

On the 13/16 x 2¼" inch Clear:

Sawyer-Goodman Co.	99.00
Robbins Flooring Co. (Sam E. Barr)	99.00
Bigelow-Cooper Co.	99.00
John Schroeder Lumber Co.	99.00
J. W. Wells Lumber Co.	99.00
W. D. Young & Co.	104.00
William Horner	99.50
Ward Bros.	98.75

All the above quotations were for delivery f. o. b. cars New York, and all quotations except those of the John Schroder Lumber Company were subject to $2.00 a thousand commission, which is the usual commission allowed to wholesalers.

(Said Defendants' Brown Exhibit 1, received in evidence.)

The papers marked Defendants' Brown Exhibit 2 for identification were quotations and letters written to the John A. Daley Lumber Company by the Holt Hardwood Company on December 13, 1922; by the East Jordan Lumber Company on December 1st, 1922, and the Strable Lumber & Salt Company on December 1st, 1922. Said letters were received in the ordinary course of business.

(Said Exhibit was received in evidence.)

The quotations made by the manufacturers above named were as follows:

[fol. 1002]

	13/16 x 1½"	13/16 x 2¼"	13/16 x 3¼"
Holt Hardwood Co.:			
Clear face maple.....	$86.50	$108.25	$87.50
No. 1 " "	.....	98.25	79.50
Strable Lumber & Salt Co.:			
Clear face maple.....	98.25	103.25	89.00
No. 1 " "	86.25	93.25	84.00

East Jordan Lumber Co.:

	13/16 x 1½"	13/16 x 2¼"	13/16 x 3¼"
Clear face maple.....	.....	103.25	89.25
No. 1 " "	.....	93.25	79.25

Referring back to Defendants' Brown Exhibit 1, I should say that the variation in prices shown in said Exhibit would be typical of the variations during that period. I did not save out this particular inquiry and the answers thereto for any special reason. We just happened to have these old quotations filed away, they having been overlooked and not destroyed.

The letter you hand me dated February 8, 1923, addressed to the John A. Daley Lumber Company by the East Jordan Lumber Company was received in the ordinary course of business. The paragraph in said letter reading as follows:

"We are especially concerned over our 3¼ inch clear. Last year Kerry & Hanson Flooring Company beat us to it with a sale on theirs, and a good deal of what we have on hand has been here nearly a year. Our present prices are, we believe, quite a little less than most manufacturers are asking, but we wish you would have this item in mind and in case of any orders on which you need a lower price competition, we would almost feel like cutting the price another dollars or so rather than see prompt shipment business get away,"

is typical of similar statements that we have received from time to time from various manufacturers when they had on hand a stock of maple flooring of a particular grade and size which they desired to move.

[fol. 1003] All the price lists and quotations which you hand me, Exhibit 3, which are addressed to J. A. Noone of Brooklyn, New York, were received by us in the ordinary course of business and were taken from our files.

(Said papers marked Defendants' Brown Exhibit 3 for identification.)

When we ask for quotations usually ask for f. o. b. cars New York or other points where we wish to make delivery. We have never had any difficulty, however, in securing quotations f. o. b. mill from members of the Maple Flooring Manufacturers Association. We usually ask for prices f. o. b. cars destination because we sell practically everything in the flooring line delivered. Our customers prefer to purchase on that basis and we are protected by manufacturers as to freight charges.

My experience has been that the standardization of maple flooring has been beneficial to the trade. It has been beneficial with respect to uniform matching of the flooring and uniform grades so that when a certain grade is asked for it can be obtained, not necessarily from one particular mill, but from several mills. Standardization makes

competition better and, in my opinion, increases rather than decreases competition. It provides a wider field from which a buyer can select flooring for a particular job.

I have had occasion to ask for the reinspection service maintained by the Maple Flooring Manufacturers Association. Such service has been beneficial to the trade. It insures the purchaser of maple flooring fair treatment and the delivery of exactly what he has contracted to buy. I do not think that the Maple Flooring Manufacturers As- [fol. 1004] sociation has had the effect of keeping up the prices of maple flooring above the level which the ordinary law of supply and demand would put it. Our experience has been that we have had reduced prices where manufacturers had a surplus or were anxious to make quick shipments and dispose of stock. Sometimes they want to make room in their sheds for alterations or repairs or release money tied up in a large amount of stock of a certain item. The spread of prices upon any particular grade of flooring evidenced by the answers in reply to our inquiry of May, 1922, is as great as the spread in prices for other hardwood floorings. There is as much variation in the prices quoted by members of the Maple Flooring Manufacturers Association as there is in the prices quoted by other hardwood manufacturers.

Cross-examination.

By Mr. Thompson:

I have known of the existence of the Maple Flooring Manufacturers Association ever since I have been in the lumber business, or for about 19 years. I have seen lists of members of said Association or the different members would have the statement on their stationery that they were members of the Maple Flooring Manufacturers Association. Before being connected with the John A. Daley Lumber Company I sold flooring largely on commission, but did make some purchases where I handled it on my own account, buying it and in turn invoicing it direct to my own customers.

"Q. You spoke about these inquiries and answers which have been introduced in evidence as being typical, for the period of the last few years. Have the last few years in that *in that* industry been what [fol. 1005] you would call normal ones?

A. There was a time right after the war when we had a runaway market of rising prices, and then there was a runaway market in the the other direction, downward; so there were some big fluctuations, more specially in 1920. But I had in mind there that the prices the last few years have been higher than when I first became connected with the maple flooring business or rather with the Strable Company in 1910, at which time the prices were lower, and then the relative difference per thousand feet in price was on a smaller basis, that is a dollar or two, where we might now find four or five dollars difference—or three to five, I would say.

Q. During the upward runaway market, anybody who had flooring or any kind of lumber to sell, could practically get whatever price he wanted to ask, could he not?

A. He could, within reason; if the fellow wanted it badly enough.

Q. There were certain limits?

A. Yes.

Q. But the limits were very high during that period, were they not?

A. Yes, sir, because the prices were changing almost from week to week.

Q. And that is an abnormal situation, which is not ordinarily found?

A. Yes, sir, it was abnormal.

Q. Then during the runaway market in the other direction, as you phrased it, it was generally the case that people were caught with large stocks which they had to unload at practically any price they could then get?

A. Yes, sir.

Q. And those conditions made for more divergence and less uniformity in price than would be found in normal conditions?

[fol. 1006] A. Yes, sir."

We do not send out a general letter of inquiry to more than half a dozen manufacturers.

"Q. During the time that you have known of the existence of the Maple Flooring Manufacturers Association, have you known of the activities that that association has carried on?

A. No, I have not been very familiar with their activities, except that they issue a price book and rate book, which practically everybody uses, to determine delivered prices in various parts of the country.

Mr. Johnston: You are referring to the freight rate book?

The Witness: Yes, sir.

Q. It is what is called a table of values?

A. Yes, sir, a table of values.

Q. Is that list furnished to you?

A. Yes, sir.

Q. By the companies which you represent?

A. Yes, sir.

Q. Do you know whether or not that list is furnished to representatives of other companies with whom you are in competition here?

A. I do not know definitely, but I presume it is.

Q. When you have spoken of prices being cut or your cutting prices in order to obtain business, you mean cutting the prices in that rate book or that table of values?

A. Well, it might not be necessarily cuting the prices in the table of values, because that is gotten out and used as a basis—so much over or long base; and if the market prices were over list we [fol. 1007] might cut down the prices, but they would still possibly be above the list in that book. You can see what I mean; that is, sometimes these lists would go along for months and, to save printing, they wuld just say "add" or "deduct" so much from list. That simplified sending out a lot of price lists every little whole.

Q. Is that list furnished you as the basis for the prices that you are supposed to quote?

A. It has been generally; but now we get frequently individual lists, as shown in some of these exhibits, that will vary.

Mr. Thompson: I think that is all."

Redirect examination.

By Mr. Johnston:

Q. Most of the manufacturers, Mr. Brown, have been sending out these price lists from time to time?

A. Oh, yes.

Q. And you have gotten those for a good many years, have you not?

A. Yes, sir.

Q. And those price lists would be sent out sometimes once a month; sometimes oftener?

A. Yes, sir.

Q. Sometimes in the middle of the month?

A. Yes, sir.

Q. And by price lists I mean such lists as this list addressed to you, December 1st, 1922, by the Strable Lumber & Salt Company?

A. Yes.

[fol. 1008] Q. It is the common practice of all manufacturers of maple flooring to send out these price lists from time to time?

A. Yes, sir.

Q. As well as to make individual quotations?

A. Yes, sir. Then this rate book is based on New York: if we want to figure Boston, we just turn to the rate book and figure it out, delivered price there, so much additional over New Yrk.

Q. In other words, as I understand the use to which you put the rate book is to determine the freight rate to use to these various points where you desire to deliver maple flooring?

A. Yes, sir. It has been some years since they would quote so much on or off the list. I don't know how far back.

Q. You do not know anything about the organization of the various associations, do you?

A. I am not familiar with that.

Q. Or whether there has been one association or a number of different associations, one succeeding the other?

A. No.

Q. You are not advised on that point?

A. No, sir.

Q. When you say "association" you have reference to an organization by that name?

A. Yes, sir.

Q. Whether it is now the same one that existed two or three years ago, you do not know?

A. I do not know, except as a general organization of people in that line of industry.

[fol. 1009] Q. Now 1922 is a fairly normal year in the maple flooring business, is it not?

A. Yes, sir, since the big prices about 1920 it has come down more normally.

Q. There was a very great fall in 1921?

A. Yes, sir.

Q. But in 1922 and so far in 1923 it has been fairly normal?

A. Fairly normal.

Q. Without those wide swings up or down?

A. Yes, sir.

Q. So that the comparison of prices which are made here in this inquiry, in May, 1922, I take it represents in your judgment a fairly normal period?

A. Yes, sir.

Mr. Johnston: That is all.

Mr. Thompson: That is all. I desire to offer in evidence the entire letter dated February 8th, 1923, from which counsel read one paragraph in evidence.

The paper was marked Defendants' Brown Exhibit No. 4. November 7th, 1923, A. G. and received in evidence.

(Discussion off the record.)

Mr. Johnston: It is agreed between counsel that J. A. Noone of Brooklyn, New York, a dealer in maple flooring would, if present, testify that he received from the Grand Rapids Trust Company as receiver of William Horner the letter lated February 14th, 1923, and the letter dated February 16th, 1923, which is attached to and is a part of Defendants' Brown Exhibit 3 for identification.

[fol. 1010] I therefore offer in evidence as Defendants' Brown Exhibit 3 the several price lists and letters which form a part of that exhibit for identification.

The papers were marked Defendants' Brown Exhibit 3, 9 sheets, November 7th, 1923, A. G. and received in evidence.

By Mr. Johnston:

Q. I ask you, Mr. Brown, to read into the record the comparisons of the prices as shown on said price lists and letters, Defendants' Brown Exhibit 3.

A. —.

Feby. 1923.

	13/16x2" clear	13/16x2¼ " clear	13/16x2" No. 1	13/16x2¼" No. 1
East Jordan Lbr. Co..	98.25	.....	88.25	....
Horner	101.50	108.50	.....	98.00
Holt Hardwood Co...	93.25	98.25	63.25	68.25
J. W. Wells Lbr. Co..	.....	108.25	.....	98.25

	13/16x2 factory	13/16x3¼ factory	13/16x3¼
Horner	53.00	57.00	....
J. W. Wells Lbr. Co.	53.25	59.25	....

	13/16x3¼" clear	13/16x3¼" No. 1	13/16x3¼" factory
East Jordan Lbr. Co.	84.25	.....	54.25
Horner	.....	84.00	57.00
J. W. Wells Lbr. Co.	94.25	89.25	59.25"

[fol. 1011] DEPOSITION OF GEORGE A. YAEST, TAKEN, PURSUANT TO STIPULATION, AT NEW YORK CITY, ON NOVEMBER 7TH, 1923

GEORGE A. YAEST, being duly sworn, testified as follows:

Direct examination.

By Mr. Johnston:

I live at Rutherford, New Jersey, and am at present connected with Sam E. Barr. I have been connected with Sam E. Barr off and on since 1903. I was formerly with the J. W. Romine Lumber Company and was with them for about three years. After that I was with the Lamb-Fish Lumber Company for about five years. Neither of the firms last above mentioned handled maple flooring. I went back with Sam E. Barr during 1912 and have been with him ever since. I am general sales manager. I purchase and sell maple flooring and hardwood lumber. Same E. Barr handles all the way from two to ten million feet of maple flooring a year, according to business conditions. He sells to retail lumber yards and warehouse operators generally throughout the Eastern states. He also sells oak flooring and beech and birch flooring, although the amount of beech and birch flooring sold in this territory is very small. Barr sends out inquiries to various mills from time to time and buys from the one that gives him the best price, provided the flooring is as good as that of some other manufacturer who might quote a higher price.

"Q. About how many mills ordinarily, Mr. Yaest, do you send such inquiries to?

A. Well, that depends on the inquiry itself. If it is for stock we are looking for that is a standard item we usually send it out to a few, but if it is a hard item to get, unless we are looking for some information as to what others are doing, quoting, then we will send [fol. 1012] it to thirty or thirty-five, maybe twenty-five, maybe twenty you cannot tell. I will pick out to whomever I want to send

it to. If it is an item that is standard and very easy to get, I may send it out to a few, say a dozen.

Q. And if it is a harder item to get you would send it out to practically——

A. To all those whom I know who would manufacture that item."

We get stock lists at various times from different manufacturers and of course if we know that the manufacturer does not have in stock the particular grade and size, we do not send any inquiries to him when we are in the market for that grade or size. You asked me to search our files for such inquiries and replies. I am not going to take the time to do it. Most of our quotations are kept for about thirty days and then are destroyed.

"Q. And that therefore a search of your files would not disclose any such inquiries or replies?

A. No, the only way you might be able to pick them out is maybe on some certain items we were looking for, if they quoted us on half a dozen items, we might have picked out one or two of those and in most cases then those, the entire quotations or letters would be filed with that order that we have them under our order number.

Q. But the quotations which were made by other mills would probably not be saved?

A. Would probably not be saved, yes."

We surely have found variations in the prices quoted by the different mills in response to our inquiries for prices upon the same [fol. 1013] grade and size of maple flooring. That variation has been quite substantial. During the period that I have been engaged in handling maple flooring variations in prices have always existed.

Referring to Defendants' Brown Exhibit No. 1, I should say that the variations of prices shown in said exhibits are typical of the variation which I have found. There has never been a time in my experience when all the manufacturers of maple flooring quoted the same price. It has never come to my notice that the prices of maple flooring manufacturers were substantially uniform. In the sale of maple flooring I find that there is now and always has been quite active and keen competition in the form of varying prices by different dealers. We come in competition with other large wholesalers and representatives of different mills. Very often we learn through customers or representatives of manufacturers the prices that are being quoted. Sometimes a customer will say, "Well, we are able to beat your price by a couple of dollars or two or three dollars" or something like that. In selling to retail yards we find that various prices are quoted. That competition has existed ever since I have been in business.

In my opinion the standardization of maple flooring by the maple flooring manufacturers Association has been beneficial to the trade and to the consumers of maple flooring. The standardization of flooring has tended to make more competition. We buy our flooring delivered because then we have no freight claims to fight in case of overcharges. Our customers will not buy flooring any other way, and that is the reason we buy f. o. b. cars destination. A great

[fol. 1014] many of the manufacturers will make you an f. o. b. mill price with freight allowance to New York City or Boston or any other point where you want the flooring delivered.

We have not had occasion to use the reinspection service very often because most of the flooring that we have received has generally been satisfactory. I think we have had only one reinspection since 1914 and that was on some flooring that Horner shipped to Springfield. Such experience as we have had with the reinspection service has been satisfactory. This service insures the purchaser of flooring a fair delivery and a fair inspection. I should say that the Maple Flooring Manufacturers Association has been beneficial to the trade. A good many of the manufacturers are represented in New York either by special agents or wholesalers who specialize in their flooring. These special agents and other wholesalers are in active competition with our firm and that competition is very keen. It has happened that where a manufacturer of maple flooring has quoted us a price and we have advised said manufacturer that others are quoting a lower price, said manufacturer has made a lower price in order to meet competition. The price depends on the surplus that the manufacturers have.

"If they have not got the item that you are looking for they are going to hold to their price, whatever they have in mind that their stock is worth, regardless of whether you offer them the business or not. But if they have a surplus of it they might cut their price.

"Q. And the extent to which they will cut their price you have found, I take it, depends on how large their surplus is?

A. I do not believe they will cut their price over two or three dollars a thousand. I don't remember of any of them doing that. They might give you a low price to start with if they had a surplus of it.

[fol. 1015] Q. If they had a surplus their original quotation upon that would be low?

A. Yes.

Q. That is as compared with the general scale of prices?

A. Yes.

Q. Then if they were anxious to move that they might cut that price two or three dollars?

A. Yes, if you tipped them off that somebody else had some and was willing to sell for a lower price than what they quoted you. Sometimes we can get that information, and if you tell them about it, it very frequently means that they will meet the other price, and if we are close enough to our customer then we can get the business."

The variation in prices on maple flooring is not so large as the variation in prices on oak flooring. Recently there was a difference of $18.00 a thousand feet between the high and low quotations received by us on maple flooring. Very frequently on half a dozen quotations the difference will be as much as $5.00 a thousand feet.

Cross-examination.

By Mr. Benton:

I am familiar with the activities of the Maple Flooring Manufacturers Association. We are not a member of said association. I know the members by name and at times we have had flooring from probably all of them. We do care whether we buy from a member of the Association or not because if we buy from a member of the Association and there is anything wrong with the flooring we have a right to have the flooring reinspected. That is not true when we buy from a non member. All the manufacturers of flooring, whether maple, oak, beech or birch, look up to the Association and use their rules. The spread in the manufacturers' prices on [fol. 1016] maple flooring is not due to the difference in grade and quality of the flooring. You can take a dozen manufacturers and their grades will be practically the same as to quality because they use the same grading rules.

[fol. 1017] Deposition of Raymond W. Storm, Taken, Pursuant to Stipulation, at New York City on November 7th, 1923

Raymond W. Storm, being duly sworn, testified as follows:

Direct examination.

By Mr. Johnston:

I am one of the partners of George H. Storm & Company, lumber merchants, who have been doing business since 1898. I have been actively connected with the business since 1909 and generally handled the purchasing and selling of flooring. We deal in all kinds of hardwood and soft wood lumber in general building sizes. Our firm has been handling maple flooring since 1898. I should say that on an average we handle about 2,000,000 feet a year. We sell principally to dealers and carpenters in the New York territory. We do a small wholesale business and a large retail business. We handle all kinds of flooring. Before buying we generally send out inquiries to the mills throughout the country and buy from the manufacturer that makes the lowest price. In that way, we are familiar with the quotations made by various manufacturers of maple flooring. Very often these quotations would vary. At times the variation would be substantial, not always. I don't think there was a case when the prices would be the same.

"Q. And what would you say would be a normal variance during a normal year. I mean what would be the extent of that variance?

A. Perhaps $5.00 a thousand.

Q. Per thousand feet?

A. Per thousand feet board measure."

[fol. 1018] All the quotations that we receive are not kept together, but are filed under the names of the various mills. In order to get quotations on the same item, it will be necessary to go through the old files and pick them out. It would be quite a laborious process. During the last two or three years we have been acting as special representatives for the Kneeland-Bigelow Company and the Oval Wood Dish Corporation. Most of our inquiries are sent to these two companies except when they could not supply what we want. The two mills that we have represented send out their printed price lists from time to time.

"Q. What has been your experience as to the manufacturers departing often from that printed price list in order to meet competition or in order to meet the market price if you please, of maple flooring in a given market?

A. Well, I should say that in the majority of cases that we have bought from them at prices which were less than their lists. In other words, that they have always been willing to meet competition, that the price list had very little bearing on their ultimate selling price.

Q. What have you found from your experience, Mr. Storm, to be the controlling factor in determining the price at which a mill will sell a given kind and size of flooring?

A. Firstly, the stock on hand; secondly, the competition they have to meet.

Q. That is, I take it, if a maple flooring mill has a considerable supply on hand of a given grade and size of flooring, your experience is that they will cut the price of that product down in an effort to move it?

[fol. 1019] A. Nearly always.

Q. On the other hand, if they are oversold their tendency would not be to cut their price?

A. Exactly.

Q. Their list or quoted price?

A. Yes.

Q. Have you found that the variation in maple flooring prices for a given grade and size of maple flooring has been as great as the variation in oak flooring prices for a given grade and size?

A. Yes, I think it has.

Q. In other words, you have not noticed any difference in that respect in maple flooring over oak or any of the other floorings?

A. No, I think that is perfectly true. It varies just the same as oak or any other floorings."

In selling in the New York market I have met very active competition from other large dealers and other representatives and manufacturers. That competition has always existed and has been very keen and active in maple flooring. In representing the two mills above mentioned I have found them very frequently willing to cut their prices in order to allow me to meet competition for a given job. The two manufacturers represented by me never adhere rigidly to any price unless they are oversold and have more business than

they need on that particular item. It has been my observation that the price of maple flooring has moved in line with the general supply and demand.

The standardization of maple flooring by the Maple Flooring Manufacturers Association has been very beneficial to the purchasers of maple flooring.

"Q. And in what respect, Mr. Storm?

A. Well, for example, we know that when we buy maple flooring manufactured by a member of the association that it will be well [fol. 1020] manufactured and if it is not we do not have to take it. If we purchase from outside mills we cannot be so sure about it, it may or may not be. And in purchasing we always mention the fact that it shall be association manufacture, because that protects us, sort of like a 14 karat mark on your jewelry. That is a fact. It is very, very helpful."

We frequently purchase from various manufacturers when our own mills cannot supply us, but I will tell you frankly that we do not like to purchase from any mill that is not an Association mill. We have been burned that way several times and do not like to do it. If there were no association all the different manufacturers would be making their own grades and sizes and you would not know what you were getting unless you got it all from one mill. I do not remember any case in recent years where we have had to have reinspection. At times there have been complaints but the manufacturers themselves have always come on and adjusted them. We have, however, offered our customers the reinspection service and it is usually a very convincing argument. As a whole, the reinspection service is beneficial to the trade. We buy all our flooring f. o. b. destination. There are no risks to run when we buy at a delivered price. We never think of quoting a purchaser anything but a delivered price. In our judgment the Maple Flooring Manufacturers Association has been decidedly beneficial from the standpoint of the user of the maple flooring.

Cross-examination.

By Mr. Benton:

We buy our stock outright. We buy from the two manufacturers heretofore mentioned if they can supply our needs. When they [fol. 1021] cannot we buy from other mills.

"Q. When you request the manufacturer to permit you to sell at a lower price in order to meet competition that is done, is it not, before the sale is actually made or before you make the quotation in order to meet the competition?

A. Yes, necessarily so. Of course there might be times when we would quote the list price and find the price high and then tell them of the competition and they would wire us to reduce the price.

Q. Then how would they make good the difference in your cost price, your lumber being already in stock or in New York City?

A. Oh, it is not in stock. Our stock is only kept as a reserve. Nearly every order of any size is shipped direct from the mill.

Q. Then the adjustment of the price in order to meet competition is made before the shipment arrives here, is that right?

A. Exactly, when the material is invoiced."

Redirect examination.

By Mr. Johnston:

"Usually we do not know what the competition is. If we quote a purchaser on a carload of maple flooring and we find that he has much lower prices, we are very seldom enlightened as to who made him lower prices. I know of some people here in New York that act as special representatives who have competed with us for jobs and they took them away from us at times, but I think they handled more than one mill's output, and of course I do not know from which mill they supplied the material.

Q. That is you meet the competition but you are not always able to tell the source of it?

A. No. As a matter of fact we often think we are meeting compe-[fol. 1022] tition in supplying good material, whereas if the man buys it from the other people he would not have gotten the same material. That happens very frequently, we know."

[fol. 1023] DEPOSITION OF PAUL T. RIBETT, TAKEN, PURSUANT TO STIPULATION, AT NEW YORK CITY ON NOVEMBER 7, 1923

PAUL T. RIBETT, being duly sworn, testified as follows:

I live on Long Island and am the Manager of the Harris Flooring Company of New York City. I have been engaged in handling hardwood flooring since 1905. From 1905 to 1911 I was with the Vossnack Lumber & Veneer Company, Long Island City. In 1911 I was with Herman Vossnack, Jr. of New York City. Some time during 1911 I became associated with the Harris Flooring Company and have been with them ever since. The Harris Flooring Company handles about five million feet of flooring a year, of which possibly 500,000 feet are maple flooring. As Manager I run the business and sell flooring as well as buy it. From 1905 to 1908 I did not have anything to do with the purchasing of flooring, but I sell it. Since 1908 I have been purchasing flooring.

Our Company sells flooring to lumber dealers, carpenters, builders and floor layers. In the sale of flooring we come into competition with other dealers and I am familiar with the prices quoted by them.

We represent the Harris Manufacturing Company and we also buy from other manufacturers. Lately we have been confining our purchases of maple flooring to members of the Maple Flooring Manufactuerrs Association because of the uniform quality of the flooring manufactured by them. In the sale of maple flooring in

New York City there is active competition. That competition is evidenced by the various quotations of prices made on the same grade and size of maple flooring by the various manufacturers or rep- [fol. 1024] resentatives of manufacturers. In bidding for particular jobs, I have been informed by the prospective customer of the prices quoted by other manufacturers or other representatives. To my knowledge there has never been a time where all manufacturers of maple flooring were quoting a uniform price. There has been competition at all times. When we get an inquiry from anyone wanting flooring, we write direct to several manufacturers and ask them for a price on that particular grade f. o. b. destination. We buy all flooring f. o. b. destination and sell it that way. Our customers want f. o. b. delivered prices.

Your representative came to our office Monday and we got our maple flooring manufacturers file and gave it to him. You have such inquiries and quotations as were found. The letters you hand me were received in response to an inquiry that appears to have been sent out by our Company. The inquiry is not there but it seems to have been sent out shortly before the dates of the various letters.

(Said letters marked Defendants' Ribett Exhibit 1 and received in evidence.)

In response to said inquiry, which was made some time in September, 1920, we received the following quotations for the grades and sizes listed below, from the manufacturers hereinafter named, f. o. b. cars New York City.

	13/16 x 2¼ clear	13/16 x 2¼ No. 1	13/16 x 2¼ factory
Cobbs & Mitchell, Inc.....	195	186	.....
North Western Cooperage & Lumber Co.	172.50	162.50	108.50
Kerry & Hanson Flooring Co.....	171	161	104

[fol. 1025] The papers you hand me consist of inquiries sent out by us for quotations and letters received in response thereto.

(Said documents marked Defendants' Ribett Exhibit 2 and received in evidence.)

In response to said inquiries, we received from the persons hereinafter named the following quotations on the sizes and grades of flooring set forth below as follows:

	13/16 x 2¼ clear	13/16 x 2¼ ₴1	13/16 x 2¼ factory
Horner 4/9/21.....	96.00	77.00	45.00
Ward Bros. 4/8/21.....	96.75	76.75	43.75
Stephenson 4/9/21.....	101.00	84.00	49.00

All the foregoing quotations were f. o. b. New York.

The documents you hand me are copies of letters which were mailed out under the ordinary course of business on September 27,

1921 to various maple flooring manufacturers and the answers which were received in the ordinary course of business in response thereto.

(Said documents marked Defendants' Ribett Exhibit 3 and received in evidence.)

In response to our inquiry last above mentioned, we received the following quotations for maple flooring of the sizes and grades hereinafter mentioned, f. o. b. cars New York and f. o. b. cars, Vermont rate:

	13/16 x 2¼ clear	13/16 x 2¼ No. 1	13/16 x 2¼ factory	13/16 x 2¼ factory, Vermont rate
Ward Bros.	92.75	70.25	30.25	30.75
J. W. Wells	99.	69.	34.00	34.50
North Western Cooperage & Lbr. Co.....	99.	69.	32.00	32.50
W. D. Young.....	94.	64.	29.00	29.50
Bigelow & Cooper....	90.50	62.50	27.50	27.50

[fol. 1026] The three exhibits that have been put in evidence and the quotations contained therein are typical of the variations in prices received by us when sending out to manufacturers of maple flooring for quotations. Such variations have existed ever since I have been familiar with the purchasing end of maple flooring. It has been our experience that if a mill is long on a certain grade or a certain size, lower prices are made in order to move it.

When selling maple flooring and selling it from a member of the Maple Flooring Manufacturers Association, they have a standard by which they go by, and that standard is something that we can sell our maple flooring to our people, feeling quite certain that the maple flooring will be perfectly satisfactory; and by going to an outsider we have not that assurance; and for that reason we only want to handle the Maple Flooring Manufacturers Association material or material manufactured equal to their rules.

It has been our experience that the standardization of maple flooring has given the wholesalers of maple flooring a wider market in which to make their purchases and has increased competition. In filling a large order it has enabled us to buy the flooring from three or four or five different manufacturers and has not limited us to one. There is no question but that standardization of the flooring has been beneficial. I have not had occasion to ask for reinspection of any shipments bought by us.

The John A. Daley Lumber Company are known as dealers in maple flooring. As a matter of fact I get quotations from them sometimes *from them sometimes* on some of my inquiries. I understand that they have a direct mill connection and for that reason I get their prices.

[fol. 1027] Cross-examination.

By Mr. Thompson:

The Harris Manufacturing Company manufactures maple flooring. I should imagine that we handle about 300,000 feet a year of maple flooring manufactured by the Harris Manufacturing Company and about an equal amount of flooring manufactured by others. The Harris Manufacturing Company has its plant at Johnson City, Tennessee. We buy our maple flooring outright when we purchase from other manufacturers. What we sell we sell as our own flooring. We sell flooring both at wholesale and at retail. I understand that there are a number of wholesalers who procure orders and then turn them over to the mills for commission. They quote the prices they get from the mills and work on a commission.

In speaking of the competition which I met in New York City in the sale of maple flooring, I meant the competition that we met from other wholesalers. I do not know how many wholesalers of maple flooring there are in New York City because there are quite a number of them who wholesale lumber generally and who handle maple flooring in connection with their other business. I would say there were 30 such firms who handle lumber and flooring altogether.

I cannot say that I find competition from manufacturers who sell direct to our customers. There may be one or two cases but there are not very many.

I have no knowledge of prices quoted by manufacturers other than those that we receive from inquiries which we send out. I think that we usually send our inquiries to about eight or ten manufacturers and we limit our inquiries to members of the Maple Floor-[fol. 1028] ing Manufacturers Association with the exception of Ward Brothers. I don't think Ward Brothers are members.

Redirect examination.

By Mr. Johnston:

I do meet competition among wholesalers who represent manufacturers such as Daley & Company. I am in competition with Storm & Company and Sam E. Barr.

[fol. 1029] Deposition of Elmer M. Pfisterer, Taken, Pursuant to Stipulation, at Philadelphia, Pennsylvania, on November 2, 1923

Elmer M. Pfisterer, being duly sworn, testified as follows:

I live at Philadelphia and have for practically all my life—45 years. I am Sales Manager for the William M. Lloyd Company of this city. That Company has been engaged in the lumber business in Philadelphia since 1868. I have been Sales Manager for

the William M. Lloyd Company for three years. Before that I was their Traffic Manager.

As Sales Manager I purchase and sell lumber. Our Company handles Long Leaf Yellow Pine, Short Leaf Yellow Pine, Yellow Pine Floorings, Maple Flooring, Oak Floorings, White Pine, Hemlock, Spruce, practically all lumber that is used in building construction. Our Company deals in these products, both wholesale and retail. We sell principally to the lumber yards throughout the eastern portion of the United States. We also sell to builders, contractors, consumers in and around Philadelphia. During the past two years I think our Company has handled about a million feet of maple flooring a year. We purchase maple flooring from different flooring mills. During the past two years we have specialized in the product of Kneeland-Bigelow Company, formerly the Bigelow-Cooper Company. Before we began to handle the product of the Kneeland-Bigelow Company, we purchased maple flooring from various mills. We sent out inquiries addressed to several manu- [fol. 1030] facturers in order to determine from whom we would buy. These inquiries were addressed to probably six or eight different mills in different sections.

The prices quoted by the different mills varied. That was always the case. The variation in prices was a matter of dollars per thousand feet. I was also then familiar with the prices of oak floorings. I think that the variations in prices quoted by the maple flooring manufacturers were as great, or greater, than the variations in prices quoted by the manufacturers of other competing flooring, such as sold. Sometimes the variations would be much greater than at others. I have known of variations of six or seven or eight dollars per thousand feet on different grades of maple flooring. In the sale of the product of the Kneeland-Bigelow Company we are constantly in competition with the product of other manufacturers. W. D. Young & Company of Bay City, Michigan and the West Michigan Flooring Company of Manistee, Michigan are represented in this territory and are the principal ones that we come into competition with. Competition is active all the time and the prices quoted by the representatives of other flooring manufacturers vary from our prices. This variance is sufficient to swing the business to or from us, according to whether our prices are lower or higher than the prices of our competitors.

To my knowledge this condition has existed all the time that we have been handling Kneeland-Bigelow flooring. I don't want to give the impression that we were always higher because there were [fol. 1031] lots of occasions when we have been equal to or lower than other quotations and received the business; maybe through friendship or through business association we received business, possibly on the same basis or maybe 25 or 50¢ higher than other quotations.

During all the time that I have been selling flooring I have found very substantial variations in the prices quoted by other manufacturers in competition for a given job. That variation is sometimes as much as four or five or six dollars per thousand feet of

flooring. The Philadelphia market is a large consumer of maple flooring, which is used in office buildings, schoolhouses and construction of that character. To my knowledge there has been a time when substantially all the manufacturers of maple flooring, either directly or indirectly, quoted uniform or practically uniform prices. As we encountered competition, we took the matter up with Kneeland-Bigelow Company.

The letters you show me are correspondence passing between our Company and the Bigelow-Cooper Company or the Kneeland-Bigelow Company. This correspondence was carried on in the ordinary course of business. The correspondence in question was taken directly from our files.

Our letter of January 27, 1922, addressed to Bigelow-Cooper Company, Bay City, Michigan, reads as follows:

"Recently I quoted John L. Conrad Sons at Port Carbon, Pa., on 10,000 ft. 4-4 Factory Maple Flooring at $38.50, f. o. b. car their city.

"I have followed this matter very closely and received a re-[fol. 1032] sponse from them this morning (as I have a friend in their employ) stating that it was bought from Young at $31.50 delivered."

That letter is typical of the competition between ourselves and some other manufacturer or manufacturer's representative in the sale of factory flooring. I recall the case referred to in that letter. By Young I meant W. D. Young & Company of Bay City.

The letter of March 6, 1922, written by the Bigelow-Cooper Company to our Company, reads as follows:

"You understand of course that we have discontinued the operation of our plant and do not intend to resume operations until conditions are stabilized to a point where we can pay the present market prices for rough lumber and sell our flooring at a profit.

"Our supply of flooring lumber was reduced to a very low point and we realize it would be necessary for us to go out on the market and replenish our stock. When we learned the market price on lumber and compared the prices for the finished product, together with our cost of operation, we promptly discovered that figures were in the red."

The letter written by the Bigelow-Cooper Company addressed to our Company, under date of March 14, 1922, reads in part as follows:

"We have a great deal of confidence in the future, however, and feel that the extensive proposed building program throughout the country will improve values, while, on the other hand, the crop of rough lumber produced during the past winter will soon be ready for the market and there is a possibility that prices on the rough lumber will be lower. With this in view we are anxious to have our house in order so that it will be possible to take advantage of the conditions and operate our plant to full capacity.

"On our last price list we made concessions on certain items which we believe represent the present market, but in any instance where you are offered business for these items at prices lower than our list, we will allow you to meet legitimate competition, in order to secure the business.

"We fully appreciate your position under these conditions and as- [fol. 1033] sure you it is our desire to cooperate to the fullest extent possible without serious loss to ourselves, and we are confident that you do not expect any more than this. Of course we want you to handle our stock exclusively, but there is absolutely no objection to your purchasing elsewhere items that we cannot furnish, or that it is possible for you to buy to better advantage."

When we met active competition and lower prices quoted than we were able to meet, we usually submitted the matter to Kneeland-Bigelow Company. Sometimes they would authorize us to take the business at lower prices and sometimes they would not. We usually have specific cases which we submitted to them where the business had been offered to us and before we would accept we would naturally get in touch with the mill and get their acceptance. Of course, we were always authorized to accept business at the prices fixed in Kneelan-Bigelow Company's current price list. What we took up with them was whether we could accept certain specific orders at less than the prices stated in their current price lists. It was the practice of the Kneeland-Bigelow Company, as well as the practice of other manufacturers, to send out their price lists from time to time. That is true of the lumber trade generally. Price lists of some character are received in almost every mail. On July 6, 1922 we received a letter from the Bigelow-Cooper Company calling attention to the stocks on hand in various sizes, etc. Said letter reads in part as follows:

"We have made concessions in prices on these items and believe they are considerably below the present market; therefore we urge you to call the attention of your trade to these particular items.

"We would appreciate an expression from you regarding the con- [fol. 1034] ditions in your market in reference to prices and the prospective future demand. It is essential that we have all of the information possible so that we may keep in line with our competitors and plan our future policy."

It was our practice from time to time to advise the Kneeland-Bigelow Company of the competitive conditions in this market. It was our intention to keep said Company fully informed as to what their competitors were doing because our getting orders depended always upon being in line with the market, or being able to at least equal or undersell other dealers.

On August 9, 1922 we received a stock list and prices from the Bigelow-Cooper Company, accompanied by a letter which reads in part as follows:

"We have endeavored to make prices on these items that are attractive, but are perfectly willing to meet legitimate competition

from reputable Maple Flooring manufacturers, if necessary to secure orders."

"We will welcome any information that you can give us regarding conditions in your territory, especially with reference to competitive prices, and also any suggestions which you may have to offer that will lead to our mutual benefit in the distribution of our products."

When a manufacturer has a considerable quantity of given grades and sizes of maple flooring on hand, the usual procedure is to make a special effort to move those sizes at the list price, if possible, and if not, of course, at lower prices. A flooring mill has to have a continual flow through the mill. Otherwise, if the warehouse becomes filled with maple flooring, the mill portion must stop. If is of such a character that you cannot pile it outside. It must be protected all the way through the manufacture, and then it must be kept in the warehouse until it is loaded on cars and shipped out. [fol. 1035] Consequently there must be that even flow through the warehouse continually, and if they cannot sell a certain size of certain dimensions, or a certain grade, that piles up, and it is produced all the time in the manufacture of the other grades, that is you cannot stop it, it comes on continuously, then that flooring must be moved out of that warehouse. All different grades and sizes are and must be produced at the same time. It has been our experience that when a manufacturer becomes stocked up on one particular grade, he cuts the price.

We received a letter from the Bigelow-Cooper Company dated August 23, 1922, reading as follows:

"We desire to again call your attention to the surplus items on our list, and urge you to make a more earnest effort to secure orders for this stock. We are especially anxious to move some of the shorts.

"If you find that our prices on this item are not in line with our competitors, it will be satisfactory for you to meet the market price. Our weekly sales reports show that other manufacturers are selling the short lengths, and we see no reason why it should not be possible for you to secure a portion of this business."

On January 24, 1923, we sent a letter to the Kneeland-Bigelow Company, reading as follows:

"Will you be kind enough to let me know what information you have regarding Wisconsin Land and Lumber Company, as these people were in competition with us with a contract of this city on 200,000 feet 13-16 x 2-1.2" #1 Maple Flooring, on which they quoted $92.00 per thousand feet.

"I understand they manufacture the IXL brand, and inasmuch as their price is $.75 lower than yours I did not think it advisable to wire you the offer as you do not show any of this grade on your stock list."

We received from time to time stock lists, as well as price lists, from the Kneeland-Bigelow Company. We had those stock lists in order [fol. 1036] that we might know just what to sell and what not to sell.

On April 17, 1923 we wrote to the Kneeland-Bigelow Company a letter, reading in part as follows:

"For your information, we understand that Ward is willing to take on the business, shipping as outlined, and their price is 50 cents under ours, but we can secure the business on our price."

The business referred to was 102,000 feet of 13/16 x 2¼" clear maple flooring. The Ward mentioned in said letter is Ward Brothers of Michigan. I do not know whether Ward Brothers are members of the Maple Flooring Manufacturers Association.

In Philadelphia we sell to contractors and consumers and come in competition with yard men and other dealers who handle maple flooring of other manufacturers. Outside of Philadelphia we have a wholesale business, and in such business we come in competition with other manufacturers in the sale of maple flooring.

We received a letter from the Kneeland-Bigelow Company dated May 3, 1923, reading in part as follows:

"We are surprised to note that you are losing business on lower competitive prices, as other mills report that they are receiving orders at higher prices than our list. As a matter of fact, we have acted very conservatively in raising prices and it was our conviction that it was advisable for us to accept orders for shipment during the third quarter of this year, which you know has not been our policy theretofore.

"The instance you report on Factory Maple Flooring may be unusual in some respects as, of course, in this grade we have competition from various sections of the country.

"We are very glad to have you keep us advised of competitive conditions that you have to contend with and assure you that it is our desire to co-operate with you to the fullest extent possible in order to increase the business."

[fol. 1037] We received a letter dated June 18, 1923 from the Kneeland-Bigelow Company, reading in part as follows:

"We have been advised in several instances that some manufacturers of Maple Flooring are offering reductions in certain items. It is our desire to keep in line with the market in order to secure a fair share of the business offered.

"We desire to co-operate with you on future orders and in any cases that you encounter lower prices, we would appreciate it if you would inform us by wire and we will immediately give you definite response."

We also received the letter dated June 3, 1923 from the Kneeland-Bigelow Company, reading as follows:

"Referring to our stock list of June 15th, we call your attention to the surplus of 17-16 by 3-1.4" face Factory.

"In order to secure prompt orders for this stock, we will allow a special concession of $2.50 per M to you for the entire quantity shown on our list."

We also received the letter dated June 27, 1923 from the Kneeland-Bigelow Company, reading in part as follows:

"We have your favor of the 25th inst. with reference to quotations in your territory and since this letter was written, we have mailed you new price lists with reductions on a great many items. This now makes our price on the 13-16 by 2-1.4" face Factory $57.75 delivered your rate. You realize, of course, that we have been heavily oversold and consequently have hesitated in reducing our prices. However, we wish to keep in line with the market, and as previously advised you, it is necessary for us to depend upon our representatives to keep us informed of the competitive price conditions."

The letters which have been introduced in evidence are typical of the correspondence that has passed between our Company and the Kneeland-Bigelow or the Bigelow-Cooper Company. The competitive conditions described in said letters have at all times existed in the flooring business in the Philadelphia market. We buy all our flooring f. o. b. destination. We prefer to buy in that way [fol. 1038] simply because it establishes a definite price at the point where the flooring is to be resold or is to be used. We do not have to accumulate all the freight, and further than that, if there is any trouble arising on account of wrong consignment, naturally it is up to the mill to handle all those cases. We do not have to put in claims or have that trouble to go through which naturally we would if we bought f. o. b. mill, because our responsibility then would start at the mill instead of starting at the destination.

We never experience any difficulty in getting f. o. b. mill prices. We get f. o. b. mill prices on which we base our shipments of less than carload lots. Standardization of flooring is of benefit to all concerned. That benefit would be to the consumer in the appearance of the flooring after it has been put down. It would also, I should think, be a basis on which you could judge the prices that the different mills were asking for that particular grade of flooring. If you had a standard grade of flooring, called clear, then, if they were manufacturing under that standard, then the difference in the price would be of advantage, but if the one manufacture was excellent and the other manufacture was poor, the lower price might be a high price in the long run and at the end of the sale. In the absence of standardization, there is no real basis for the comparison of prices.

We carry a representative stock of maple flooring of different thicknesses in the warehouse at Philadelphia. At the present time the variation in the prices of maple flooring quoted by the different [fol. 1039] manufacturers is as great as the variation in the prices on other flooring.

(Certain papers were marked Defendants' Philadelphia Exhibits Nos. 1 to 8 inclusive, Nov. 22, 1923, JCW.)

Referring to Defendants' Exhibit 1 for identification, the first sheet of said Exhibit being apparently a price list under date of April 10, 1922, sent out by the Kneeland-Bigelow Company or the Bigelow-Cooper Company, I will state that that list was obtained from our files and was received from the Kneeland-Bigelow or the Bigelow-Cooper Company. That is a list we used to quote prices from to our customers. There is no deduction from said list so far as the customer is concerned, nor is there any deduction for commission. If there is a commission that goes to us as the selling agent. The usual commission is $2.00 per thousand feet.

For purposes of comparison, the prices named on the first sheet of said Exhibit No. 1 for identification are the prices quoted by us to customers.

The second sheet of Defendants' Philadelphia Exhibit 4 for identification was obtained from our files and is a price list. We received said list from the Bigelow-Cooper Company or the Kneeland-Bigelow Company, and the price list is dated September 1, 1922. That list was used by us in quoting prices to our customers.

The second sheet of Defendants' Philadelphia Exhibit 5 for identification is an original price list received from the Kneeland-Bigelow Company and was used by us in quoting prices to our customers. [fol. 1040] The price list last mentioned was issued on October 1, 1922 and was received by us on October 6, 1922. All the prices shown upon the foregoing lists and the other Bigelow lists are prices f. o. b. cars Philadelphia.

The first sheet of Defendants' Philadelphia Exhibit No. 6 for identification is an original price list received by us from the Bigelow-Cooper Company under date of January 27, 1923, and said list was used by us in quoting to our customers. This list was obtained from our files and received by us in the ordinary course of business. The prices are f. o. b. cars Philadelphia.

The second sheet of Defendants' Philadelphia Exhibit 7 for identification is a copy of the same list that has been marked Exhibit 6.

Defendants' Exhibit No. 9 for identification is a pricelist issued by the Bigelow people under date of June 25, 1923 and was received by us on June 28, 1923. The prices were f. o. b. Philadelphia rate of freight and the list was used by us for quoting prices to our customers. Said list was taken from our files.

Cross-examination.

By Mr. Benton:

We sell Kneeland-Bigelow Company's flooring exclusively and are their exclusive agents in Philadelphia. We buy our flooring from them outright. We do not buy from others unless we cannot get the flooring from the Kneeland-Bigelow Company. Where we asked for permission to take on business at prices lower than those fixed by the Kneeland-Bigelow Company, we did so because if we

accepted the business at prices lower than those fixed by the Knee-
[fol. 1041] land-Bigelow Company we would have to sustain a loss. Of course, where we had bought flooring and had it in our warehouse, we could sell it at any price we pleased. We took up the matter of lower prices with the Bigelow-Cooper or the Kneeland-Bigelow Company previous to our accepting orders for specific lots. We did that in order to ascertain whether either of those companies wanted to accept orders at specified prices. We do not fill all our orders from stock we carry in our warehouse. On direct shipments from the Kneeland-Bigelow Company to persons designated by us, we do not quote prices lower than those which are specified by the Kneeland-Bigelow Company. On our stock carried in Philadelphia, we sell at any prices we please. When we sell to lumber yards in different states, we either sell at the prices designated by the Kneeland-Bigelow Company or take up with said Company the question whether they are willing to accept certain prices in order that we may make a contract with the buyer. The only purpose of our taking up with that Company the matter of price is to find out whether they are willing to accept an order at a specified price, otherwise if we should take the order and then have to purchase flooring from the Bigelow people at a higher price, we would lose money. If that Company reduces their price to meet competition then we are able to handle the order and make a profit. Our profit consists of $2.00 a thousand feet commission.

I do not know what manufacturers of maple, beech and birch flooring belong to the Maple Flooring Manufacturers Association. My knowledge of competitive prices reaches me through our retail and country salesmen. My statement as to variations in price of
[fol. 1042] maple flooring are based upon conditions both prior and subsequent to March, 1923, including present conditions. I would not want to make the statement that there is more competition now than there was prior to March, 1923 because there always has been competition to my knowledge. Where there is a great amount of flooring and the capacity of the mills is practically taxed to the utmost, you would not find the competition that would exist under conditions where building construction is restricted and there is not much maple flooring used. Building construction has been practically restricted recently. Competition in flooring is just like business in everything else. If you have a loaf of bread to feed to twelve children, they are all after it. If you have a dozen loaves of bread there isn't that eagerness to get their portion. In other words, the intensity of the competition depends largely upon the general state of the market.

I said that a difference of $7.00 a thousand feet is not unusual. That difference exists in the selling price to the purchaser. I purchased all the maple flooring used by our company until quite recently; that is, until about March, 1923.

The correspondence with the Bigelow people was quite voluminous and I did not bring all of it. That which has been introduced in evidence would be a small percentage of it.

Redirect examination.

By Mr. Johnston:

When carload lots are sold by us, all that we can get is our commission. If we find that our prices are high and competitors are [fol. 1043] quoting less, we take the matter up with the Bigelow people and ask whether they can't let us have the flooring at less. It isn't so much what we sell the flooring at as what we can buy it at from the Bigelow people. Unless we know what we can get the flooring at from the Kneeland-Bigelow Company, we cannot tell at what price we can afford to sell it to the purchaser, and it is for that reason alone that we communicate with the Kneeland-Bigelow Company in order to find out whether they will cut their price or lower their price to us in order to meet the competition that we find here.

[fol. 1044] Deposition of W. J. Barnett, Taken, Pursuant to Stipulation, at Philadelphia, Pennsylvania, on February 2, 1923.

W. J. Barnett, being duly sworn, testified as follows:

Direct examination.

By Mr. Johnston:

I live at 1624 Lindley Avenue, Philadelphia and am connected with Watson, Malone & Sons, Philadelphia, who have been in the lumber business since 1854. We handle long leaf pine, short leaf pine, maple flooring, building lumber generally, yellow pine flooring, etc. I do most of the buying for our firm and have been for about seven years. I also do selling. Our Company handles from 800,000 to a million feet of maple flooring a year. We sell to building contractors in and around Philadelphia. In the sale of flooring and other lumber products, we meet the competition of approximately ten dealers here in Philadelphia. We carry flooring in stock and on large orders we buy from the manufacturer and make deliveries through him.

In selling flooring, my experience has been that when a contractor is in the market he will send out an inquiry to about six different dealers, and if we get such an inquiry we send out an inquiry to three or four manufacturers in the west and some wholesalers here who are representing flooring manufacturers. There is considerable variation in the prices quoted by us and our competitors. There is active competition in the Philadelphia market and has been ever since I have been familiar with the sale of flooring. That competition is represented by substantial variations in the prices quoted, both [fol. 1045] to the dealers here in Philadelphia by the manufacturers or their representatives and in the prices which our Company and their competitors quote to the contractors. I should say that in the

better grades of flooring, like Clear, the variation would be $2.00 to $5.00 a thousand feet. The cheaper grades of flooring do not vary so much.

The variation in prices depends upon general conditions. When we have a large contract in prospect we send out inquiries. Most of them are sent to the Strable Lumber & Salt Company at Saginaw, Michigan and W. D. Young & Company at Bay City. We also use the telephone to a couple of wholesalers here such as Sam E. Barr of New York City, who has a branch office in Philadelphia, and the Lawton Flooring & Shingle Company of Philadelphia.

When we buy flooring from Mr. Lawton, we don't know from what mill the flooring is coming. I think he did represent the West Michigan Flooring Company. On one or two occasions we have made inquiries of Mr. Lippincott. He is a wholesaler or representative of wholesalers. We have also had correspondence with Charles Horn of Chicago and have bought some flooring from him, but not much. We have also had correspondence with John Little of Philadelphia and I think during the last year we bought some flooring from Kerry & Hansen Flooring Company. We have also sent inquiries to William Horner, or the Grand Rapids Trust Company as Receiver for William Horner.

The persons and firms above mentioned are those to whom we usually send inquiries. When we inquire of persons located here in [fol. 1046] Philadelphia, we get quotations by telephone. A record is made of these quotations, sometimes they are confirmed later and sometimes not.

In asking for quotations by phone, we have a copy of the inquiry sheets of the contractor before us and when prices are quoted, or when we get prices by mail or wire, we will list the prices on the inquiry sheet. Should we close the business, we place the order with the lowest competitor and then that sheet is filed away under the contractor's name.

At your request I have gone through our files for the last two years and have assembled inquiries and the quotations that we have received on various lots of maple flooring. I have also tabulated the various quotations that we received. I went right through the inquiries and assembled all of them. I may have missed some. I endeavored to get every one and also every file that we had any record of. The tabulations have been correctly set down.

On January 25, 1922 we sent an inquiry to the Strable Lumber & Salt Company, to W. D. Young & Company and William Horner. We asked for prices on 1¼ x 2¼" face Factory Maple flooring, and in response thereto we received the following quotations:

Strable Lumber & Salt Co.	$36.50	per M
W. D. Young & Co.	36.50	" "
William Horner	27.00	" "

On January 27, 1922 we sent an inquiry to the Strable Lumber & Salt Co. and William Horner for quotations on 1¼ x 2¼" face No. 1 maple flooring and 1¼ x 2¼" face Factory maple flooring. We

did not send an inquiry on that date to W. D. Young & Company. It may be that we knew Young's condition at that time and did not [fol. 1047] want to send an inquiry to him. The quotations that we received on the 1¼ x 2¼" face No. 1 maple flooring were as follows:

Strable Lumber & Salt Co.	$81.50
William Horner	75.00

The quotations that we received on the 1¼ x 2¼" face Factory maple flooring were as follows:

Strable Lumber & Salt Co.	$36.50
William Horner	27.00

All prices that have heretofore been given were per thousand feet f. o. b. cars Philadelphia.

On April 22, 1922 we sent an inquiry to the Strable Lumber & Salt Co., W. D. Young & Co. and William Horner for prices on 13/16 x 2¼" face No. 1 maple flooring and received the following quotations:

Strable Lumber & Salt Co.	$75.50
W. D. Young & Co.	76.50
William Horner	76.50

On April 27, 1922 we sent an inquiry to Strable, Young & Horner for quotations on 13/16 x 2" face Clear, No. 1 and Factory maple flooring. On the Clear we received the following quotations:

Strable	$92.50
Young	93.50
Horner	91.50

On the No. 1 we received the following quotations:

Strable	$72.50
Young	73.50
Horner	69.50

On the Factory grade we received the following quotations:

Strable	$23.50
Young	29.50
Horner	28.50

[fol. 1048] On the inquiries last above mentioned, we also asked for prices on the 13/16 x 2¼" face Clear, No. 1 and Factory.

On the Clear we received the following quotations:

Strable	$95.50
Young	96.50
Horner	96.50

On the No. 1 we received the following quotations:

Strable	$75.50
Young	76.50
Horner	76.50

On the Factory grade we received the following quotations:

Strable	$25.50
Young	31.50
Horner	31.50

We also inquired for prices on 13/16 x 3¼" face Clear, No. 1 and Factory.

On the Clear we received the following quotations:

Strable	$90.50
Young	87.75
Horner	91.50

On the No. 1 we received the following quotations:

Strable	$75.50
Young	72.75
Horner	73.00

On the Factory we received the following quotations:

Strable	$27.50
Young	37.75
Horner	37.00

On the 1¼ x 2¼" face Clear, Strable quoted $96.50. Young did not quote and Horner quoted $101.50.

On the 1¼ x 2¼" face No. 1, we received the following quotations:

Strable	$81.50
Horner	86.50

Young did not quote.

[fol. 1049] On the 1¼ x 2¼" face Factory maple flooring, we received the following quotations:

Strable	$36.50
Horner	36.50

Young not quoting.

On the 1¼ x 3¼" face Clear maple flooring, we received the following quotations:

Strable	$92.75
Horner	97.00

Young not quoting.

On the 1¼ x 3¼" face No. 1 maple flooring, we received the following quotations:

Strable	$82.75
Horner	87.00

On the 1¼ x 3¼" face Factory maple flooring, we received the following quotations:

Strable	$42.75
Horner	42.00

All the foregoing quotations were given us in response to one inquiry and are all quotations that we have any record of. I may have received oral quotations from Philadelphia representatives or wholesalers, but I would not now know where to find any record of any such quotations.

On May 11, 1922 we inquired for prices on 1¼ x 3¼" No. 1 maple flooring from Strable, Young and Horner and in response thereto received the following quotations:

Strable	$77.75
Young	82.75
Horner	87.50

On May 29, 1922 we sent out an inquiry for quotations on 1 x 2¼" face No. 1 maple flooring to Strable and Young and received the following quotations:

Strable	$81.50
Young	86.50

[fol. 1050] We also inquired for prices and received quotations on 1" x 2¼" face Factory maple flooring, both Strable and Young quoting $36.50.

On June 2, 1922 we sent out inquiries to Strable, Young & Horner on 1" x 2¼" face *flooring* maple flooring and received the following quotations:

Strable	$96.50
Young	101.50
Horner	96.50

On June 7, 1922 we sent inquiriees to Strable, Young and Horner and Charles Horn of Chicago for quotations on 1¼ x 2¼" face Clear maple flooring and received the following quotations:

Strable	$102.00
Young	111.50
Charles Horn	100.00

Horner could not quote.

On June 7, 1922 we sent out an inquiry for 13/16 x 2¼" face Clear maple flooring to Strable, Young and Horner and received the following quotations:

Strable	$96.50
Young	96.50
Horner	96.00

At the same time we sent out an inquiry on 13/16 x 2¼" face No. 1 maple flooring and received the following quotations:

Strable	$86.50
Young	86.50
Horner	86.00

On September 29, 1922 we sent out an inquiry *an inquiry* and in response thereto received the following quotations:

13/16 x 2¼" face Clear maple flooring:

Strable	$100.75
Young	100.75

[fol. 1051] On 13/16 x 2¼" face No. 1 maple flooring, we received the following quotations:

Strable	$90.75
Young	90.75

On October 13, 1922 we sent out an inquiry for prices on 13/16 x 2¼" face Clear maple flooring and received the following quotations:

Strable	$100.75
Young	100.75

On November 18, 1922 we sent out an inquiry for prices on 13/16 x 2¼" Clear maple flooring and in response thereto received the following quotations:

Strable	$100.00
Charles Horn	100.50

On January 10, 1923 we sent out an inquiry for prices on 13/16 x 2¼" Clear maple flooring to W. D. Young & Co. and George E. Lippincott and received the following quotations:

Young	$100.75
George E. Lippincott	107.50

On March 29, 1923 we sent out an inquiry addressed to Strable Lumber & Salt Co., W. D. Young & Co. and Sam E. Barr, and in response thereto received the following quotations:

On 1¼ x 2¼" face Clear maple flooring:

Strable	$110.75
Young	115.75

On 1¼ x 2¼" face No. 1 maple flooring, we received the following quotations:

Strable	$105.75
Young	105.75
Sam Barr	106.00

[fol. 1052] On March 29, 1923 we also sent out another inquiry on 13/16 x 2¼" face Factory maple flooring to Strable, Lawton Flooring & Shingle Co. and Sam E. Barr and received the following quotations:

Strable	$55.75
Lawton	56.50
Barr	54.00

On March 26, 1923 we sent out an inquiry for prices 1¼ x 2¼" face No. 1 maple flooring to Strable Lumber & Salt Co. and Sam E. Barr, and in response thereto received the following quotations:

Strable	$105.75
Barr	102.57

On August 9, 1923 we sent out an inquiry to Strable and Lawton Flooring & Shingle Co. for prices on 1" x 2¼" face Factory maple flooring and received the following quotations:

Strable	$55.75
Lawton	53.00

On August 15, 1923 we sent out an inquiry to Strable and Young for prices on 1¼ x 2¼" face No. 1 maple flooring and received the following quotations:

Strable	$100.75
Young	95.75

On September 11, 1923 we sent out an inquiry for quotations on 1" x 2¼" face Factory maple flooring to Strable, Young and Barr and received the following quotations:

Strable	$53.00
Young	55.75
Barr	53.00

[fol. 1053] On October 12, 1923 we sent out an inquiry for prices on 13/16 x 2¼" face Clear maple flooring to Strable, Young and Barr and received the following quotations:

Strable	$100.00
Young	98.00
Barr	97.00

At the same time we sent out an inquiry for prices on 13/16 x 2¼" face No. 1 maple flooring and received the following quotations:

Strable	$90.00
Young	88.00
Barr	87.00

At the same time we sent out an inquiry for prices on 13/16 x 2¼" Factory maple flooring and received the following quotations:

Strable	$53.00
Young	50.75
Barr	50.00

At the same time we sent out an inquiry for prices on 1¼ x 2¼" face No. 1 maple flooring and received the following quotations:

Strable	$93.00
Young	98.00

Barr not quoting.

At the same time we sent out an inquiry for prices on 1¼ x 2¼" face Factory maple flooring and received the following quotations:

Strable	$53.00
Young	50.75
Barr	50.00

[fol. 1054] The quotations that I have above given were actually received by Watson, Malone & Sons. I have had occasion to observe the effect of standardization of flooring. The one big advantage to us is that we can buy from the cheapest man as long as the grades and machine work are standardized and we can carry more maple flooring in the same space because there is no danger in mixing flooring from different manufacturers. When the flooring is standardized the flooring received from different manufacturers does not have to be kept separate. Furthermore, should we take a job that would require a large amount of maple flooring, if one manufacturer could not supply flooring for the whole job, the fact that the grades are uniform and the machine work is the same would allow us to buy from several manufacturers and know that there would be no trouble at the job on account of the flooring. From the standpoint of the ultimate consumer I think that the standardization of flooring is a distinct advantage both with respect to quality and with respect to price. We have always found a variation in the prices of different manufacturers of maple flooring. There never was a time when all the prices were identically the same. The variations that appear in the quotations heretofore put in evidence are fairly representative of my experience. These variations range all the way from 50 cents a thousand to $6.00, $7.00 or $8.00 on the higher grade. When

there is no demand for maple flooring, in other words, when it is a buyer's market rather than a seller's market, there is always a great variation in price. When there is a slump in the market the manufacturer and the wholesaler go as low as possible, and when there is an active demand they see how much they can get. That is the way it strikes me. I think that the prices of maple flooring have fluctuated in accordance with the laws of supply and demand. I [fol. 1055] do not think that the situation with respect to flooring has differed in any respect whatsoever from the situation with respect to other floorings and lumber products. I should say that the fluctuation in prices of maple flooring have been greater than the fluctuation in prices of yellow pine flooring. We do not handle oak flooring. I have paid from $36.50 for Factory maple flooring in October to as high as $55.75 and $50.75 a year later. I think the variation in prices for maple flooring is about the same as the variation in prices of yellow pine flooring. In each of the two floorings there have been considerable variations in the prices asked by different producers at the same time. I observed nothing which would distinguish the maple flooring industry in that respect from any other of the flooring industries.

Cross-examination.

By Mr. Benton:

I do not know who the members of the Maple Flooring Manufacturers Association are. I know that in some cases the manufacturers from whom we have received quotations were members of said Association. I do not know positively whether W. D. Young & Company, William Horner and Strable Lumber & Salt Company or any of them are members of said Association. There is practically no beech or birch flooring used in Philadelphia. All my statements with respect to competition, etc., applied only to maple flooring. I should say that in the last two or three years the variation in prices quoted by different manufacturers has been from 50 cents to $5.00 per thousand. The reason why we did not send out more inquiries than we did is that we know the product of those manufacturers better than we do the others. We have been using their [fol. 1056] product for a long time and we send out inquiries to them because they have always been fair to us and treated us fine. Another reason why we did not send out more inquiries is that some other manufacturers have agents here. We went right through our files for 1922 and 1923 and tried to get all inquiries and quotations that related to maple flooring. I could not say how the variations of the quotations during 1922 and 1923 would compare with the variations during 1920 and 1921. I could not answer that question without going over my files for 1920 and 1921.

Redirect examination.

By Mr. Johnston:

The only reason that I selected the quotations for 1922 and 1923 was because I did not have any more time to make the search for preceding years. I could not tell the variation during 1921 and 1920 in dollars and cents, but I do know that there were variations. There have always been variations in the prices quoted for maple flooring by different manufacturers.

[fol. 1057] DEPOSITION OF GEORGE E. LIPPINCOTT, TAKEN, PURSUANT TO STIPULATION, AT PHILADELPHIA, PENNSYLVANIA, ON NOVEMRER 2D, 1923

GEORGE E. LIPPINCOTT, being duly sworn, testified as follows:

Direct examination.

By Mr. Johnston:

I live at Germantown, Philadelphia. I am engaged in the wholesale lumber business. I have been engaged in business in Philadelphia for 20 years. Before that I was president of the William M. Lloyd Company. We always specialized in maple flooring, but not exclusively. We sold white pine, spruce, hemlock, yellow pine. We sold yellow pine flooring in addition to maple flooring. Last year I bought and sold over a million feet of maple flooring. That is representative of a year's business. I sell about that much every year. I sold it to retail yards in Philadelphia. I get flooring that I sell from William Horner. Before June 1st, 1923, William Horner had plants located at Reed City and Newberry, Michigan. On June 1st, 1923, the Grand Rapids Trust Company as Receiver of William Horner sold the Newberry plant to the Indiana Flooring Company. I purchase outright the flooring I get from Horner and get a commission of $2.00 a thousand on all that I buy. That is the usual and customary commission paid to wholesalers. Since I have been representing Horner I also sell to other wholesalers in Philadelphia and allow them a commission. I have been selling William Horner's flooring for a good while in Philadelphia, since some time prior to the war. My father always handled William Horner's flooring and years ago represented Mitchell Brothers. I have always been in [fol. 1058] quite close touch with the prices of maple flooring. The persons to whom I have tried to sell flooring have often told me the prices that were quoted by my competitors. We also have received price lists and other data from other manufacturers. In the sale of maple flooring in the Philadelphia market I have always met competition from manufacturers other than those I represented or the representatives of other manufacturers. I should say that the competition was very active and intense, possibly more so than any

other line of lumber. That competition has manifested itself by variation in prices quoted. Those variations have been quite substantial. I cannot give you exactly the range in years past, but I can give you the range on a particular item today, which is indicative of what the range has always been. The prices being quoted on 13/16 x 2¼ inch face factory maple flooring today range from $50.00 to $61.00. There has not always been such a wide spread, but at various times there has been. I have never known a time when for any period the prices of flooring were uniform for the same grade and quality of flooring. I have never known a time when in the maple flooring trade in Philadelphia there was a lack of competition between the manufacturers of maple flooring. In my experience competition has always been very keen in maple flooring. There always have been quotations for the same grade and quality of flooring which varied substantially. My opinion as to the prices asked by other manufacturers of maple flooring is derived from quotations I have seen in the hands of retail dealers whom I have endeavored to sell and from price lists sent me by manufacturers. There are also other wholesalers in Philadelphia with whom I come in contact and I receive quotations from them. In times past I have come in competition with these other wholesalers and at other [fol. 1059] times I have sold them flooring. Sometimes my prices have been higher than others and sometimes theirs have been higher.

"Q. What has been your practice since you have been representing William Horner in cases where you have a prospect for the sale of a quantity of maple flooring and the last quotation furnished you by William Horner, either on his published price lists or direct quotation, is higher than the price which is being offered by your competitors?

A. I have wired Horner, asking him if he will meet the price that I will have to sell it at to get business.

Q. What would Horner reply to such wires?

A. It would depend largely whether Horner was long, that is, had a large quantity on hand of the article inquired for. Often if that was the situation, without my wiring him, he would ask me, either by letter or wire, what price it would take to move the item he was long on.

Q. By "long," you mean he had a considerable supply in his factory of that given grade and quality of flooring?

A. In his warehouse unsold, yes.

Q. Have you found from your experience in the maple flooring market that the condition of the supply and demand of the product has been the material factor in determining the price?

A. Very much so, particularly if a mill is long on a certain item.

Q. When they are long on that item, or certain items, what do you find to be the tendency then?

A. They make a price on it which they think will move it.

[fol. 1060] Q. Cutting below the price——

A. Which they have previously quoted, yes.

Q. Has Mr. Horner sometimes given you discretion to sell the product?

A. I have felt that I have always had in my dealings with William Horner more or less discretion as to price. I have not abused that, what I might call privilege, because I use judgment in noting what he was long on and what he was short on in the various stock lists which he supplies me with every Monday.

Q. By stock lists you mean lists showing the stock of lumber of the various qualities and sizes of maple flooring which he had on hand?

A. Yes.

Q. You have done that in cases where your judgment dictated that that was the best thing to do in order to meet competition?

A. I have done it always, yes. Possibly my connection in that respect was more or less unique because of the discretion which Horner vested in me to do that. I have always felt that it *it* was necessary, without taking it up with him I could cut the price at least fifty cents per thousand feet.

Q. You have very frequently found it was necessary to cut the price, sometimes quite substantially, in order to meet competition with other mills, have you not?

A. Yes.

Q. Who are your principal competitors? I mean by that the flooring mills that are your principal competitors in this field.

[fol. 1061] A. Ward Brothers.

Q. Where are they located?

A. I think Luddington, Michigan.

Q. They are not members of the Maple Flooring Manufacturers Association?

A. I believe they are not.

Q. Who else?

A. Kneeland-Bigelow, through their representatives. I think they changed their name; the West Michigan Flooring Company, through their representatives; Cobbs & Mitchell, and W. D. Young and Company.

Q. Do you recall any others?

A. Those are the most prominent ones. You always run across others, as I do not think there is a single mill that does not try to get maple flooring business in Philadelphia. It is known as a maple flooring market.

Q. There is a very large market here for maple flooring?

A. Yes.

Q. And it has been your experience that practically all of the manufacturers of maple flooring try to sell in this market?

A. Yes.

Q. Does the Strable Company sell here?

A. Yes. I have to compete with them here.

Q. How about Nichols and Cox Lumber Company?

A. I have to compete with them here, not as much so as some others, because Nichols and Cox are usually high in price.

Q. Somewhat higher than the average?

A. Yes.

[fol. 1062] Q. In meeting that competition in the Philadelphia

field, and competition from others from time to time, you have found it frequently necessary to lower the prices which you are asking?

A. Yes, I have.

Q. Bringing it down below or to the level of the competitor who had the lowest price?

A. Yes.

Q. And have you found in the prices which your competitors were asking for the same quality and grade of maple flooring, a variation among those competitors in their prices?

A. Yes.

Q. That condition has existed all the time you have been in the maple flooring business, has it not?

A. Yes.

Q. And there has been no period of time when the situation was substantially different from that?

A. No.

Q. I mean by that there has been no time when there has been an absence of competition and there has been a uniformity of price?

A. No, there never has been a time, because not only are the Michigan mills endeavoring to sell here, but also maple flooring mills in West Virginia.

Q. Do you have in Philadelphia quite active competition with the West Virginia maple?

A. Very.

Q. And a considerable quantity of West Virginia maple flooring [fol. 1063] is sold in this territory, is is not?

A. I wouldn't say a considerable quantity, because there are not many mills in West Virginia, but they usually are cheaper than the average run of the different mills in Michigan. Their product is considered inferior.

Q. But they do compete with you on these various jobs?

A. Yes.

Q. I will hand you this file containing several letters from William Horner, addressed to you, and ask you whether or not those letters were received by you in the regular course of your business?

A. These letters were all addressed to me by William Horner and were received by me.

Mr. Johnston: I desire to offer in evidence and read into the record a portion of these letters, that portion which refers to the question of price, with leave to the government to include any of the balance, if they so desire.

The first letter is dated July 1st, 1922, addressed to George E. Lippincott, by the Grand Rapids Trust Company as receiver of William Horner."

Said letter reads as follows:

'We have your favor of the 29th, and note the price W. D. Young charged Gillingham for 2-1.4" clear.

We certainly appreciate having this information and do not doubt that it is an absolute case. We know some of the mills have

not as yet come up on their prices on these items but they are coming to it and 50% of them are as high as we are and some of them higher.

Please let this drift along a little while longer and see what the [fol. 1064] others do. We do not want to put our prices above the current market and if the new list will not stand we will have to make them lower. We do not believe there will be any necessity of doing so, however, and wish you would keep us advised.'

Mr. Johnston: The next letter is dated January 25th, 1922, quoting from the second paragraph:

'We also note what you say regarding the prices for Reading. Now, these figures seem pretty low but we have wired you to meet them if necessary as, of course, we do not want to turn down any business. We think, however, you have transposed the prices of the 2-1.4" and 2" clear and, in fact, our acceptance of these prices is based on the 2" at $90.00 and 2¼" at $95.00, instead of as you have them in your letter.'

Mr. Johnston: The next letter is dated July 10th, 1922, quoting as follows, from the Grand Rapids Trust Company, Receiver of William Horner, to George E. Lippincott:

'We would appreciate it very much if you would let us have advice from you as to how you find our last list.

The writer knew when he sent this out it was fairly high but we were pretty well stocked up with orders and did not care to quote very low and take on too much business, at the present time. In view of the circumstances under which we are working, it is absolutely necessary that we get the best prices possible for the flooring we put out.'

Mr. Johnston: The last letter from the Grand Rapids Trust Company as Receiver for William Horner, to George E. Lippincott, dated August 28th, 1922:

'If we were getting a price that would come anywhere near letting us out, it would be a different proposition, but we are losing money at the present prices on every foot of factory * * *'

By Mr. Johnston:

Q. By "factory" I assume he means factory flooring?
A. That is a grade, yes.
Mr. Johnston reading):

'* * * shipped and, as you can readily see, we are not getting much more than the cost of the rough material for this stock, at the present time. The writer would surely be in a bunch of trouble if he made any allowance in a proposition of this kind and we feel that Mr. Crowell is absolutely mistaken in asking for one.'

The Witness: That is a matter of asking for an allowance on grade. There were too many short length."

[fol. 1065] These letters that have been read in evidence are typical of my method of doing business with William Horner with respect to modifying prices from time to meet competition. They always express the relationship that existed between us during all the time. William Horner was at all times seeking to keep his prices in line with the market and, where the cost would permit, to cut his prices to a point that would permit me to take the business in competition with other manufacturers.

By standardization I understand a standardization of grade, length and size, which are the principal items in selling maple flooring. Standardization has been a great benefit so far as grade, thickness and width are concerned and the reinspection service. In dealing with mills that are members of the Maple Flooring Manufacturers Association we always have the privilege of an official inspection of the grade or reinspection at destination if there is a complaint, which is done by official graders of the Maple Flooring Manufacturers Association. This you do not have if you deal with mills that are not members of the Association. Of course, there are practically only three grades in maple flooring, but to inspect maple flooring it means opening and untying all the bundles, and quite a nuisance to a retail yard, whereas, if you sell and the retail yard knows he is buying lumber from a mill that is a member of the Association, he knows that it has been graded on official rules of inspection which are typewritten and are available to him.

"Q. In your opinion, is the standardization then, as you have described it, a benefit to the consumer of maple flooring?

[fol. 1066] A. A great benefit. I have seen especially this benefit in shipments which have been made from southern mills who were not members of the Association, in which either the grade or length was not up to the rules of the Maple Flooring Manufacturers Association.

Q. And have you found from your experience that the standardization of this product has any effect of eliminating competition or preventing a variation in price?

A. None whatever.

Q. So that the standardization of product is in your judgment beneficial to all concerned?

A. Yes, a great asset to the trade in general.

Q. And the consumer as well?

A. Yes.

Q. And the reinspection service that you referred to, is that a beneficial thing to the retail yard purchasing the lumber?

A. It is very beneficial to the retail yard and to all concerned, as it assures a fair treatment by all concerned."

I stated that I also handled yellow pine flooring. The variation in prices asked by different manufacturers of maple flooring is every bit as great as the variation in prices asked for yellow pine flooring. I would almost be tempted to say that the variation in prices of maple flooring is greater because there is more yellow pine floor-

ing used and manufacturers are not long on as many items as are the manufacturers of maple flooring. It is my experience that whether a manufacturer is long or short of different sizes is a big factor in the determination of price. Supply and demand, in other words, largely determine the price. From time to time I receive [fol. 1067] price lists from other manufacturers of maple flooring. I have taken from my files a number of price lists of the Nichols & Cox Lumber Company of Grand Rapids, Michigan. Some were mailed to me upon request and others were sent me at my solicitation. All of them were received by me in the ordinary course of business. The Nichols & Cox prices are f. o. b. mill. I know the freight rate on the various grades and sizes of maple flooring from Grand Rapids, Michigan, to Philadelphia. Nichols & Cox usually state what the freight rate is in their letter. On many of the lists I have added the amount of freight in pencil. One of those price lists is the third sheet attached to the Defendants' Philadelphia Exhibit 1 for identification. I received that list and it has my handwriting on it. The amount of freight from Grand Rapids, Michigan, to Philadelphia, on 13/16 x 2 ¼ inch face maple flooring is $8.50 per thousand, and to the prices named in the Nichols & Cox Lumber Company price list it would be necessary to add $8.50 to the prices contained in Nichols & Cox Lumber Company list of April 25th, 1922. Nichols & Cox prices on 13/16 by 1½ inch maple flooring for the following grades would be as follows:

Clear	$93.50
No. 1	66.50
Factory	23.50

By adding the freight to the prices contained in the Nichols & Cox Lumber Company's price lists, said prices may be properly compared with the prices of the other manufacturers, all of whom quote prices f. o. b. cars Philadelphia. All the prices would be subject to a commission, but the prices quoted by the different manufacturers, including the prices of Nichols & Cox Lumber Company if freight be added thereto, would be the prices which would be quoted by me [fol. 1068] as a wholesaler to the trade. I received the letter dated April 1st, 1922, from the Grand Rapids Trust Company as Receiver for William Horner in the ordinary course of business. Said letter is addressed to me, the first paragraph of same reading as follows:

"We have your message of the 20th, and in reply have wired you as follows, f. o. b. Philadelphia, on 13/16 by 1½" maple flooring. Clear $84.50, No. 1, $60.00; Factory $23.50."

The prices mentioned in said letter from the Grand Rapids Trust Company as Receiver were for a thousand feet f. o. b. cars Philadelphia. For purposes of comparison I read from the price list of Bigelow-Cooper Company dated April 10th, 1922, on 13/16 by 1½ inch face maple flooring on the following grades, as follows:

Clear	$88.50
No. 1	66.50
Factory	23.50

(Said Defendants' Philadelphia Exhibit 1 for identification, consisting of three sheets, marked Defendants' Philadelphia Exhibit No. 1, and received in evidence.)

Defendants' Philadelphia Exhibit No. 2 for identification includes as the second sheet thereof a price list of Nichols & Cox Lumber Company, which was taken from my files and was received by me in the same way as the other price lists about which I have testified. To the prices on said list I have added the freight in order to ascertain the f. o. b. Philadelphia price. The prices mentioned are also subject to a $2.00 commission, but that has not been taken out, just as the prices named by the West Michigan Flooring Company are subject to a $2.00 commission.

Defendants' Exhibit 3 for identification contains a second sheet headed "Special Stock and Price List" from the Nichols & Cox [fol. 1069] Lumber Company. That sheet was also taken from my files and was received by me in the ordinary course of business, and the notations on said sheet show the f. o. b. cars Philadelphia prices.

Defendants' Exhibit No. 5 for identification is a letter addressed to me by the Kerry & Hanson Flooring Company under date of October 10th, 1922. That latter was received by me in the regular course of mail. The first three paragraphs of that letter read as follows:

"Answering your letter of October 6th, at the present time we are unable to quote 13/16 by 2¼" clear, #1 or Factory Maple flooring, due to our being sold ahead 60 to 90 days, at least.

We can quote for prompt shipment:

1 car	13/16 x 1½"	Clear	Maple	Flg.	at	.....	$87.50	per	M.
1 "	"	#1	"	"	"	.....	77.50	"	"
1 or more cars—	13/16 x 3¼"	Clear	"	"	"	.....	88.50	"	"
"	"	#1	"	"	"	.....	78.50	"	"

These prices are f. o. b. cars Philadelphia, include $2.00 per M commission to you, in addition to cash discount to customer of 2%–15, 1%–30, net 60 days, from date of invoice, after deducting the freight, which is net."

"Q. Will you compare those respective prices contained in that quotation with the prices of the same grade and size of maple flooring as shown in the Bigelow quotation and Bigelow price lists which has been heretofore identified by Mr. Pfisterer as having been received by Lloyd and Company?

The Witness: The list of the Bigelow-Cooper Company dated October 10th, 1922, is, on the item of 13/16 by 1½" Maple Floor-

ing, $92.75 for clear, as compared with Kerry & Hanson's price of October 10th of $87.50 per thousand.

The price of Bigelow-Cooper on No. 1, same size, is $80.75, as compared to $77.50 of Kerry and Hanson.

[fol. 1070] The price of Bigelow-Cooper on 13/16 by 3¼ clear is $88.75 as compared with Kerry and Hanson's price of October 10th of $88.50.

The price of Bigelow-Cooper on 13/16 by 3 ¼" No. 1 is $78.75 as compared with the price of Kerry and Hanson of October 10th of $78.50.

Both lists show delivered Philadelphia rate."

(The two documents comprising Defendants' Philadelphia Exhibit 5 for identification were received in evidence as Defendants' Philadelphia Exhibit No. 5.)

The second sheet of Defendants' Exhibit 6 for identification is a price list of Nichols & Cox Lumber Company, dated January 10th, 1923, and is one of the lists which I received. The pencil notation after the typewritten figures show the delivered f. o. b. Philadelphia price.

Defendants' Exhibit 8 for identification is a letter dated March 22, 1923, addressed to me by the Kneeland-Bigelow Company. I received said letter in the regular course of mail. The second sheet of said exhibit is a letter addressed to me by the Nichols & Cox Lumber Company, Grand Rapids, Michigan, under date of March 22d, 1923. Both lists were received by me in the regular course of mail. In said letter Nichols & Cox say that their price of $92.75 on 13/16 by inch and a half face Clear beech flooring is $10.00 less than their price for the same size and grade of maple flooring. That would make their price on maple flooring $102.75. The price on maple flooring of the same grade and size quoted me by the Kneeland-Bigelow Company on March 22d, 1923, was $97.75.

(The two letters last above mentioned were received in evidence as Defendants' Philadelphia Exhibit No. 8)

[fol. 1071] "Q. Defendant's Exhibit No. 9 appears to be a letter written by you to the Lawton Flooring and Shingle Company, together with a price list attached thereto, showing prices of the Indiana Flooring Company on various sizes and grades of maple flooring. Was that letter sent by you to the Lawton Flooring and Shingle Company?

A. Yes.

Q. On or about the date which it bears?

A. Yes.

Q. July 3rd, 1923?

A. Yes.

Q. Is the list attached to that letter a list of the quoted prices as of June 26th, 1923 of the Indiana Flooring Company?

A. This list is William Horner's.

Q. As of June 26th, 1923.

A. Yes.

Q. There is attached to this same exhibit a price list of the Kneeland-Bigelow Company under date of June 25th, 1923, which has heretofore been identified by Mr. Pfisterer. Will you kindly read into the record the comparison of prices on maple flooring in so far as the two lists pertain to two same grades and sizes of flooring, comparing each size and grade separately, if you will.

A. My price list, which I sent to Mr. Lawton, represents the price of the Grand Rapids Trust Company, receiver for William Horner.

Q. Those are F. O. B. Philadelphia prices?

A. Yes, and the price on 13–16 by 1–1.2 clear is $106 by William Horner, as compared with $97.75 of the Kneeland-Bigelow Company.

On 13–16 by 1–1.2" No. 1, the price of William Horner is $93 and the price of Kneeland-Bigelow Company is $85.75.

The price of William Horner on 13–16 by 1–1.2" factory is $44, as compared with Kneeland-Bigelow's price of $47.75.

By Mr. Benton:

Q. Are those quotations dated the same day?

[fol. 1072] A. The date of my quotation is June 26th, 1923.

The price of William Horner on 13-16 by 2" is $106 for clear as compared with Kneeland-Bigelow Company's price of $105.75.

Horner's price on the same size, No. 1, is $96 as compared with Kneeland-Bigelow's of $92.75.

Horner's price on the same size in factory is $55 as compared with Kneeland-Bigelow's price of $67.75.

William Horner's price on 13-16 by 2¼" clear is $113, as compared with Kneeland-Bigelow's price of $107.75.

Horner's price on the same size in No. 1 is $103 as compared with Kneeland-Bigelow's price of $97.75.

William Horner's price on the same size, on factory grade, is $58 as compared with Kneeland-Bigelow's price of $57.75.

William Horner's price on 13-16 by 3-1.4 clear is $98.75 as compared with Kneeland-Bigelow's price of $98.75.

William Horner's price on the same size, No. 1 grade, is $88.75 as compared with Kneeland-Bigelow's price of $93.75.

William Horner's price on the same size, factory grade, is $66.75, as compared with Kneeland-Bigelow's price of $63.75.

The price of William Horner on 1-1.16 by 2" clear is $108.75, as compared with Kneeland-Bigelow's price of $107.75.

William Horner's price on the same size, No. 1, is $93.75 as compared with Kneeland-Bigelow's price of $97.75.

William Horner's price on the same size and factory grade is $48.75 as compared with Kneeland-Bigelow's price of $54.75.

William Horner's price on 1-1.16 by 2-1.4 clear is $113.75 as compared with Kneeland-Bigelow's price of $112.75.

William Horner's price on the same size, No. 1 grade, is $108.75 as compared to Kneeland-Bigelow's price of $102.75.

William Horner's price on the same size, factory grade, is $58.75 as compared with Kneeland-Bigelow's price of $57.75.

[fol. 1073] William Horner's price on 1-1.16 by 3-1.4 clear, is $105 as compared with Kneeland-Bigelow's price of $103.75.

William Horner's price on the same size, No. 1 is $98.75 as compared with Kneeland-Bigelow's price of $98.75.

William Horner's price on the same size, factory grade, is $68.75 as compared with Kneeland-Bigelow's price of $57.25. Both lists are delivered Philadelphia rate.

Q. Both lists are the same so far as any deductions or commission is concerned, commission not being deducted from these prices named, is that right?

A. That is right."

(Said letter and the two lists accompanying the same were received in evidence as Defendants' Philadelphia Exhibit No. 9.)

Cross-examination.

By Mr. Benton:

"Q. To how many manufacturers do you usually send inquiries for quotations on maple flooring in general?

A. I cannot say that I usually send to more than the Indiana Flooring Company or the Grand Rapids Trust Company, and I do not usually send to them if I already have their price, unless occasion develops where the price is too high and I ask them whether they want to meet it, but I have sent inquiries of course to I guess practically all the members of the association at different times.

Q. There is usually no purpose to be subserved by sending inquiries for quotations to others than the two or three with whom you usually do business?

A. There is a purpose, because I am not confined entirely in my purchases to William Horner nor the Indiana Flooring Company, and I have purchased from other people.

Q. The Indiana Flooring Company is not a member of the Association?

A. They are not a member, no. I have bought from other members besides William Horner.

[fol. 1074] Q. You don't know of you- own knowledge, by reason of quotations sent to you, the prices quoted by the other manufacturers? I gather that from the statement you made some time ago, that the only way in which you knew the quotations of the other manufacturers was from looking at the quotations received by your competitors and your associates. Then you do not know of you-own knowledge the quotations given by the other manufacturers?

A. I know what they have quoted me. When they quote a retailer, they do not advise me what they quote, of course.

Q. Then you do not know of your own knowledge.

You answered a question propounded a while ago by Mr. Johnson to the effect that you knew what the other prices were?

A. I do know it of my own knowledge in cases where I have seen the prices in the hands of the retailer.

Q. Not from quotations received by you?

A. No—where I have seen the signed letter.

Q. Is not Ward Brothers one of your very strongest competitors in the maple flooring industry?

A. No, I would not say they were.

Q. Isn't it one of the strongest?

A. They are on- of the competitors that I have to buck up against, yes, but I would not say they were as st-ong as Bigelow-Cooper, for instance.

Q. Have you noticed any difference in the spread of quotations on maple flooring during the years 1920, 1921 and during the year 1922?

A. You mean whether they were greater in one year, the spread, than in another?

Q. Yes, has there not been some material difference?

A. It depended entirely upon market conditions, whether the market was good.

Q. Has there been a variation?

A. Oh yes.

Q. Has there not been a difference in the variation of quotations between the years 1920 and 1921 and the year 1922?

A. I could not answer that without going back and comparing them.

[fol. 1075] DEPOSITION OF W. N. LAWTON, TAKEN, PURSUANT TO STIPULATION, AT PHILADELPHIA, PENNSYLVANIA, ON NOVEMBER 2D, 1923.

W. N. LAWTON, being duly sworn, testified as follows:

Direct examination.

By Mr. Johnston:

I live in Philadelphia and am president of the Lawton Flooring & Shingle Company. We distribute by wholesale oak and maple flooring as well as other lumber products. I have been engaged in the lumber business in one capacity or another for about 20 years. I have been handling maple flooring and lumber for more than two years. I handle at least a million feet of maple flooring a year. Until September 8th of this year we confined our sales exclusively to lumber yards and planing mills. Since that time we sell both at wholesale and retail. As president of the Company I look after purchases and sales and am now and have been for the past two years familiar with the maple flooring market. We have the exclusive sales agency for the West Michigan Flooring Company of Manistee, Michigan, for a given territory. We purchase the flooring outright from that company, if we are selling it direct to others, and are allowed a certain commission. Some of the flooring that we purchase is put in our warehouse and some is shipped direct to others

by the West Michigan Flooring Company. During the time that I have been engaged in the handling of maple flooring I found that competition in the sale of said flooring in Philadelphia is very keen and intense. The variation in prices quoted by the different persons selling maple flooring in competition with our Company ranges from $1.00 to $5.00 per thousand. There has at all times been a variation [fol. 1076] in the prices which the different manufacturers are quoting for the same grade, quality and size of maple flooring. I know of such variation because of the flooring that has been offered to us by the different manufacturers and by coming in competition with others in quoting to prospective customers. We receive price lists from some manufacturers other than the Michigan Flooring Company. We compare such price lists with the prices quoted us by the West Michigan Flooring Company.

"Q. Has there ever been a time since you have been engaged in the purchase and sale of flooring, when there has been a practical uniformity in the price charged by manufacturers for their various grades and qualities of flooring?

A. Not to my knowledge.

Q. If such a condition had existed, would you have known about it in your activity in the trade?

A. I think I would.

Q. You are in touch with the maple flooring market practically every day?

A. Yes.

Q. And have been ever since you have been in it?

A. Yes.

Q. And are very active in pushing that product?

A. Very much so in this market, yes, sir.

Q. You also handle oak flooring, believe?

A. Yes.

Q. Is there as great a spread between the prices asked by the manufacturers of maple flooring for a given grade or quality of maple flooring as there is between the prices asked by oak flooring manufacturers for their different grades of work?

Mr. Benton: That is objected to in that it is based on the present conditions and is therefore not material or relevant to the issues.

[fol. 1077] The Witness: Yes, sir.

By Mr. Johnston:

Q. Has the difference or spread between the prices asked by maple flooring manufacturers for a given size and quality of maple flooring been as great during your familiarity with the maple flooring business as the spread between the prices of oak flooring asked by the various oak flooring manufacturers?

A. Yes."

In addition to the regular price lists received from time to time from the West Michigan Flooring Company, we also received special quotations from time to time, and also modifications of previous

price lists. In meeting competition of other manufacturers it has been necessary for us from time to time to ask the West Michigan Flooring Company to reduce the prices contained in their current price lists. In some cases the West Michigan Flooring Company were in position to meet competition; in other cases on account of labor conditions, cost of manufacture, cost of rought lumber, they they were not in position to meet competition and the business would be procured by some other manufacturer who quoted a lower price. According to my observation, the prices of maple flooring have been determined by supply and demand. If a manufacturer is loaded up with a different grade or size, he cuts the prices and moves it. On the other hand, if he is oversold or has a small stock the prices are firm. The situation in the maple flooring industry is no different than the situation in other lumber lines.

I have had occasion to observe the effect of the standardization of maple flooring. The standardization as to workmanship permits the use of stock from several mills on one job. In this way the [fol. 1078] average purchaser has a wider field of selection. Standardization also results in greater competition among manufacturers. I have never had any occasion to ask for reinspection of flooring purchased by me. The letters and telegrams you show me were either sent to or received by me from the West Michigan Flooring Company in the ordinary course of business.

"Mr. Johnston: I now offer in evidence and ask to read into the record portions of the following letters and telegrams passing between the West Michigan Flooring Company and the Lawton Flooring and Shingle Company as bearing upon this question of competition and efforts of the manufacturers to meet competitive prices. All of this correspondence took place in the year 1923, beginning January 16th.

Mr. Johnston: The first document is a wire from the Lawton Flooring and Shingle Company to the West Michigan Flooring Company dated January 16th, 1923, reading as follows:

'Wire immediately best price subject to regular commission on four cars thirteen sixteenths by two and quarter Number One Maple delivered Philadelphia stating when you can ship. Competition keen unable to land this order at list price.'

Mr. Johnston: The next document is a confirmation of telegram received from the West Michigan Flooring Company addressed to the Lawton Flooring and Shingle Company under date of June 4th, 1923, reading as follows:

'If necessary to meet legitimate competition will authorize five dollars reduction number one and clear two and a quarter inch.'

Mr. Johnston: The next is a letter of the West Michigan Flooring Company to the Lawton Flooring and Shingle Company under date [fol. 1079] of July 10th, 1923. I will read two paragraphs.

'As for the 2¼" face clear and No. 1, we, of course, want to keep you lined up where you can meet legitimate competition and we are going to leave this largely to your good judgment as to whether a concession of $5.00 per M from our list No. 66 should be made on these two items.'

'Sales of course have slowed up to a considerable extent, however, June and July are usually regarded as a dull period in the flooring business so far as sales are concerned. We are in hopes that there will be no material break in the market as a result because manufacturing costs and the prices at which the rough lumber is being held do not warrant lower prices on flooring. The old law of supply and demand, however, will govern this condition to some extent, we presume.'

Mr. Johnston: The next is a letter from the Lawton Flooring and Shingle Company to the West Michigan Flooring Company dated July 2nd, 1923, reading as follows:

'For your information the following prices are being quoted on maple flooring here by the Indiana Oak Flooring Company.
13-16 by 2-1.4" fc. Factory Maple Flg. at $57.50 per M'.
13-16 by 2-1.4" fc. #1 Maple Flg. at $97.50 per M'.
13-16 x 2-1.4" fc. Clear Maple Flg. 107.50 per M'.
Are you going to be in position to meet competition of this kind?'

Mr. Johnston: The last letter is one of July 21st, 1923, from the West Michigan Flooring Company to the Lawton Flooring and Shingle Company, the first two paragraphs of which read as follows:

'We have decided to revise our prices on the "Acme" Brand Maple Flooring to a little lower level than those quoted in our List No. 66, believing conditions as they exist today necessitate this move.
'We are accordingly enclosing herewith copy of our revised price list our No. 67, the basis upon which we trust you will be in line to meet legitimate competition with the "Acme" Brand Flooring.'"
[fol. 1080] Those letters are typical of the correspondence that has passed between me and the West Michigan Flooring Company since I have been selling their flooring in this territory. I have from time to time received price lists from the West Michigan Flooring Company. Most manufacturers of maple flooring send out their price and stock lists from time to time. I have received stock and price lists from others and have given you a considerable number of them taken from my files. The first price list attached to Defendants' Exhibit No. 2 for identification is one of the price lists which I received in the regular course of business from the West Michigan Flooring Company, and is their price list of July 21st, 1922. The prices on that list were quoted by me to the trade generally and I as a wholesaler was entitled to $2.00 commission. The prices stated on said lists are the prices which were quoted by me to the trade without the deduction of the commission. The prices were f. o. b. cars Philadelphia.

"Q. Will you kindly compare and read into the record for that purpose the prices quoted by the West Michigan Flooring Company—which, by the way, are f. o. b. Philadelphia?

A. Yes.

Q. With the prices quoted for, in each instance, the same product by Nichols and Cox Lumber Company. f. o. b. Philadelphia. It has been testified by Mr. Lippincott that the pencil prices represent the f. o. b. Philadelphia prices on this second list. If you will kindly compare those two for us in the record so that we will have it in readable form?

A. Price list No. 60, dated 7-21-22, West Michigan Flooring Company's list, located at Manistee, Michigan. The following [fol.1081] prices are f. o. b. car, freight allowed, Philadelphia:

13-16 by 1-1.2" face clear maple flooring, $92.75;

Nichols & Cox list, Grand Rapids, Michigan, 13/16, July 28th, 1922, list No. 105, 13/16 by 1-1.2" face clear, $93.50.

West Michigan Flooring Company price, 13/16 by 1-1.2" face No. 1, $77.75.

Nichols & Cox price, $83.50.

West Michigan price, 13/16 by 1-1.2" face factory, $27.75;

Nichols & Cox, $33.50.

The items of 13-16 by 2" face, West Michigan price, clear, $92.75;

Nichols & Cox, $100.50.

13-16 by 2" face, West Michigan, No. 1, $82.75;

Nichols & Cox, $90.50.

13-16 by 2" face, factory, West Michigan price, $35.75;

Nichols & Cox price, $41.50.

13-16 by 2-1.4" face, clear, West Michigan price, $102.75.

Nichols & Cox price, $103.50.

13-16 by 2-1.4" No. 1, West Michigan, $92.75;

Nichols & Cox, $93.50.

13-16 x 2-1.4 factory, West Michigan, $42.75;

Nichols & Cox, $43.50.

13-16 x 3-1.4" face, West Michigan, clear, $87.75;

Nichols and Cox, $104.50.

13-16 x 3¼" face, West Michigan, $77.75;

Nichols & Cox, $89.50.

3-8 by 1-1.2" West Michigan, clear, $69.

Nichols & Cox, $69.25.

3-8 by 2" clear, West Michigan stock, $69.

Nichols & Cox, $69.25."

[fol. 1082] (Said defendants' Philadelphia Exhibit 2 for identification was received in evidence as Philadelphia Exhibit No. 2.)

Another of the price lists of the West Michigan Flooring Company is dated July 13th, 1922, and it was taken from my files by me. Said list was received in the ordinary course of business.

"Q. Will You kindly compare the prices shown on the West Michigan Flooring Company list No. 59 of July 17th, 1922, with

prices of such products as are shown on the detailed Nichols & Cox Company list of July 10th, 1922, being their list No. 104.

A. Prices shown as on list No. 59, West Michigan Flooring Company, dated July 13th, 1922:

West Michigan price on 13-16 by 1½" face clear, maple, $92.75; Price on Nichols & Cox is $88.50.

Q. That seems to be the only item on those two lists that can be compared?
A. Yes."

(Said documents were received in evidence as Defendants' Philadelphia Exhibit No. 3.) Defendants' Exhibit No. 4 for identification contains a price list of the West Michigan Flooring Company, No. 61, and is dated September 12th, 1922. That list was received by me in the ordinary course of business and was taken from my files.

"Q. Will you kindly compare that price list with the attached price list of the Kneeland-Bigelow Company which has been heretofore identified by Mr. Pfisterer of the William M. Lloyd Company, and which is dated September 1st, 1922?
A. West Michigan list No. 61, September 12th, 1922:

13-16 by 1-1.2" face clear maple, $92.75.
Bigelow brand, $92.50;
[fol. 1083] 13-16 by 1½" No. 1 West Michigan price $82.75;
Bigelow brand, $80.50.
13-16 by 1½ face, West Michigan stock, factory grade, $32.75;
Bigelow price, $32.50.
13-16 by 2" face, clear, West Michigan price, $97.75;
Bigelow brand, $97.50.
13-16 by 2" face, No. 1, West Michigan, $87.75;
Bigelow brand, $81.50.
13-16 by 2" face, factory, West Michigan price, $37.75; Bigelow brand, $40.50.
13-16 by 2¼" face, clear, West Michigan, $102.75; Bigelow brand, $100.50.
13-16 by 2¼" face, No. 1, West Michigan, $92.75; Bigelow brand, $93.50.
13-16 by 2¼" face, Factory, West Michigan, $42.75; Bigelow brand, $43.50.
13-16 by 3¼" face, clear, West Michigan stock, $87.75;
Bigelow brand, $88.50.
13-16 by 3¼" face, No. 1, West Michigan stock, $77.75;
Bigelow brand, $78.50.
⅜ by 1½" clear, West Michigan stock $69.00.
Bigelow price, $64.
⅜ by 2" clear, West Michigan stock, $69.00.
Bigelow, $69.

By Mr. Johnston:

Q. All those prices are f. o. b. Philadelphia for both lists?
A. Yes.
Q. And are on the same basis of comparison?
A. Yes."

[fol. 1084] (Said Defendants' Phila. Exhibit No. 4 for identification was received in evidence as defendants' Philadelphia Exhibit No. 4.)

"Q. I now show you Defendants' Phila. Exhibit No. 6 for identification. Both of the price lists have been identified by other witnesses, but I will ask you for our convenience on the record to kindly read the comparison of prices as shown on those two lists into the record.

A. Nichols & Cox price list No. 108, dated January 10th, 1923; Kneeland-Bigelow price list dated January 27th, 1923.

Nichols & Cox price, 13-16 by 1½" clear, $93.50; Bigelow brand, $92.75.

13-16 by 1½" face, No. 1, Nichols & Cox, $86.50; Bigelow brand, $80.75.

13-16 by 1½" face, factory, Nichols and Cox price, $43.50; Bigelow brand, $32.75.

13-16 by 2" face, clear, Nichols & Cox, $98.50; Bigelow brand, $102.75.

13-16 by 2" face, No. 1, Nichols & Cox, $88.50; Bigelow brand, $92.75.

13-16 by 2" face, factory, Nichols & Cox, $43.50; Bigelow brand, $48.75.

13-16 by 2¼" face, clear, Nichols & Cox, $103.50; Bigelow brand, $107.75.

13-16 by 2¼" face, No. 1, Nichols and Cox, $93.50; Bigelow brand, $97.75.

13-16 by 2¼" face, factory, Nichols & Cox, $48.50; Bigelow brand, $52.75.

[fol. 1085] 13-16 by 3¼" face, clear, Nichols & Cox, $99; Bigelow brand, $88.75.

13-16 by 3¼" face, No. 1, Nichols & Cox, $89; Bigelow brand, $83.75.

13-16 by 3¼" face, factory, Nichols & Cox, $53; Bigelow brand, $54.75.

⅜ by 1½" and 2" face, clear, Nichols and Cox, $65; Bigelow brand, $64 on 1½" face and $69 on 2" face.

⅜ by 1½" and 2" face, No. 1, Nichols and Cox, $50; Bigelow brand, $49 on 1½" and 2" face."

(Defendants' Philadelphia Exhibit No. 6 for identification was received in evidence as Defendants' Philadelphia Exhibit No. 6.)

The first sheet of Defendants' Exhibit No. 7 for identification is price list No. 63 of the West Michigan Flooring Company, dated

February 1st, 1923. Said list was received by me in the ordinary course of business.

"Q. Attached to that price list is a list of the Kneeland-Bigelow under date of January 27th, 1923, three days preceding the February 1st list of the West Michigan Flooring Company, which Bigelow list has heretofore been identified by Mr. Pfisterer. Will you kindly read into the record the comparison of the prices shown on those two lists of the respective grades and sizes of maple flooring?

A. Price list No. 63 dated February 1st, 1923, West Michigan Flooring Company, Manistee, Michigan:

The price list of the Kneeland-Bigelow Company dated January 27th, 1923:

[fol. 1086] 13-16 by 1½" face, clear, maple, West Michigan price, $97.75; Bigelow brand, $92.75.

13-16 by 1½" face, No. 1, West Michigan price, $87.75; Bigelow price, $80.75.

13-16 by 1½" face, factory, West Michigan price, $32.75; Bigelow brand, $32.75.

13-16 by 2" face, clear, West Michigan price, $97.75; Bigelow price, $102.75.

13-16 by 2" face, No. 1, West Michigan price, $87.75; Bigelow price, $92.75.

13-16 by 2" face, factory, West Michigan price, $42.75; Bigelow price, $48.75.

13-16 by 2¼" face, clear, West Michigan price, $107.75; Bigelow price, $107.75.

13-16 by 2¼" face, No. 1, West Michigan price, $97.75; Bigelow price, $97.75.

13-16 by 2¼" face, Factory, West Michigan price, $47.75; Bigelow price, $52.75.

13-16 by 3¼" face, clear, West Michigan price, $87.75; Bigelow price, $88.75.

13-16 by 3¼" face, West Michigan, No. 1, price $77.75; Bigelow price, $83.75.

⅜ by 1½" face, clear, West Michigan price, $69; Bigelow price, $64.

⅜ by 2" clear, West Michigan price, $69; Bigelow price, $69."

(Said Exhibit received in evidence as Defendants' Philadelphia Exhibit No. 7 for identification.)

[fol. 1087] The variations in price appearing on the exhibits that have been introduced in evidence are typical of the variation which has existed since I have been familiar with the maple flooring industry in Philadelphia. We buy all our flooring f. o. b. cars Philadelphia in order to avoid filing claims with railroad companies for excess weights, rates, damage to material, etc. By buying delivered we also know exactly what the flooring is going to cost us f. o. b. cars our siding. Not only flooring, but all other lumber is bought on a delivered basis.

Cross-examination.

By Mr. Benton:

The West Michigan Flooring Company allows us $2.00 per thousand commission. The flooring is billed to us at the prices contained in their price lists. In making the statement that all lumber, including maple flooring is sold on a delivered basis, I referred to carload lots. We have other correspondence in our files similar to that which has been introduced and the correspondence introduced in evidence is a very small portion of what our files contain. I simply selected a letter here and there as I came across them.

[fol. 1088] DEPOSITION OF EDWARD B. GORDON, TAKEN, PURSUANT TO STIPULATION, AT CHICAGO, ILLINOIS, ON OCTOBER 20, 1923

EDWARD B. GORDON, being duly sworn, testified as follows:

Direct examination.

By Mr. Johnston:

I live at Cambridge, Massachusetts, and am on the Research Staff of the Bureau of Business Research of Harvard University. I was graduated from the University of California with the A. B. degree and I am now a candidate for the Doctor's Degree at the Harvard Graduate School of Business Administration. The Harvard Graduate School of Business Administration is limited to college graduates and to persons with five years' business experience in a junior executive capacity. Courses are given there in marketing, finance, industrial management, statistics, economics, etc. The more prominent members of the faculty of said school are Mr. Taussig, Mr. Homer V. Vanderblue, Mr. J. A. Hettinger, Mr. M. T. Copeland, Mr. Wallace B. Donham. All these gentlemen are recognized authorities in their particular fields. I have been in the Graduate School of Business Administration for practically two years and as before stated, am on the Research Staff of the Bureau of Business Research. The Bureau of Business Research has two functions. Its primary function is to collect data for teaching purposes in the Graduate School of Business Administration; the second function is to conduct investigations into the cost of doing business in particular industries. In connection with the Bureau of Business Research, I have been engaged in making investigations and in working out statistical problems and cases in industrial fields. At the beginning of this year I made an investigation for a firm of New [fol. 1089] York lawyers of the construction and building industry. I am on the editorial board of the Harvard Business Review, which is a publication primarily for business executives and contains articles dealing with problems of interest to executives in all lines of in-

dustry, including banking. The publication is sponsored by the School of Business Administration of Harvard University. Mr. Melvin T. Copeland is the Director, Mr. Richard Lennihan is the Assistant Director and Mr. Malcolm McNear is in charge of the Cost Research of the Bureau of Business Research. All of the gentlemen above named are on the faculty of the School of Business Administration. My Major studes have been in economic and business statistics. In the course of my work at the Harvard School of Business Administration it has been necessary for me to familiarize myself with economics generally as well as the subjects in which I have specialized and with statistics, cost accounting, cost findings, etc. I am familiar with the methods in use in compiling business statistics and in the preparation of tables and charts to reflect business conditions, price trends, etc.

I have made an investgation of the matter of price of maple, beech and birch flooring. The period covered by my investigation is from 1913 to 1923 as far as figures were available. I have been engaged on that study for five months. Most of the work has been done at Cambridge, Mass. Parts of it have been done in New York, Chicago and Washington, D. C. Associated with me in said work was Grant Keehn, a graduate of the Harvard School of Business Administration and at present employed in research work in the Securities Department of Goldman-Sachs & Company, New York. I have ranked first in my studies during all the time that I have been at the [fol. 1090] Harvard School of Business Administtation and Mr. Grant Keehn, who finished the course head of me, also ranked first. In the course of my studies at Harvard and in the practical work which I have done for the Bureau of Business Research I became familiar with the data upon which reports on business conditions are made; also with practically all the data in the building and construction field, that is, as to quantity of building, cost of material and labor, etc. As a part of my work I have familiarized myself with all sources of data and all the authorities upon business problems and statistics.

"Q. Now, will you tell us, Mr. Gordon, in just a word the scope of the inquiry which you have made into the price of maple, beech and birch flooring?

A. We have investigated the ability of the Association to control prices. We have made comparison with other commodities and particularly building commodity prices, building material prices, lumber prices, prices of competing floorings and an investigation of the factors of supply and demand of maple flooring, and the reaction of the prices of such flooring to those forces.

Q. Now, in considering the question of the control of the prices of maple, beech and birch flooring, is there any natural subdivision into which that subject would be divided from an economic standpoint?

A. Prices of any commodity could be controlled in four manners. They might be controlled continuously at an unreasonably low level, at an unreasonably high level or at a reasonable level, or sometimes at one of the above levels and sometimes at another.

Q. Now, taking up the first of those subdivisions as you have men-
[fol. 1091] tioned them, the control of prices at an unreasonably low level: Have you made a study of that subject in connection with the price of maple, beech and birch flooring?

A. Yes, sir.

Q. During the period of inquiry here, from 1913 up until 1923?

A. I have, yes sir.

Q. Just what have you found in connection with the study, what facts have you developed?

A. Well, the unreasonably low price level would be one that did not offer to the seller a price sufficient to cover his costs of production and allow him a reasonable profit for that particular line of enterprise.

Now, if a party were to control the price of a commodity at an unreasonably low price there would be no inducement for other supply of the commodity to be produced and sold, for the margin of profit so offered would be inadequate. That being the case no additional supply would be produced, and the party which had controlled its supply at the unreasonably low level would secure control of the potential supply. By "potential supply" I mean the additional supply which will be brought to the market at the price.

Q. Now, what did you find upon your investigation of the maple, birch and beech flooring industry in this country with respect to supply, to the supply of those in a position to produce and manufacture, and actually producing and manufacturing the product?

A. Well, had the Maple Flooring Manufacturers Association controlled the prices of maple, beech and birch flooring at an unreasonably low level, there would have been no other supply produced.

[fol. 1092] We therefore ascertained whether there was other supply produced, and I have here a list of approximately seventy producers of maple flooring who are not members of the Maple Flooring Manufacturers Association.

Q. Where did you obtain that list, Mr. Gordon?

A. This list was obtained from Mr. George W. Keehn, who secured them from his own knowledge, and from names supplied him by members of the Association.

Q. So that the correctness of that list will have to later be verified by Mr. George W. Keehn?

A. Yes, sir."

(Said list was received in evidence at the hearing upon the correctness thereof being verified by George W. Keehn, as Defendant's Gordon Exhibit 1.)

I made further investigation in order to ascertain the manufacturers of maple, beech or birch flooring in the United States. I went to Washington, D. C. and inquired at the United States Bureau of Forestry. They did not have any data other than maple lumber manufacturers. I also went to the Bureau of the Census and there saw the Chief Statistician for manufacturers, who arranged to have the census schedules for 1919 investigated in order to *such* such a list. These schedules, however, were made up in such manner

that manufacturers of maple, beech or birch flooring were not classified. I obtained a few names there, but not as many as we already had and no new names. I also went to the Bureau of Internal Revenue and the Department of Foreign and Domestic Commerce without being able to secure such a list. They did not have the manufacturers of maple, beech or birch flooring classified. I went to the Chamber of Commerce of the United States, where I was referred to [fol. 1093] two volumes in their library—namely, Hendricks' Commercial Register of the United States, published by S. E. Hendricks & Company, Inc., of New York City, and Thomas' Register of American Manufacturers. Hendricks Commercial Register of the United States is a source of names of manufacturers and has been published a good many years. It is used by the sales departments of various organizations as a means of securing the names of business concerns in particular industries. I correctly transcribed from that register the names of manufacturers of maple, beech or birch flooring whose names did not appear on the list supplied me by Mr. George W. Keehn. This is the additional list that I prepared of manufacturers of maple, beech or birch flooring who are not members of the Maple Flooring Manufacturers Association.

(Said list marked Defendants' Gordon Exhibit No. 2 and admitted in evidence.)

There are 25 manufacturers on Defendants' Gordon Exhibit 2 in addition to the names appearing on the list prepared by George W. Keehn as set forth in Defendants' Gordon Exhibit 1.

Referring to Thomas' Register of American Manufacturers, I would repeat about that publication what has been said about Hendricks' Commercial Register. From Thomas' Register of American Manufacturers I procured 8 additional names which did not appear on either of the two previous lists. I correctly transcribed said names from Thomas' Register.

(Said list of 8 additional names marked Defendants' Gordon Exhibit 3, and received in evidence.)

"Mr. Johnston:

Q. Have you finished the first subdivision into which you say the question of price control of maple, beech or birch flooring falls, [fol. 1094] namely, the unreasonably low price for a continuous period?

A. Yes, sir.

Q. Now, passing to the next subdivision, which I believe you stated was the control of prices of maple, beech or birch flooring at an unreasonably high level?

A. Yes, sir.

Q. Will you state what the factors are which enter into such control?

A. Well, the price which is unreasonably high would be one which offered to the seller a price sufficient to cover his costs of pro-

duction and allow him an unfair margin of profit for that particular line of enterprise.

If a party controlled the price of its supply at an unreasonably high level of price there would be special inducement for other supply to be produced and placed upon the market, for by so doing an adequate margin of profit would be offered to the producer of this additional supply.

If the price were maintained at the unreasonably high level this additional supply would be produced and placed upon the market. The result would be one of two things: either the price of the party attempting control at an unreasonably high level would be forced down to a reasonable level or he would lose the market to the producer of the additional supply which was offered at the lower price.

Q. And what did your study develop with respect to the ability of the Maple Flooring Manufacturers Association to control prices at an unreasonably high level?

A. To control the prices at an unreasonably high level it would be necessary to control the potential supply. That is, the supply that would be forthcoming at the price.

Q. And what did your investigation show with respect to whether [fol. 1095] or not the Maple Flooring Manufacturers Association did control the potential supply of this product, Mr. Gordon?

A. We investigated to determine whether the members of the Maple Flooring Manufacturers Association did control the potential supply. We investigated whether the Association or its members controlled the five factors or means of production.

Q. What are those five factors or means of production Mr. Gordon?

A. They are raw material, equipment, capital, management and labor.

In our investigation of the control of raw material we secured data showing the stand of maple, beech and birch timber in the United States and the stand of such timber owned or controlled by members of the Association.

Q. Now, is maple, birch or beech lumber the raw material and the only raw material used in the production of the finished product, maple, beech or birch flooring, Mr. Gordon?

A. Yes, it is, and it makes up approximately three-quarters of the cost of the finished product.

Q. Now, from what source did you obtain information as to the standing timber,—maple, birch and beech timber in the United States?

A. The data on the total stand was secured from the United States Forestry Service. The data on stand owned or controlled by members of the Association was secured from George Keehn, who secured the data in turn from the individual members of the Association.

This data indicates that members of the Association control or own less than two per cent of the total stand of maple, beech and birch timber in the United States.

[fol. 1096] I have prepared a table showing the proportion of the total cut of maple lumber in the United States used by members of

the Maple Flooring Manufacturers Association. The data used in the preparation of said table was secured from the United States Department of Agriculture, Forestry Service, and from Bulletin entitled "Lumber, Laths & Shingles, Bulletin of 1912, Nos. 232, 506, 673, 768 and 845, and the 14th Census of the United States, and Bulletin 1119.

(Said Table marked Defendants' Gordon Exhibit 4 and received in evidence.)

"Q. Now, Mr. Gordon, would you just refer to this table, Defendants' exhibit 4, (Gordon's) and explain just what that is very briefly, in view of the fact there seems to be some letters used there to express words, etc.?

A. The first column indicates for the years 1912 to 1920, inclusive, the quantity of maple lumber production in the United States in millions of board feet.

The second column indicates for the years 1912 to 1920, inclusive, the quantity of maple flooring produced by all members of the Maple Flooring Manufacturers Association, in millions of board feet.

Q. Just where was that data obtained?

A. That data was secured from figures supplied us by Mr. Keehn.

Q. From Mr. George Keehn?

A. Yes.

Q. That is, from the records of the Association?

A. Yes, sir.

Q. Yes. Continue, Mr. Gordon.

A. The third column indicates the per cent of the total maple lumber cut in the United States, used by members of the Maple Floor-
[fol. 1097] ing Manufacturers Association in the years 1912 to 1920, inclusive. This column represents the second column as a per cent of the first column. Since the maple flooring production is the finished product, and in its production there is a quantity of rough maple lumber wasted, these percentages shown in the third column were increased to include or allow for twenty-three per cent wastage, which data is indicated in the fourth column for the years 1912 to 1920 inclusive. This shows that the per cent of the total cut of maple lumber in the United States, used by members of the Maple Flooring Manufacturers Association, for the nine years, 1912 to 1920, was on the average less than 20 per cent.

Q. Now, where did you get that percentage of wastage, which you stated was 23 per cent?

A. The percentage of wastage was computed from the records of the Association, in their test runs.

Q. And did you look those over yourself?

A. Yes, we compiled the percentages.

Q. And made the computations, did you?

A. And made the computations.

Q. I note for the years 1921 and 1922 there is no data as to the maple lumber production in the United States. Now, why is that?

A. That has not been made available by the Forestry Service. They are always slightly behind in their records.

Q. So that that data cannot be obtained?
A. No, it was not available.
Q. Yes. Now, do you know, Mr. Gordon, from what source the Forestry Service compiled this data of the lumber produced?
[fol. 1098] A. This data was secured by the Forestry Service from reports made to them by individual establishments in the production of maple lumber in the United States.
Q. And are those reports voluntary or compelled by law, Mr. Gordon?
A. I believe that they are voluntary. The figures, consequently, therefore, are conservative, as not all producers make these voluntary reports.
Now, this table indicates that the members of the Association annually use less than twenty per cent of the total cut of maple lumber in the United States. This leaves eighty per cent of the raw material which could be transferred from its present use into the production of maple flooring, were the price of such flooring unreasonably high and thus offer a good margin of profit."

"Mr. Thompson: May I ask him a question or two at this point?
Mr. Johnston: Yes.

Mr. Thompson:

Q. Your figures for production, I take it, cover the total production of all grades of maple, beech and birch lumber?
A. This is just for maple lumber, not for 'maple, beech and birch.'
Q. Just for maple lumber?
A. Yes.
Q. All grades, the total amount of maple lumber produced, including all grades?
A. Yes, sir.
Q. You did not attempt in compiling that table, to segregate and determine the amount of maple lumber of the grades which are habitually or customarily used for the manufacture of maple [fol. 1099] flooring?
A. No, that would be impossible to do because the manufacturers making these reports to the Government do not or cannot estimate the particular grades. That is, they are saw mills, you see, and they cut the timber.
Mr. Thompson: Yes, I understand that.
A. And that, that you mentioned, is not available anywhere.

Mr. Thompson: That is all I wanted to ask him. I just wanted to understand that.
Mr. Johnston: All right.

Q. Why did you not obtain and tabulate the figures upon birch and beech timber?
A. Well, the figures on the production of the Maple Flooring Manufacturers Association do not segregate the flooring into maple, beech and birch. By far the major portion, approximately ninety

per cent of the total production of the Association is maple flooring, which leaves only ten per cent of beech and birch flooring.

Q. So that you regard beech and birch as being more or less of a negligible factor?

A. Yes, and in this table here—(indicating)

Mr. Johnston: Referring to Defendant's Gordon exhibit No. 4.

A. Referring to Defendants' Gordon exhibit 4, the quantity of maple flooring production is really maple, beech and birch flooring, which, when expressed as a percentage of the maple lumber production in the United States, gives a higher percentage, or, in other words, reacts to the disadvantage of the Association.

[fol. 1100] Q. That is to say, column two is what?

A. Column two includes beech and birch.

Q. Yes; and is approximately then ten per cent higher than the actual consumption of maple by the Association, is it?

A. Yes. Now, had we taken as our first column upon this table the production of maple, beech and birch lumber in the United States, we would have secured a figure far greater than the figures actually shown, which are for maple lumber only. Since the percentage of beech and birch flooring produced by the Association was——

Q. The Association members?

A. —Association members was so small, it was our opinion that to express it as a percentage, express the total of production of the members of the Association as a percent of the total production of maple, beech and birch, would give a misleading high figure. Now, this table indicates that the—I do not know whether I said this already or not?

Q. You said a high figure?

A. Yes.

Q. You meant by that that the percentage——

A. A low figure. Excuse me.

Q. That is, the percentage that the members use would be such a small percentage of the total lumber cut as really to be misleading?

A. Yes, sir.

Q. So that a fairer statement is made if you take only the maple lumber, is it?

A. Yes, sir.

Q. As a basis of the production of raw material?

[fol. 1101] A. Yes.

Q. Although that is not entirely fair to the members of the Association?

A. No, sir, it is not.

Now, this table indicates that the members of the Association annually use less than twenty per cent of the total cut of maple lumber in the United States, which leaves eighty per cent of this cut available to be transferred,—or to be processed into other forms.

Had the prices secured by members of the Association been unreasonably high, therefore, this remaining eighty per cent of the rough maple lumber cut was available, or would be available to be

transferred into the production of maple flooring, had there been an unreasonable or exorbitant profit available by so doing.

Q. Now, coming to the next factor in the control of production, namely, Capital: What did your investigation of the maple, beech and birch flooring industry disclose with respect to capital involved in that business, Mr. Gordon?

A. It was so inconceivable that members of the Association could or did control the capital that might be available that we did not consider it any further.

Q. You did not consider it a possible factor in the control of this product?

A. No, sir, because there is always capital available for any enter-
[fol. 1102] prise where there is a good margin of profit available.

Q. Did you make any investigation as to the approximate capital which is required to enter into the business of manufacturing maple flooring.

A. Yes. It requires a very small sum to go into the production of maple flooring.

Data secured from various members of the Association indicate that an expenditure of thirty thousand dollars would be adequate to purchase the necessary equipment for the production of maple flooring.

Q. That brings us then to the next factor, as you give it to us, namely, Equipment?

A. Well, neither the members of the Association or the Association itself holds patents or any other control over equipment which is necessary to the production of maple flooring.

These machines can be purchased freely by anyone having the necessary capital.

The next factor is Management. And we might——

Mr. Johnston: Well, just before you go into Management, let me ask you this question:

A. Yes?

Q. Did you make any investigation as to whether or not manufacturers of other lines of flooring, as for instance, oak, southern yellow pine, etc., can, without expense, convert their equipment into the manufacture of maple flooring?

A. Yes, sir.

[fol. 1103] Q. What did you find as to that?

A. A manufacturer of oak, and similar flooring, can run maple flooring through the same machines or equipment that he uses for his oak flooring without need for additional equipment.

The factors of Management and Labor we considered unnecessary to go into, since it was inconceivable that the members of the Association controlled the managerial ability, or had control of the labor which constitute these two factors of production.

In addition to our study of the raw material factor, we secured data upon the number of maple lumber manufacturers in the United States who, at a very small expense, could produce maple flooring were the margin of profit attractive.

We have prepared a table which shows the number of maple

lumber manufacturing establishments in the United States in the years 1912 to 1920, inclusive.

Q. Where did you obtain this data, Mr. Gordon?

A. This data was secured from the bulletins on the production of Lumber, Lathes and Shingles in the United States, of the Bureau of Forestry of the United States Department of Agriculture.

This table shows the number of maple lumber manufacturing establishments in the United States, and in the eight leading maple lumber production States, individually.

Q. During the years that you have stated?

[fol. 1104] A. During the years stated, from 1912 to 1920, inclusive. This table indicates that on the average, during the nine year period, 1912 to 1920, there were 4,767 manufacturers of maple lumber who could have, at a small expense, produced maple flooring from their rough maple lumber had the price of maple flooring been unreasonably high, and offered an attractive margin of profit.

Q. That figure of 4,767 refers to the average in the United States?

A. Yes, sir, that is what I said, the average in the United States.

Mr. Johnston: You omitted that, but I presume you meant to say it.

A. Yes.

Q. Are the figures upon this table correctly taken from the bulletins which you have referred to, as the source of supply?

A. Yes, sir.

Q. And have been checked by you?

A. Yes, all of the tables in our exhibits have been checked with the original data and the actual typing has also been checked, and the computations, wherever such have been made, have been checked by both Mr. Grant Keehn and myself."

(Said table marked Defendants' Gordon Exhibit 5 and received in evidence.)

"Q. Now, have you considered all of the factors which enter into the question of control of the production still upon this subject of control, at an unreasonably high price?

[fol. 1105] A. Yes, we have considered the fact that had the prices been unreasonably high, such as to offer an attractive margin of profit, there were approximately one hundred non-member manufacturers of maple flooring who could have expanded their plants, and that there were on the average in the United States 4,767 manufacturers of maple lumber who could, with a very small investment, have turned their maple lumber into the production of maple flooring; and that there were manufacturers of competing floorings who could have produced such flooring with practically no additional investment, had the profit by so doing been attractive; and we have found out that the capital necessary to enter the production of maple flooring lumber was small, and that the members of the Association had no control of the raw material, maple lumber, nor of the capital, nor of the equipment, nor the management and labor necessary to the production of this flooring, and that it was entirely within the ability of others to have gone into the production of maple flooring

had the prices been unreasnably high, had the prices been unreasonable, and had there been an attractive margin of profit available by so doing.

Mr. Johnston: Then we come, Mr. Gordon to the question of control of prices, at a reasonable level.

Q. What did your study of this subject show you with respect to that phase of control?

[fol. 1106] A. Why, a reasonable price would be one which offered to the seller a price sufficient to cover his cost of production and allow him a reasonable or fair profit for that particular line of enterprise.

Control of the entire market price of a commodity at a reasonable level would necessitate that the seller, or the party attempting such control, have control of the potential supply of that commodity.

I have already defined what I mean by "potential supply."

Q. Why is that so, Mr. Gordon?

A. Now, if there were other supply or other uncontrolled supply produced and sold upon the market, the producers of this additional supply would not be obligated to sell their product at the same price realized for the controlled supply.

In this case, where the price is a reasonable one, it is set or fixed by its very reasonableness, for the producer of the uncontrolled supply was not forced or obligated to fix his price at the same level as the price of the controlled portion of the total supply."

"Q. What did you find in respect to the control of prices at a reasonable level, by members of this Association?

A. Well, we have already indicated that they did not have control of the raw material, or capital, equipment, management or labor necessary to the production of maple flooring.

Mr. Johnston: Then coming to the question of the control of [fol. 1107] prices sometimes at an unreasonably low and sometimes at an unreasonably high level:

Q. What did your study of this subject reveal with respect to that situation, as applied to the Maple Flooring Manufacturers Association members?

A. Well, this method of price manipulation would be done in the following manner:

The seller, A., with control of a portion of the supply would raise his price to an unreasonably high level in order to secure additional profit. Provided he did not have control of the potential supply of the product, other supply would be produced and sold under the inducement of an adequate margin of profit.

The seller, A., who was attempting price control would find additional supply placed upon the market at a lower price. He would be forced to lower his price in order to retain his market. The failure to do so would mean the loss of his market to the cheaper supply, which was available to the purchaser,—to the buyer. If he maintained his price at the unreasonable level he would be forced out of business. If he lowered his price, in order to keep his market, he would cut below the price of the additional supply which was be-

ing offered to buyers. The price of the seller, A., would be below the price of the uncontrolled supply for two reasons: First, the cost of production of the seller, A., would be less than the cost of production [fol. 1108] of the additional supply, for if this were not the case this additional supply would have been produced before; secondly, the additional supply, with the same demand, would cause the price to decline.

Thus, the result would be to drive the producer of this additional supply from the market. This manipulation of prices would be reflected in the prices realized by the seller, A., and would be evident in comparison with other prices, particularly the prices of similar commodities.

Q. For the purpose of ascertaining, therefore, whether there was in this case any such attempted fixation of prices at alternately high and low levels in the manner in which you have described, have you made a comparison of the prices realized by the members of the Maple Flooring Manufacturers Association for their product, with the prices for other products, and particularly for products falling within the same general class, Mr. Gordon?

A. Yes, sir.

Q. Such as lumber and building materials?

A. Yes, we have made a comparison of the prices realized by members of the Maple Flooring Manufacturers Association with an index of all commodity prices, an index of all building material prices, and an index of lumber prices, and also a comparison with the prices of competing floorings.

In addition we have compared the prices realized by members of the Association with the cost of the raw material, and with the cost [fol. 1109] of other manufacturing and marketing expenses.

Q. Turning then first to the subject of the comparison of the prices realized by the members of the Association for their product with the prices during the same period for other commodities, I will call your attention, first, to a chart, which I will ask to have marked for identification as Defendants' Gordon Exhibit No. 6 for identification; and also the tables which are affixed thereto and are a part of that same exhibit.

(The document indicated was thereupon marked defendants' Gordon exhibit 6 for identification, and was handed to the witness.)

A. Yes?

Q. Now, you say you have compared an index of all commodity prices with an index of the price of "The Product?"

A. Yes.

Q. Will you look first at the first sheet appended to and a part of Defendants' Gordon's exhibit 6 for identification, and tell us what that is?

A. That is an index of all wholesale commodity prices, prepared by the Department of Labor, Bureau of Labor Statistics of the United States. This index is upon a 1913 basis; that is, 1913 equals 100 percent.

Q. This index that you are referring to is one prepared by the United States Bureau of Labor Statistics?

A. Yes, the figures shown upon that table are taken from the United States Bureau of Labor Statistics, Wholesale Price Bulletins. [fol. 1110] Q. Will you explain to us so that we will know at this time, and during the balance of your testimony, just what an index—a price index is, and how it is made up?

A. A price index is made to facilitate comparisons of prices of various commodities. Because of the inherent differences in magnitude and in price level of these commodities, it is a common and well recognized method of price comparison and is used by practically all Governmental agencies, trade papers, research organizations, and others who have occasion to make price comparisons.

Mr. Johnston: Now, referring, Mr. Gordon, to this chart so that we may understand this a little more fully.

Q. Under the first column, which is headed "1913," appears "100;" what does that represent?

A. That means that the average price of all commodities in the month of January, 1913, was one hundred percent, or equal to the average price of all commodities for the year 1913, which is the base or 100 percent.

Q. And is the taking of 1913 as the base, a method of comparison in common use by the Government, and by other statistical agencies?

A. The choice of a base year depends upon the normality of conditions and prices in that year.

During the period under consideration, from 1913 to 1923, the years 1914 to 1919 were years of unusual conditions, incidental to [fol. 1111] the war.

The years 1919 to 1923 were years abnormal in their conditions, immediately following the close of the war.

Now, this leaves the year 1913 as the only year in the period which was not affected by abnormalities incidental to the years of the war, and immediately following its close. 1913 may not in all cases be a normal year, but it is the year more nearly normal throughout this period.

This fact is recognized by the Bureau of Labor Statistics in their use of the year 1913 as a base, and also by the Department of Commerce in its index numbers appearing in the publication, the Survey of Current Business.

Q. That is a title, is it not,—"Survey of Current Business?"

A. Yes, sir. This index of all commodity prices was prepared and is placed by that Bureau upon a 1913 base; and it is made up of the wholesale prices of 404 commodities of all types, food, agriculture products, clothes and clothing, etc.

Q. Well, you have a list of those later, have you not?

A. I have a list later.

Mr. Johnston: Before we get into those, Mr. Gordon, will you explain a little more fully now, so that we may understand this first

statement or list, which is attached as the first list attached to De-
[fol. 1112] fendants' Gordon's exhibit 6 for identification.

Q. You have explained that 1913 is taken as the base?
A. Yes.
Q. By the Government in preparing this index of all commodity prices?
A. Yes.
Q. Do you regard the taking of 1913 as a base for the comparison of prices of the product of the Maple Flooring Manufacturers Association, as justified from your investigation?
A. I do, yes.
Q. As being the year of greatest normality within this period?
A. Yes, sir. And an additional consideration was the factor that the comparisons were made with indices which were already upon such a base.
Q. Yes. Now, taking the year 1913 as the base, and taking 1913 as one hundred percent, the years subsequent to 1913 are expressed in percentages as compared with 1913, are they not?
A. Yes, sir.
Q. As for example, the year 1914, following, shows ninety-eight, showing that the price in 1914——
A. In January of 1914.

Mr. Johnston: Yes, taking each month.

Q. (Continuing:) —in January, 1914 was ninety-eight percent of the price in January of 1913?
A. No, in the year 1913—the average for the year 1913.

[fol. 1113] Mr. Johnston: The average for the year 1913. That is right.
The Witness: Yes.

Q. The same method is followed throughout each one of these years, is it?
A. Yes, sir.
Q. And that method, I believe you have stated, of adopting one given period or year as the base, and expressing by index figures the comparison of other years, and the months within those years upon that percentage basis, is a method well recognized by economists and statisticians, and by the Government in the preparation of its statistics?
A. It is recognized everywhere.
Q. And its use is necessitated for the reasons that you have given?
A. Yes, sir.
Q. Or one which is easily understandable, in other words, by the proper comparison?
A. Yes, sir.
Q. Or one which is easily understandible, in other words, by the average man?
A. Yes. Well, that index is made up of the all commodity price

index of the Department of Labor. It is made up of four hundred and four wholesale commodities.

Q. Have you a list of those commodities?

A. I have such a list. Here it is. (Producing a document.)

[fol. 1114] Q. I will show you this list, which I will now ask to have marked as Defendants' Gordon's exhibit 8 for identification, and ask you from what source this list is obtained? It is headed, "Commodities used by the United States Bureau of Labor Statistics in Constructing its Index Numbers of Wholesale Prices." Where is this obtained?

(The document indicated was thereupon marked as Defendants' Gordon's exhibit 8 for identification, and was handed to the witness.)

A. This was obtained from the publication, "The wholesale price bulletins" of the Department of Labor.

Q. Do you remember when that bulletin came out?

A. It comes out yearly.

Q. Oh, it comes out each year?

A. Yes, sir, a yearly bulletin.

Q. This is taken from the Bulletin?

A. Directly from the Bulletin, the last Bulletin.

Q. I believe you said in this case, and all other cases, the data taken by you from these sources was carefully considered?

A. Yes, sir.

Q. Both at the time it was taken and when it was transcribed on the typewriter?

A. Yes, sir.

Q. So that the data embodied in Defendants' Gordon's exhibit 8 for identification, represents commodities which were used by the [fol. 1115] United States Department of Labor in preparing its price index, which is the first sheet attached to exhibit 6?

A. Yes, sir.

Q. That is the United States Bureau of Labor?

A. Department of Labor, Bureau of Labor Statistics.

Q. Bureau of Labor Statistics, Department of Labor?

A. Yes.

Q. Of the United States Government?

A. Yes, sir.

Q. Now, have you likewise obtained from the same source,—that is, the wholesale price bulletins of the United States Bureau of Labor Statistics,—their price index of all building material prices during the same period, 1913 to 1923?

A. Yes, I have. That is, the commodities that enter into that are shown on page six of the list of commodities.

Q. On page six of exhibit 8 for identification?

A. Yes, under Group 6.

Q. The group there denominated No. 6?

A. Yes, sir.

Q. Beginning at the bottom of that page and running over to a little beyond the middle of the next page, No. 7?

A. Yes.

Q. This index is made up by the Department on the same basis, taking 1913 as the base year?

A. Yes, sir.

Q. And comparing it in the same way, as to the percentage of [fol. 1116] the prices, during the remaining years, up to and including the first three months in 1923?

A. Yes.

Q. Now, have you also taken the index of prices prepared by the United States Department of Labor Statistics, or the United States Government, Bureau of Labor Statistics for all lumber preces during the same period, from 1913 to 1923, inclusive—or 1913 up to and including the first four or five months of 1923?

A. Yes, sir. That was taken from the same source as the other.

Q. Are the materials shown in that,—or represented in that index shown?

A. They are shown in Section A., Group 6, page six of the list.

Q. Of the list which we have marked for identification Defendants' Gordon's exhibit 8?

A. Yes, sir.

Q. And that is the third sheet attached to exhibit 6?

A. Yes, sir.

Q. Now, the fourth sheet attached to Exhibit 6, is headed, "Index of the Prices per thousand feet, of the product, based upon average prices received by the Maple Flooring Manufacturers Association's members, F. O. B. Michigan and Wisconsin Mills." "During the period from 1913, inclusive, up to and including the first five months of 1923," who prepared this index of prices?

A. We prepared it.

[fol. 1117] Q. And from what data?

A. It was prepared from data secured from the Association records of the Maple Flooring Manufacturers Association. It represents a combination of the prices of 13/16ths by 2¼ inch Clear grade Maple Flooring, 13/16ths by 2¼ No. 1 Grade Maple Flooring, and 13/16ths by 2¼ Factory grade flooring—That is, Maple Flooring.

Q. Yes?

A. The prices on these three grades of maple flooring were the only prices recorded by the Association within this period and represent the largest item of their production.

These prices were combined in the proportions of clear grade fifty per cent, the price of number one grade thirty five per cent, and the price of factory grade fifteen per cent.

The commodities were weighted in proportion to the percentage that they bore of the total production of these three grades. This method of combining prices according to their proportionate volume of production is used commonly in the computation of price indices. It is used by the Department of Labor in computing its wholesale price indices, with which we have made comparisons; these latter indices being weighted in proportion to the commodities production, as shown by the 1919 census of the United States.

I have here four tables and a chart which will show or indicate

[fol. 1118] the adequacy of this combined index, which we have termed, and will in the future term, "The Product."

Q. You are referring now to this drawing or map, together with the four tables appended thereto?

A. Yes, sir.

Mr. Johnston: Which I will ask the reporter to mark Def. Gordon's exhibit 7 for identification.

(The document indicated was thereupon marked as Defendants' Gordon's exhibit 7, for identification.)

Q. As I understand you now, Mr. Gordon, what you are seeking to do is to justify as a basis of comparison the use of the prices of these three commodities, which you state are the principal commodities of the members of the Association, and the weighting of them in the proportions which you have described?

A. Yes.

Q. May I ask you, before we forget it, whether that same principle of weighting commodities according to their proportion of production is used in the preparing the other indices of the United States Bureau of Labor Statistics, as well as those relating to all commodity prices?

A. I think I previously said that that was the same method used by the Department of Labor in compiling their own indices, with which we made comparison.

Mr. Johnston: Yes.

[fol. 1119] A. Now, the first table shows the actual——

Mr. Johnston: Now, you are referring to the table attached to exhibit 7 for identification?

A. Yes, sir. (Continuing:) —shows the actual prices of 13/16th by two and a quarter inch clear grade maple flooring, and are the average prices monthly realized by members of the Maple Flooring Manufacturers Association F. O. B. Michigan and Wisconsin mills.

Q. Those are taken by you from the actual figures?

A. From the records of the Association.

Q. From the records of the Association?

A. Yes, sir.

Q. Showing the average actual price realized during each of those months?

A. Yes, sir.

Q. The second table to exhibit 7?

A. Yes, that shows the same thing for 13/16ths by two and a quarter No. 1 grade. And the third table——

Q. (Interrupting.) Attached to exhibit 7?

A. Yes. —show similar data for 13/ths by two and a quarter inch factory grade Maple Flooring. The fourth table attached to exhibit 7 shows the monthly price of "The Product," that is, the combined price, based upon the average prices realized by members of the Maple Flooring Manufacturers Association, F. O. B. mills Michigan and Wisconsin, that is, the prices of the three grades com-

bined, in the percentages; clear, fifty per cent, No. 1, thirty five [fol. 1120] per cent, and factory fifteen per cent.

Q. What do those three grades—what percentage do they represent of the total products of the members of the Maple Flooring Manufacturers Association?

A. I don't know the definite—that is, the actual figures. It is by far the majority of the total production.

Mr. Thompson:

Q. You mean the three items?

A. The three items, you mean? The three grades are the only grades they have. The three items, you mean?

Mr. Johnston: Yes, the three items, not three grades.

A. Well, those are the three grades that the members of the Association produce.

Q. Now, having shown us these four tables, which are attached to Exhibit 7, the first three of which show the separate prices realized for each of the three items in question, and fourth, the combination of the three, how have you determined that this is a fair representative basis to take for the purpose of price comparison?

A. We have prepared a chart of the actual prices of these three grades, clear, No. 1, and factory, and compared them upon the same chart, and combined the prices of these three grades——

Q. Which you call "The Product?"

A. —which we have called "The Product." This chart——

Q. Is that the one that you referred to as Defendants' Gordon's exhibit 7, for identification?

A. Yes. This chart will illustrate the adequacy of this com- [fol. 1121] bination.

Mr. Thompson: I suppose you have one of these so that you can look at it?

Mr. Johnston: Yes.

Q. Now, before explaining what this chart shows, it will be necessary, Mr. Gordon, for you to explain the principle upon which this and all subsequent logarithmic scale charts are prepared, so that if you will kindly make such explanation, having reference now to Defendants' Gordon's exhibit 7 for identification?

A. This method of charting, or of graphic comparison, is called the ratio chart, or a logarithmic chart. Its use is recognized by the United States Bureau of Labor Statistics, which uses the same form of graphic comparison in its wholesale price bulletins, and in the comparison of accident data.

It is also recognized by the Department of Commerce for all its comparisons.

Q. That is, the United States Department of Commerce?

A. For all its comparisons in its publication Survey of Current Business.

Mr. Johnston: Pardon me right there.

Q. Is it also recognized by statisticians and economists generally?

A. Yes. It is not only recognized but advocated, because other charts which have in the past commonly been used, give a misleading picture of the actual occurrence.

[fol. 1122] The Department of Labor, in its wholesale price bulletins, explains the use of this logarithmic or ratio scale in graphic comparison by referring to an article in its monthly Labor Review, March, 1919, Volume 8, No. 3, pages 20 to 34.

This article was written by Lucian W. Chaney, to explain why the Department of Labor used this method of comparison.

Q. Who is Mr. Chaney, if you know?

A. I do not know who he is. I know who he refers to in the article, but this is, however, a reflection of my thoughts upon the subject, as there contained in the article.

Q. Is he an economist or connected directly with the Department?

A. Well, I don't know.

Q. He is referred to by the Department as an authority upon this subject, is he?

A. Yes, sir.

Q. And you are referring now to the question of the use of the ratio chart?

A. Yes, sir.

Q. Logarithmic chart?

A. Yes.

Q. All right. Will you read into the record what the Department of Labor, quoting Mr. Chaney, says upon that subject?

A. This article is entitled, "Comparison of Arithmetic and Ratio Charts, by Lucian W. Chaney." I will not read it all.

[fol. 1123] Mr. Johnston: No, just enough for your explanation so we will know what you are talking about.

A. Yes.

"The use of charts for the interpretation of statistical facts has been in vogue for many years. Their universal use is due to the fact that a chart usually presents a quick, forceful, and convenient picture of the matter under consideration, whether this be population of cities, wheat production, bank deposits, wages, or industrial accidents. There are, however, certain limitations upon the value of such charts as accurate interpreters of statistical data. Their value depends not only upon the particular kind of graphs employed but upon the specific idea it is intended to convey. For example, the ordinary arithmetic chart is well adapted to express fixed relationships, but when it is employed, either consciously or unconsciously, to denote rate of change in any given series of facts it produces misleading and inaccurate impressions. To express changing relations or rate of change it is necessary to use other graphic methods.

"Probably the best method devised for this purpose is the so-called 'ratio' chart expounded by Prof. Irving Fisher, of Yale University, in the July, 1917, issue of the publications of the American Statistical Association.

"The present paper attempts to compare the ordinary 'arithmetic' [fol. 1124] and 'ratio' charts, to indicate under what conditions each may be employed, and to illustrate the use of the ratio charts as employed by the United States Bureau of Labor Statistics in its studies of accident data (and for all wholesale commodity price bulletins.)"

That is my remark.

"As already noted, in any series of statistical magnitudes there are two matters of interest, (1) fixed relations, and (2) rate of change.

"To illustrate: The population of a city in a series of years was respectively 50,000, 75,000, and 100,000. The fixed relation could then be expressed as the arithmetic difference between them, namely, 25,000 between the first and second yars, and also 25,000 between the second and third years.

"On the other hand, the rate of changes could be expressed by the percentage of difference between the populations, namely, fifty per cent between the first and second years, and 33 1-3rd per cent between the second and third years. The first of these expressions brings out the fixed relation while the second directs attention to the rate of change."

"Comparisons of Scales."

"In order to give graphic presentation to these two distinct relations an appropriate choice of scales and graphic methods is essential. This may be accomplished by using for fixed relations the or- [fol. 1125] dinary 'arithmetic' chart constructed on an 'arithmetic' scale and for rate of change the 'ratio' chart constructed on a 'percentage' scale.

"For the purposes of this discussion these charts and scales may be defined as follows:

"(1) An 'arithmetic' chart is one in which the magnitudes are plotted on an arithmetic scale—an arithmetic scale being a series of numbers so spaced that their linear distances correspond to their arithmetic differences.

"(2) A 'ratio' chart is one in which the magnitudes are plotted on a 'percentage' scale—a percentage scale being a series of numbers so spaced that percentage difference is represented by a constant linear distance.

"The following illustration will bring out the fundamental characteristics of each scale:

The Witness: There is a little chart which goes in the above space.

Mr. Johnston: All right. We will take that chart and insert it.

A. (Continuing reading:)

"It will be noted that in the arithmetic scale equal linear distances represent equal arithmetic differences, whereas in the percentage

scale equal linear distances express equal percentage differences. In the case of the arithmetic scale one space represents ten units; in [fol. 1126] the percentage scale one space represents one hundred per cent difference."

"Thus it will be seen that the arithmetic scale is clearly one of fixed relations between the numbers composing it and is useful in measuring and projecting relations of a fixed character. The percentage scale, on the contrary, has constantly changing relations between the numbers composing it and is convenient for expressing rates of change.

"A comparison of arithmetic dfference is best accomplished by means of the horizontal bar chart. A 'ratio' chart, as we have seen, is one in which the magnitudes are plotted on a percentage scale.

"Several important characteristics and functions of the ratio chart may be pointed out.

"1st. In a ratio chart a given linear distance on the scale always represents the same percentage change, consequently, the gradient, or steepness of the lines always and inevitably expresses the exact rate of change in any series of statistical facts. Consequently equal rates of change or equal percentages of difference will have the same gradient. If two magnitudes vary ten per cent upward their curves will run parallel however far separated they may be on the chart.

"For example, if one magnitude increases from 10 to 11 while another increases from 100 to 110 the curves corresponding to the change will be parallel, indicating the same rate of change. It is evident that plotting the same magnitudes on an arithmetic scale [fol. 1127] would show ten times the amount of difference in the second case although the percentage difference is identical.

"Fourthly, the ratio chart makes possible a direct and correct comparison of increases and declines. The usual method of expressing changes up or down is to say, for example, that a rise of 50 per cent was followed by a decline of 30 per cent. This mode of expression is used without realization that it involves expressions which cannot be compared one with the other. Comparatively few persons at once recognize that an increase of 100 per cent is exactly balanced by a decline of 50 per cent. Percentages of increase can be properly compared with other percentages of the same sort and percentages of decline are similarly comparable, but no direct comparison can be made between a percentage of increase and a percentage of decline.

"The following simple chart will best illustrate the incomparability of these two series of percentages:

"For purposes of illustration a series of nine magnitudes have been plotted, namely, 100, 200, 300, 600, 800, 600, 300, 200 and 100, each occurring in successive periods of time. It will be noted that, whereas the absolute decreases are in exact reverse order of the increases, the percentage decreases by no means coincide with the corresponding percentage increases.

[fol. 1128] "Thus, from 100 up to 200 is an increase of 100 per cent, while from 200 down to 100 is a decrease of 50 per cent; from 200 up to 300 is a 50 per cent increase, while from 300 down to 200

is a decrease of 33 per cent; from 300 up to 600 is a 100 per cent increase, from 600 down to 300 is a 50 per cent decrease; from 600 up to 800 is a 33 per cent increase, from 800 down to 600 is a 25 per cent decrease.

"Comparison of such series is impossible except by a memory of relations beyond the powers of the ordinary mind or by mathematical adjustment in each case so time consuming as to be out of the question.

"The incomparability of these two series is due to the necessary shift of bases whenever there is a change from increase to decline or the reverse. For example, going up from 100 that number is the base and 200 is reached by a 100 per cent step; declining to the former level 200 becomes the base and 100 is reached by a 50 per cent step. It is evident that in any case where there is frequent reversal the tangle of incomparable percentages would be entirely unintelligible.

"The 'ratio' chart untangles the incomparables and presents the facts directly and accurately and in a form perfectly understandable merely by inspection. It will be evident from the foregoing that the ordinary form of expression fails utterly to convey any proper notion of the real relation of events."

Mr. Johnson:

Q. Now, the ratio chart is the same chart which you have referred [fol. 1129] to in the testimony, and which you show for the chart itself, as the logarithmic scale, or logarithmic chart?

A. Yes, it is the same.

Q. In other words, the ratio chart, so-called, is plotted upon the logarithmic scale?

A. Yes, sir. That is what makes it a ratio chart.

Q. The logarithmic scale is the one which you have described and which Mr. Chaney's article describes, and is the one which is adapted for showing various rates of change?

A. Yes.

Q. And not fixed relationships?

A. Yes, sir.

Q. Now, referring to Exhibit 7, for identification:

A. I would like to bring in a simple example of its application.

Mr. Johnston: All right.

A. Take the price of two dollars, which increased to four dollars; and the price of another commodity which increased from four dollars to eight dollars.

In both cases the increase was one hundred per cent, and the increase in both was equal in its significance as a price change.

Q. And shown upon the logarithmic chart, the rising line of which would indicate the increase of those two commodities would move in unison?

[fol. 1130] A. I did not get that?

Q. I say, to carry your illustration a little further, the rising line

which would indicate that rise in price, of those two commodities——

A. (Interrupting.) Would be parallel.

Q. Whereas, if stated upon the arithmetic chart, one would be very much higher than the other?

A. Yes.

Q. Therefore, not fairly and correctly presented?

A. No, it would necessitate a mental allowance for that fact.

Q. Now, the so-called logarithmic scale which appears in all these logarithmic charts: Is that a scale which is already prepared, and that you can obtain?

A. Yes, there are various agencies that print graphic paper.

Q. All of these charts are drawn upon that paper?

A. Yes.

Q. So there is no opportunity for error in the preparation of the chart itself, is there?

A. No, sir.

Q. Now, referring to Defendant's Exhibit Gordon 7, for identification: What is it that you are attempting to compare there, for the purpose of ascertaining whether or not the combination of these three grades of lumber is an accurate comparison, or an accurate method of making price comparisons between "The Product" and other commodities?

[fol. 1131] A. It is the purpose *of* show that the fluctuations in the white line, which represents "The Product" or the combined index, is similar in all cases to the fluctuations in the three grades, and that it adequately represents the fluctuations and the movements of these three grades, which if taken separately would necessitate three comparisons in every case.

Q. Instead of one?

A. Instead of one. It would also necessitate putting on some of these charts six and seven lines, which you would not be able to untangle at all.

Q. Now, taking chart, Defendants' Gordon's Exhibit 7 for identification: It appears there that the white line represents "The Product," and is the combination of these three?

A. Yes, sir.

Q. And the yellow line represents the clear?

A. Yes.

Q. And the read line represents the number one?

A. Yes.

Q. And that the blue line represents the factory?

A. Yes. Those are shown in the legend upon the chart itself. We have done that on all of the charts where we have used colored lines.

Q. Will you state to us now, so that we may have this before us, in reviewing this and other charts, how the figures which are shown upon all four tables appended to and a part of Exhibit 7, are placed [fol. 1132] upon the graphic chart, so as to be represented, instead of by figures, by lines moving up and down?

A. Well, the horizontal direction on the chart is divided into equal sections representing one year. Each of these yearly sections is divided into 12 sections, one for each of the calendar months.

In plotting the original data upon the chart each monthly figure is placed along the horizontal scale by its month and year——

Q. How do you represent that figure on the chart?

A. Just a moment.

(Continuing:) and along the vertical scale by its actual quantity. Now, that is merely done by a point, and the line is drawn through the consecutive monthly points to represent the change in price.

Q. Then what do you do with those 12 lines in which the sector represents the months?

A. These charts are photostats; that is, they are photographs of charts which we prepared, in which the monthly figures—the monthly vertical lines are not shown.

Q. What is the reason?

A. Because with the monthly vertical lines upon the chart it would be an obscure picture.

Q. It would obscure the picture if you had all of these fine lines on it representing the months?

A. Yes.

[fol. 1133] Q. Therefore, after you had placed the points or dots representing the actual price upon the chart, and had drawn a line through those various points——

A. Yes.

Q. (Continuing:) —so as to get the price movement of each commodity during that year, as represented by its 12 months, then in the photograph chart you eliminated those twelve lines?

A. Yes, in order to facilitate reading the chart.

Q. Yes. And the upper space, of course, that is the space running vertically, represents the percentages of increase or decrease?

A. Yes, sir.

Q. In the method that you have indicated and as Mr. Chaney has indicated it in his article?

A. Yes.

Q. Now, looking at Defendants' Gordon's Exhibit No. 7 for identification: will you tell us what that chart shows with respect to the price of these three vari-ties of maple flooring, as compared with the combination price of the three which you have designated in your chart and in your description as "The Product"?

A. Well, it is apparent from a mere glance at it that the white line fluctuates similarly to the price of the three grades; that is, it is not necessary to take the time to follow it month by month.

Mr. Johnston: No.

A. But in its general trend, from 1912 and 1913 to the middle of 1913, all three grades and "The Product" index had an upward [fol. 1134] trend.

From 1913 to the end of 1915 all had a similar downward trend. From the end of 1915 to the first part of 1919 all had an upward trend. From the first half of 1919 to the Spring of 1920 all had an abrupt rise.

Q. Rise?

A. Rise, increase.

Mr. Johnston: Oh, yes, I see.

A. Followed by an extraordinary fall during the last half of 1920, and practically all of 1921, since which time they have all had an upward trend. I think that is clear.

Q. Now, the spaces between the blue line, representing factory, the price of the so-called product known as "Factory Maple," and the red line, for instance, which represents the number one maple, has that any significance?

A. It has no actual significance except that it shows one upon a higher level than the other.

Q. Due to the fact that one sold at a higher price than the other?

A. Yes, sir.

Q. You, of course, will attempt to make no comparison on this chart between the price of the two?

A. No, sir.

Q. But merely as to the up and down movements of the two?

A. Yes.

Q. So that the only significance upon this chart?——

A. (Interrupting.) Is the similarity.

Q. (Continuing:) —is the similarity in the shape of the lines? [fol. 1135] A. The shape of the curve, and the movements and the fluctuations, yes.

It shows that the index of "The Product" is an adequate representation of the price movements of the three grades.

Q. And you, as a statistician and one experienced in the preparation of charts of this character, are satisfied, are you, that such use of the figures which you have designated as "The Product" is a justifiable use?

A. Yes, if I had not been I would not have used it.

Q. Yes. Now, I might ask here whether all of the charts that will be introduced in evidence in your testimony, or in the testimony of Mr. Grant Keehn, were prepared under the direction of yourself and Mr. Keehn?

A. They were, yes.

Q. And the figures were all checked by you?

A. The charts were checked while they were in pencil and again checked after they were inked in.

Q. Yes. Now, going back then to Defendants' Gordon's exhibit 6, for identification, which is the comparison of the index prices of The Product, as you have just finished describing it, with the United States Bureau of Labor Statistics, of first all commodity prices, second, all building material prices, and third, of the lumber prices, monthly for the period during 1913 to 1923, I will ask you whether or not the figures represented upon these tables appended to exhibit 6, for identification, showing the Department of Labor's Revised all [fol. 1136] commodity price index, all building material price index, and lumber price index, were placed on this chart, exhibit 6, in the same manner that you have testified the prices of the three grades or qualities of lumber were placed on the chart, exhibit 7?

A. Yes.
Q. Done in the same way?
A. Yes.
Q. Will you now then turn to exhibit 6?
A. Yes.
Q. And explain to us what that chart shows with reference to the comparison of the index prices of The Product with the index prices of these other three groups of commodities, indicating how they are designated on the chart?
A. You want me to explain what this chart shows?
Q. Yes. Explain what exhibit No. 6, this chart, shows?
A. Well, this chart shows that all four of these price indices have had a downward movement, of almost the same extent during the last half of 1913, and the entire year of 1914. During the first three-quarters of 1915 the all commodity index and the all building materials index had a slight upward trend, while the lumber index did not rise but maintained the low level which it had reached in the last quarter of 1914.

The Product index on the other hand continued to decline steadily until the last quarter of 1915, with the all commodity index and the all building materials price index rising, and lumber prices main-
[fol. 1137] taining their level.

At this point it would not seem that had the Association had control of prices they would have allowed or let their prices remain upon a relatively low level.

In August of 1915 the all building materials, and lumber indices began a sharp advance, which was followed a month later, in September, by a sharp advance in the all commodity price index. The index of The Product, however, was the last to feel this upward movement, which did not occur until October, at which time it did not move up at as rapid a rate as was the advance in the other three indices. A slight re-action was felt in all four of the indices in the second quarter of 1916, but the upward movement was continued again in the third quarter. This culminated for all of the indices in the middle of 1917, shortly after the outbreak of the war.

In the case of the all commodity index, all building materials price index, and the lumber price index, the reaction which then occurred was short-lived; whereas, in the case of The Product price index the reaction continued throughout the first quarter of 1918, at the same time that the other indices were advancing to higher levels. The prices of The Product, that is, of the white line, advanced sharply in the second quarter, while the other three indices maintained their steady upward movement.

During the last half of 1918 and first quarter of 1919, the all
[fol. 1138] commodity price index and all building materials price index declined slightly, while the index of lumber prices, after a momentary re-action, advanced slightly through the last quarter of 1918 and the first quarter of 1919.

The Product, like the all commodity price index, and the all building materials price index, declined slightly throughout the last quarter of 1918, and the first quarter of 1919.

The all commodity index resumed its upward trend again in February, 1919; lumber in March of 1919, and all building materials and The Product in April. This sharp advance was continued for all of the four indices during the remainder of 1919, except for a slight reaction lasting for only a few months in the last half of 1919. This reaction was felt to the greatest extent by all commodities and to a lesser extent by all building materials, lumber and The Product respectively.

This reaction, however, was only momentary, and the sharp upward movement was again resumed by all of the indices, and culminated in the high point in March, 1920, for lumber, April for all building materials, and the Product, and May for the all commodity price index.

During the remainder of the year 1920 all of the indices declined sharply. This sharp decline, however, was broken by a momentary slackening in the third quarter of the year. The decline continued throughout the first half of 1920, although less sharply.

[fol. 1139] Q. 1920?

A. 1921. Excuse me.

Q. 1921?

A. Yes, 1921.

Q. Yes?

A. All commodity prices beginning with the middle of 1921 began an extended sidewise movement, which lasted until January of 1922. Save for the all commodity index, the Product was the last to reach its low point and the last to recover from this drastic decline.

The lumber index recovered from the depression and again moved up in August, all building materials in September, and the Product in October. This brief upward movement for these three latter indices was followed by a reaction in the last month of 1921 and the first quarter of 1922. From the first quarter of 1922 to the second quarter of 1923 all of the four indices have continued to advance with only a slight easing off in the last quarter of 1922.

Now, a study of the movements of the four indices reveals the fact that during the years 1916, 1917 and 1918, and the first half of 1919 the price levels of the four indices were dissimilar. The index of all commodities prices was on the highest level, and the index of all building materials prices upon the next highest level, followed by the index of lumber prices and with the index of the Product upon the lowest level.

During the last half of 1919 this relationship changed. The [fol. 1140] Product advancing to the highest level, all building materials to the third highest level and all commodities upon the lowest level.

A study of the indices themselves, that is, the commodities which make them up, will explain this relationship. Maple flooring is a specialized product and cannot be used for a variety of purposes,—its sole outlet being for flooring purposes in building construction. Lumber, on the other hand, is a less specialized product, although the major proportion, it has been estimated sixty per cent, of all lumber goes into new building construction. There are also a

variety of other uses, such as for boxing, crating, ship building and such outlets for lumber. All building materials is a still less specialized group. Many of the products making up this index are used in a variety of industries, and in addition many of them are made from raw materials, such as iron and steel, which, if the prices are not attractive will be diverted and processed into other commodities. The all commodity index has no specialization, being made up of all manner of commodities and will be influenced by an increase or decrease in the amount of building in the United States only to the extent that those products used in the building industry make themselves felt in the general average of the 404 commodities which are included in the index.

Now, we have made an investigation to determine exactly, or as [fol. 1141] nearly so as possible just,—and in order to be able to demonstrate that the demand for maple flooring was dependent upon the volume of new building construction in the United States——

Q. Well, before you go into that, Mr. Gordon, I think you have finished now your exposition of this chart, Exhibit 6?

A. Practically, yes.

Q. Except for your explanation of certain of the movements——

A. Yes.

Q. —therein shown?

A. Yes.

Q. And for an explanation of those movements it will be necessary to make some study of the relationship between building in the United States and The Product?

A. Yes, sir.

Q. And the price thereof?

A. It will be necessary to digress from the immediate subject of price comparisons."

(Defendants' Gordon Exhibit 6 for identification was received in evidence as Defendants' Gordon Exhibit 6.)

(Defendants' Gordon Exhibit 7 for identification was received in evidence as Defendants' Gordon Exhibit 7.)

(Defendants' Gordon Exhibit 8 for identification was received in evidence as Defendants' Gordon Exhibit 8.)

"Mr. Johnston: Now, I think, Mr. Gordon we had gone up to the point of examining and explaining Defendants' Gordon's exhibit 6.

[fol. 1142] Q. Have you anything further to add to the explanation of the exhibit, of that chart?

A. Well, I was on the point,—rather I had pointed out the difference in fluctuation between the level of these four commodities during the period from 1916 to 1919, and from 1919 to the present time.

I had shown that the Product is a specialized commodity, dependent upon the volume of building constructed in the United States for its demand; that the other three commodity indices are all of a less specialized nature. And I have stated that we had made a study in order to determine for certainty that the demand for maple floor-

ing was dependent upon the volume of new building construction in the United States, and that that demand would offer adequate explanation of the reversal of price level of these four price indices.

Q. By the "reversal of price level" you mean the reversal which took place from 1919 to 1921?

A. Yes, the reversal of order.

Q. Now, what did you do in making this study to show the relationship between the demand for building materials or the volume of building, and the price of The Product?

A. Well, there were two series of data on the volume of building construction in the United States.

First, there were data available on the number and value of building permits granted in selected cities in the United States, and secondly, there were data available upon the number and value of build-
[fol. 1143] ing contracts awarded in the United States.

This latter data were compiled and are compiled by the F. W. Dodge Company, with headquarters in New York City. These two series of data were available in number of buildings. It was obvious that the number of buildings was an unsatisfactory index of the volume of building, as it would represent the demand for materials and labor necessary for that production. This because no differentiation existed between the buildings, a two-story family dwelling and a twenty story office building; whereas, in actuality there was an enormous difference in the amount of material and labor going into their construction. These two series of data were also available in dollar value.

Q. Just what do you mean by "dollar value." Just explain a little more what you mean by dollar value?

A. By "dollar value" I mean the figures upon building construction were expressed as millions of dollars of building. These figures were also inadequate because no differentiation was made—no allowance was made for the difference in the cost of materials and labor from one period to another. That is, one thousand dollars' worth of building in 1913 represented a far greater physical quantity of building than one thousand dollars' worth of building in 1920, at the peak of prices.

There were figures on square feet of floor area of contracts awarded in the United States available. These figures, however, were only for a limited period, from 1919 to the present time.

[fol. 1144] Q. 1919?

A. Yes, 1919 to the present time.

Mr. Johnston: Oh, yes, that is right.

A. The F. W. Dodge Company not having compiled them for the time previous to that date. These three kinds of data were all that were available and it became necessary to use the dollar figures, or the value figures of building construction and make allowance, or correct them for those fluctuations caused by variations in the prices of material and labor.

The series chosen to correct were F. W. Dodge & Company's value of contracts awarded, rather than permits issued or permits granted

and were used because of two considerations. As building permits are frequently issued for construction that never materializes, or if it is actually constructed, not for a considerable period after issuance of the permit. On the other hand contracts awarded represent actual construction, which will be commenced within a very short time after the contract is let. Secondly, the figures on permits issued in selected cities represent building in cities only; whereas, the figures of contracts awarded represent building in both cities and country.

Since it was necessary to deflate these value figures in order to show the physical quantity of building, an index was secured of the cost of building constructions. This index was one first developed by the Federal Reserve Bank of the New York District and later used by Col. Leonard P. Ayers, Vice President of the Cleveland Trust [fol. 1145] Company, of Cleveland, Ohio, in his monograph, "The Prospects for Building in American Cities," published in June, 1920.

This index is also used by the Association of General Contractors of America, of Washington, D. C., who compile and publish it currently in their publication The Index. The figures were secured from this latter source.

Q. Well, what do you mean by "the latter source?"
A. The Index.
Q. Oh, The Index?
A. Yes.

Mr. Johnston: All right, proceed.

A. The Index of construction costs is made up by a combination of two separate indices, one for the cost of materials and one for the cost of labor. These two indices are combined in the proportions of 60 and 40. That is, in the proportions that these two costs bear to each other, in the typical construction job. The materials index is that of the United States Bureau of Labor Statistics index of all building materials.

The data for the labor index is secured from wage statistics compiled and published by the Bureau of the Department of Labor. And in the construction of this labor index the wages of the building artisens was weighted twice the wages of the building laborer. Having thus secured——

Mr. Johnston: Just a moment at that point.

Q. You said sixty and forty?
[fol. 1146] A. Yes.
Q. Sixty represents material and forty the labor?
A. Yes. Having thus secured an index of the cost of building construction, it was used to deflate the index of the value of building contracts awarded. Both indices were upon a 1913 base, and it was necessary only to divide,—or merely to divide the index of the value of contracts awarded in the corresponding months by the index of the cost of building construction. Having then secured an index of the physical volume of building construction in the United States we compared that index, its movements and fluctua-

tions with the movements and fluctuations of an index of new orders booked by the members of the Association.

This index of new orders booked represents the demand, as expressed to members of the Association for its product.

Q. Where did you get that information or that data, from which you prepared the new orders booked?

A. I would rather go back just a moment.

Mr. Johnston: All right.

A. I have a chart; I have prepared a chart and tables to accompany it, showing the value of building contracts awarded before and after deflation by the cost of construction index.

Q. Now, I show you this table which we will ask to have marked Defendants' Gordon exhibit 9, for identification, together with the [fol. 1147] four tables which accompany the same, and ask you whether or not that is the chart and the table accompanying it?

(The document indicated was thereupon marked as Defendants' Gordon's exhibit 9 for identification, and was handed to the witness.)

A. Yes.

Q. The one that you have just referred to?

A. Yes, this first table contains the actual figures on the value of building contracts awarded, 1912 to 1923, as secured from data of the F. W. Dodge Company, in thousands of dollars, monthly for the entire period.

The second table contains the index of the cost of building construction, secured from the publications of the Association of General Contractors of America. The Index is the name of the publication. And it is their index of construction costs which we used to deflate the previous table.

The fourth table contains the corrected index which represents the volume of building contracts awarded in the United States, upon an index number basis 1913 equalling one hundred. The method used in the deflation is illustrated at the foot of the table.

Q. That is the fourth table?

A. Yes, this last one.

Q. Yes.

A. Upon the chart of exhibit 9 the red line represents the value of new building contracts awarded in the United States. The white line represents this same data after correcting for the variations in cost of constructions. A glance at the chart will show a practical similarity in movements before and after correction, and a mere [fol. 1148] change of level rather than of movement.

Q. In other words, this chart, exhibit 9 for identification, is shown for the purpose of demonstrating that this so-called deflation, in order to arrive at the volume of new building contracts, and in order to take account of the decreasing purchasing power—decreased purchasing power of the dollar, does not change in reality the movement at all?

A. No, sir.

Q. Or substantially not at all, is that right?
A. Yes, sir.
Q. And you regard such correction as necessary in order to present a true picture of this situation?
A. I do, yes, a true picture of the physical volume of building.
Q. Yes. Otherwise you would have in there an element of error, if you used merely the figures of building contracts awarded?
A. You mean value of——
Q. Value of building contracts awarded, in that it would include the fluctuations in the price?
A. Yes, sir.
Q. That is the price, represented in part by the decreased purchasing power of the dollar?
A. Yes, sir.
Q. That is during this entire period?
A. Yes, sir.

Mr. Johnston: Just a word on the source of this data.

Q. Is this report or this publication of F. W. Dodge & Company a recognized source of information?
A. Yes, it is.
[fol. 1149] Q. That is, to those engaged in the building trades of this country?
A. It is a service which the F. W. Dodge Company supplies to contractors and builders throughout the country, and is recognized by them as authoritative and complete.
Q. This publication The Index, is that also a publication——
A. That is a publication of the Association of General Contractors of America.
Q. —which is regarded as authoritative upon the subject that it covers?
A. Yes, throughout the building industry.
Q. You had occasion, I believe you said, to make a survey of this subject sometime ago?
A. Yes, sir.
Q. Independent of this investigation that you have made here in this case?
A. Yes, sir.
Q. And you went into the subject quite exhaustively at that time?
A. Practically the same subject, yes."

(Defendants' Gordon Exhibit 9 for identification was received in evidence as Defendants' Gordon Exhibit 9.)

"Q. Now, you were talking about a comparison of the orders booked by the members of the Maple Flooring Manufacturers Association, that is to the volume of new building contracts awarded, were you not?
A. Yes, sir.
Demand for maple flooring must of necessity be expressed by placing an order for such flooring with the manufacturer. Such

orders are new orders booked. We have compared an index of the [fol. 1150] volume of new orders booked in thousands of feet of members of the Maple Flooring Manufacturers Association with the index of the volume of new building construction in the United States.

Q. Is that comparison shown upon this chart which I show you?

Mr. Johnston: We will ask that this be marked Defendants' Gordon's exhibit 10, for identification, together with the tables accompanying the same.

(The document indicated was thereupon marked as Defendants' Gordon's exhibit 10 for identification, and was handed to the witness.)

A. The index of the new orders booked by members of the Association was made from data secured from the records of the Association. This date is for fifteen members of the Association only. The reason for the use of data for fifteen members only was necessary because the membership of the Association varied in number from one time to another throughout the period 1913 to 1923. That is, some manufacturers were members only for a portion of the period.

It was obvious that had the new orders booked of all of the members of the Maple Flooring Manufacturing Association been used fluctuations would have been included, which were caused by variations in the number of manufacturers, and not variations in the demand for flooring.

Upon investigation of the records of the Association it was found that there were fifteen manufacturers of maple flooring who had [fol. 1151] been members of the Association continuously throughout the period.

Q. You mean by that members of the present Association or Associations that preceded it?

A. Associations that preceded it and the present one.

Q. In referring to the Association in that sense——

A. I mean a continuous organization.

Q. —you are referring to all of the organizations under this same name, of which Mr. Keehn has been the secretary?

A. When I refer to the organization I mean the organizations that have existed under that name.

Mr. Johnston: I see. Go ahead.

A. In order to show that the data for the fifteen members represent fluctuations that would have occurred had the entire membership of the association been homogeneous throughout the period a table and chart were prepared comparing the volume in thousands of feet of production, shipments, new orders booked, unfilled orders and stocks on hand for the homogeneous group of fifteen continuous members and for the present membership of 22.

Mr. Johnston: This chart, together with the two tables attached thereto, one being the statistics of production, new orders, unfilled orders, stocks on hand and shipments in thousands of feet, the other

a list of the fifteen so-called identical members, I ask to have marked Defendants' Gordon's exhibit number 11 for identification.

(The documents indicated were thereupon marked Defendants' Gordon's exhibit 11 for identification.)

Q. Now, if you will go ahead and explain the tables and also [fol. 1152] the chart?

A. This comparison for the period from August, of 1921, to March of 1923, that is, for the entire period in which the present membership of 22 has existed, is shown on this chart. It will be seen——

Q. Exhibit number eleven, you mean?

A. Exhibit 11, yes.

A cursory glance at this chart will show an identical fluctuation in all these statistics throughout this period.

Q. Namely, in production, shipments, new orders booked, unfilled orders and stocks on hand?

A. Yes, sir. And offers an adequate indication that had the membership—the entire membership of the Association been homogeneous throughout the period the fluctuations in the statistics would have been identical with the fluctuations of the fifteen members, which we have used.

Q. Now, referring to the first table which accompanies the chart, being a table of the statistics of production, new orders, unfilled orders, stock on hand, and shipments in thousand feet, of the identical fifteen members, and of the present 22 members, from what source was the information contained in that table obtained?

A. It was obtained from the records of the Association.

Q. And compiled by you?

A. Yes.

Q. And is the same true of the list of fifteen constant members, so-called?

A. Yes, sir.

Q. That are the fifteen who were used by you?

[fol. 1153] A. Yes, sir.

Mr. Darby: It is correct?

Mr. Johnston: He testified that this data is all correct.

A. And been checked.

Q. And that applies to every table and exhibit?

A. Yes, sir.

The fifteen members represent on the average approximately sixty-seven per cent of the total of production of the Association.

Q. Yes?

A. Or the same proportion that their membership is of the total membership.

Q. Will you now then refer back again to exhibit 10 for identification and to the two tables which accompany that exhibit, and just briefly state what those two tables show?

A. The first table shows in thousands of feet the quantity of new

orders booked monthly from 1912 to 1923, inclusive, for all flooring by the fifteen identical members of the Maple Flooring Manufacturers Association.

Q. From what source was that data obtained?

A. From records of the Association.

Q. Yes. What is the second table?

A. The second table is an index of data in the previous table.

Q. Prepared in the same way that you have prepared all of these other indices, as you have described them?

A. Yes, upon a 1913 base, 1913 equalling 100, and is the index shown in exhibit 10, for identification.

Q. Now, referring to Exhibit 10, wherein you have portrayed the figures shown upon this index, as you have just described it; [fol. 1154] will you explain exhibit 10 to us, please?

A. This chart was not the chart which we finally used for our comparison. It was our opinion that the data should be corrected for seasonal variation.

By "seasonal variation" in any series of data I mean the regular recurrent oscillations within the calendar months of the year. Seasonal variation is caused by two primary factors. First the difference in days between months, and the difference in the number of working days.

The second factor is that of climatic conditions. This latter cause is the primary cause of seasonal variation in the construction industry. During the Winter months there is regularly a small amount of building because of weather conditions; while on the other hand, during the Spring, Summer and Fall a high level of construction is regularly maintained.

An example of the first cause for seasonal variation is found in the month of February, which has only 28 days. Because of this statistics of production and new orders booked, unfilled orders, etc., are regularly smaller in quantity than during the preceding month of January, which has 31 days.

It was obvious then that seasonal variation did exist and should be removed from the data.

The method used in determining the seasonal variation in both the volume of building construction and in the volume of new orders booked was to take the total for each of the calendar months, in the period 1913 to 1923 and express this total as a per cent of 1/12th the total for all months of the entire period; that is, to ex- [fol. 1155] press each calendar month's total as a per cent of the average monthly total. Thus 12 percentages were secured, one for each of the calendar months, in terms of the average month. These percentages were then adjusted so that their total was 1200 per cent or their average 100 per cent.

This adjustment was an extremely small amount, being in the case of new orders booked 7/100 of a per cent, a negligible factor.

I have here an example of this method, as used, to determine seasonal variation for the new orders booked, and for production of the fifteen identical members of the Association.

Mr. Johnston: I will ask that this table showing the computation of seasonal variation be marked Defendants' Gordon's exhibit 13 for identification.

(The document indicated was thereupon marked as Defendants' Gordon's exhibit 13, for identification.)

Q. Now, were you through with your explanation of this?
A. Yes.
Q. Now, is this method of arriving at the seasonal variation one that is well recognized by statisticians?
A. Yes, it is.
Q. And is it usual to correct such tables as those under discussion in this case, that is, of production, new orders booked, etc., for seasonal variation?
A. Yes, it is, very usual to correct various sorts of data for seasonal variation.
Q. Now, if I understood you correctly this chart which we have had marked for identification Defendants' Gordon's exhibit 10, to-
[fol. 1156] gether with the accompanying tables, shows the relation of new orders booked to the volume of new building contracts awarded in the United States before making allowance for this seasonal variation, Mr. Gordon?
A. Yes, sir.
Q. Which you have referred to?
A. Yes.
Q. Now, have you prepared a chart showing the same matter after making the correction for seasonal variation?
A. Yes, sir.
Q. Is this chart, which I show you, and which I will ask to have marked Defendants' Gordon's exhibit 12 for identification, together with the two tables accompanying the same, the chart representing the relation of new orders book, the volume of new building, and contracts awarded, after making allowance for seasonal variation?

(The document indicated was thereupon marked as Defendants' Gordon's exhibit 12 for identification, and was handed to the witness.)

A. Yes, sir.
Q. This is the chart then, exhibit 12, which expresses, in your opinion, the final corrected relationship?
A. Yes, sir.
Q. Of these two indices?
A. Yes. Before I go on I would like to say a little bit more about the seasonal variation.
Mr. Johnston: Go ahead.
A. On the uncorrected chart, the exhibit—what is the number?
Mr. Johnston: No. 10.
A. Exhibit 10. It can clearly be seen that such a variation exists
[fol. 1157] in both series, particularly in the months of January and February, where in each case the curves on the chart drop to a very low level.

There were other methods which could have been used to determine the seasonal variation, but they were so complicated and technical that it was our opinion that they should not be used, since the difference in result would be negligible.

However, we computed indices of seasonal variation by the method of link relatives, which was the most accurate of these methods, and tested the figures of seasonal variation which we secured by the method I have outlined. The difference between the results of these two methods was less than one per cent which was a negligible factor. I do not think I have forgotten anything else now.

Mr. Johnston: All right.

Q. Now then, is there anything else you want to point out in this exhibit 10, which is the chart showing the relationship of new orders booked to the volume of new building contracts awarded before correction?

A. No, sir. The method of actually correcting the data was to divide each month's figure by the corresponding monthly figure of the seasonal variation and thus secure the corrected data.

Q. What practical effect does that correction have, as to the seasonal variation, upon the chart which is identified as exhibit 12?

A. The practical effect is to remove the recurrent regular and normal seasonal movements and to retain only those movements caused by an actual difference in the quantity unusual for that period of the year or that particular month.

Q. Can you illustrate that? That is rather involved. Can you [fol. 1158] illustrate that by reference to these two charts, exhibit 10 and exhibit 12?

A. I think so.

Q. All right, please do so. You can look at mine for No. 10, and you have yours for No. 12.

A. All right. Take the red line——

Q. Referring now to exhibit 10, for identification?

A. Referring now to exhibit 10. In the month of December and January——

Q. What year, 1913?

A. 1913 and 1914.

Q. Yes?

A. In the months of December, January and February the index reaches a low level. In the corrected chart, exhibit 12—is that right?

Q. That is right.

A. —in December of 1913 and January of 1914, the chart reaches a higher level than the months previous and following.

Q. You do not mean the chart? You said the chart reached a higher level?

A. Well, the figures upon the chart.

Q. The figures upon the chart?

A. Yes, sir, the figures upon the chart reached a higher level.

Q. And that is explained by what fact?

A. Well, that is explained by the fact that normally in these months the volume of building is lower than at other months of the

year. Its failure to reach as low a level as normally reached indicates a relative increase. Is that understandible?

Q. A relative increase in what?

A. Over what is normal in that month.

Mr. Johnston: I see. All right. Go on now to something else. [fol. 1159] Q. Well, the net result of the correction is to remove those variations from the picture which result solely from the so-called seasonal variations?

A. Yes, sir.

Q. And to, therefore, give you a more accurate picture of the real movement of new orders booked and of contracts awarded?

A. Yes, sir.

Q. That is, the movement which is uninfluenced by purely seasonal variations?

A. Yes, sir. A glance at the two charts will show the same thing, whichever chart you use. It will show the dependence of the demand for maple flooring upon the demand for building in either case. But it gives a more accurate picture than the uncorrected index. However the same conclusion would be reached by a study of the uncorrected one.

Q. Yes. Now, going to the corrected index, that is, exhibit 12, for identification, and the two tables appended thereto; will you state first what those two tables show, and then explain the chart to us?

A. The first table shows the index of new orders booked by the identical fifteen members of the Maple Flooring Manufacturers Association monthly from 1912 to 1923, corrected for the factors of seasonal variation.

Q. This table is made up in the same way that you have made up the other index tables?

A. Yes, sir. The indices of seasonal variation is shown at the head of the table and are the figures which were used in dividing the uncorrected index for the respective months in order to secure the correct index, which appears below the indices of seasonal [fol. 1160] variation upon the table.

The second table is an index of the volume of contracts awarded in the United States monthly, 1913 to 1923, inclusive, corrected for seasonal variation. It contains corresponding data to the table preceding it.

Q. Now, you have expressed then the figures shown on these two tables in the chart, exhibit 12 for identification, have you not?

A. I did not get that?

Q. You have expressed the figures shown upon these two tables, which you have just described in the chart, Defendants' exhibit 12 for identification?

A. Yes, sir. Those figures in the chart are the two tables plotted on the chart there.

Q. Will you explain that chart so it will be a little more understandible than the mere inspection of it?

A. The red line represents the volume of new building contracts awarded in the United States, and the white line the volume of new orders booked by members of the Association.

In the years 1913 and 1914 both indices had a slight downward trend. During the year 1915 both of them had a sharp upward movement. In the year 1916 the trend continued up. In 1917 the trend of both indices was downward. And except for a brief and sharp rise in the early part of 1918 in both indices the trend was downward throughout the year 1918.

Beginning in 1919 both curves advanced sharply and again declined throughout the year 1920, reaching their low points simultaneously in the month of December, 1920, and since that time both have advanced steadily.

[fol. 1161] That in major movements indicate what the chart shows.

Q. Now, what does this chart show to you as a statistician and economist, as to the dependence of new orders booked upon the volume of building construction in the United States?

A. It shows that as the volume of new building construction in the United States advanced or increased or decreased the volume of new orders booked by Association members advanced—increased or decreased in a corresponding manner.

It shows the red line to be the cause and the white line to be the effect, and demonstrates clearly that the members of the Association are dependent for their demand for maple flooring upon the volume of new building construction in the United States."

(Defendants' Gordon Exhibit 10 for identification was received in evidence as Defendants' Gordon Exhibit 10.)

(Defendants' Gordon Exhibit 11 for identification was received in evidence as Defendants' Gordon Exhibit 11.)

(Defendants' Gordon Exhibit 12 for identification was received in evidence as Defendants' Gordon Exhibit 12.)

(Defendants' Gordon Exhibit 13 for identification was received in evidence as Defendants' Gordon Exhibit 13.)

"Q. Now, having discussed the question of the dependence of new orders booked by members of the Association upon the — of [fol. 1162] building construction in the United States, will you go back to Defendants' Gordon's exhibit 6, and point out, if there is anything that you desire to point out there, the relationship of the dependence or the importance of the dependence in the reading of this chart, Exhibit 6?

A. The purpose of determining the dependence of the demand for maple flooring upon the volume of building construction in the United States was to explain the change in price level as shown by the chart exhibit 6.

During the years 1916, 1917 and 1918, when the index of the Product was upon a lower relative level than the other three indices, there was very little new building construction in the United States because of restrictions placed upon that industry.

As a result this failure of demand for flooring inevitably caused its price to stay upon a low level. The continuance of this low volume of building, during the years 1917 and 1918 created a shortage of building, which at the close of the war and the removal of

restrictions upon the industry was allowed expression and explains the tremendous increase in demand for flooring and other building materials during the period 1919 to date. This shortage and the consequent high level of building since 1919 is shown in a chart.

Mr. Johnston: That is exhibit 14.

A. Exhibit 14.

Mr. Johnston: Well, it has not been offered yet. Say "in a chart."

[fol. 1163] A. In a chart which we have prepared.

Q. Is this the chart, which I show you, and the tables accompanying the same (showing a document to the witness)?

A. Yes.

Q. Two tables accompanying the same?

A. Yes, sir.

Q. Table and list accompanying the same?

A. Yes.

Mr. Johnston: I will ask that this chart and the table and list accompanying the same be marked Defendants' exhibit 14 for identification.

(The document indicated was thereupon marked as Defendants' Gordon's exhibit 14 for identification, and was handed to the witness.)

A. The table, in the first column, contains the figures of the value of building permits issued in fifty cities yearly, 1900 to 1922, inclusive, in millions of dollars. The second column contains an index of the cost of building construction, the same index as was used in the correction of the tables previously mentioned.

Q. That is, the correction for seasonal variation?

A. No.

Q. Oh, corrections for the decrease in the purchasing power of the dollar?

A. No, the variations in the cost of materials and labor and consequent variations in cost of building constructions.

[fol. 1164] Mr. Johnston: Oh, yes.

A. It is made up in the same manner, upon a yearly base instead of monthly.

Mr. Johnston: Yes.

A. The third column was secured by dividing the first column by the second column, in the manner previously described, and represents the volume of building permits in fifty cities; that is, the physical volume of building.

The fourth column shows the ordinates of the line of secular trend, or the line of trend shown upon the chart, exhibit 14.

Q. For identification.

A. For identification.

Q. In other words, as I understand you, you have done here just what you did in one of the earlier tables and charts?

A. Yes.

Q. You have converted the volume of building permits, expressed in terms of dollars, as shown in the data from which you obtained that information——

A. Yes, sir.

Q. Into volume of building permits? I mean volume of building permits?

A. Yes, we have corrected the dollar value figures——

Mr. Johnston: Yes.

A. In order to show the physical volume.

Q. In order to show the physical volume?

A. Yes, sir.

[fol. 1165] Q. Where did you obtain this data of building in fifty cities, permits in fifty cities?

A. Well, the reason for using building permits in this case rather than contracts awarded, which were used previously, was that building contracts awarded figures were not available earlier than 1912. In order to show what the normal growth in building was, it was necessary to have a considerable period; that is, from 1900 to date. Data on building permits were the only statistics available.

Q. Where did you get that data?

A. This data, for all the years except 1922, was secured from the monograph of Col. Leonard P. Ayers, vice president of the Cleveland Trust Company, Cleveland, Ohio, the Prospects for Building in American Cities in 1922.

Mr. Johnston: You mentioned that before.

A. This is the same source previously mentioned.

Q. Do you know from what sources he obtained that information, Mr. Gordon?

A. He obtained the figures primarily from Bradstreet's Published Statistics of Building permits. In the cases where he could not obtain them from that source in particular years he secured them by actual correspondence with the Building authorities of the city.

Q. Is Bradstreet's a recognized statistical publication?

A. It is, yes.

Q. And have you examined this data from the point of view of whether or not the cities selected are representative cities of the [fol. 1166] various States?

A. Yes, sir they are. They are representative of the whole country.

Q. And was there any other source from which this data was available?

A. No, sir, there was not.

The figures in 1922, which could not be secured from Col. Ayers' monograph, which was published before they were available, were taken by us from Bradstreet's Statistics of Building Permits. The only deviation from the list of cities used by him was in the case of Providence, the figures for which city were not available. In its place was substituted the statistics on building permits of a nearby city, of the same population, or of practically the same population. Any error that this interchange might have made would be lost in the total, and was an extremely negligible factor.

Q. Now, you have expressed the figures shown upon this table, upon the chart exhibit 14, have you not, Mr. Gordon?

A. Yes, sir, the list of fifty cities is appended to the chart.

Q. Yes. This chart, by the way, is upon an arithmetic scale?
A. Yes.
Q. And not upon a logarithmic scale?
A. The interest is not in the rate of change, but in the actual [fol. 1167] arithmetic quantity and actual quantity.
Q. The volume, in other words?
A. Yes, sir.
Q. You are not comparing rates here?
A. No, we are not making any comparison with anything else. We are——
Q. No.
A. We are merely comparing it with itself.
Q. Well, now, will you take this chart and explain the same to us and in connection with that explanation how you arrive at that rising line shown upon the chart, known as the "line of trend?"
A. The irregular line represents the actual volume of building in the United States in the individual years. Through this curve has been drawn a line of trend. This line of trend was computed by the method of least squares, or method of moments, and rests upon a mathematical proposition that there can be only one straight line drawn through a series of data such as to best represent its trend. The actual explanation of the method is so involved and technical that unless it is desire- I won't go into it.
Q. Well, can you state whether or not that method of least squares is one which is recognized by statisticians generally?
A. It is. It is recognized, and it is the same method used by Col. Ayers in his monograph previously cited to determine the building shortage in various cities.
[fol. 1168] Q. Do you know whether or not the Government has used that method in any of its published statistics?
A. I am not certain but I believe the Bureau of Labor Statistics used the same method in a volume on Ponce Bulletin No. —.
The method is also used commonly by statisticians and economists to determine the trend of various series.
Q. And is an accurate mathematical calculation?
A. Yes, sir.
Q. Have you written out an explanation of this mathematical calculation?
A. Yes, sir, I have.
Mr. Johnston: It might be advisable, if there is any question about it, to append as an additional exhibit the explanation on this.
A. A short and concise explanation of this method of fitting a straight line to a series of data so as to show its trend is contained in the Review of Economic Statistics, published by the Harvard Committee on Economic Research for 1919, pages 8 to 18, especially page 12, and in a volume entitled Introduction to Economic Statistics, by Gearge R. Davies.

Mr. Johnston: I think I will have that marked as an exhibit, just as a sort of confirming document.
Mark it for identification. I will ask that this be marked De-

fendants' Gordon's exhibit 14-A being a sort of supplement or addenda to exhibit 14.

[fol. 1169] (The said document was thereupon marked as Defendants' Gordon's exhibit 14-A, and is hereto attached and returned herewith.)

Said document was received in evidence.

Q. Now, referring back to exhibit 14, I note that you show this line of trend up to about 1916 and beyond that point you have placed a dotted line, continuing the same general line of trend. What is the explanation of that?

A. In order to determine the normal growth in building or the normal line of trend, it was necessary to take only those years which were normal and not affected by the restrictions and conditions after our entry into the war, until the present time.

The purpose of computing this line and drawing it on the chart was to show what normally would have been the increase or the trend of building in the years 1917 to 1922, inclusive, had there been no restrictions placed upon the industry by the Government causing a shortage, and the tremendous demand after the close of the war when the demand for building was allowed expression.

Does that answer your question?

Mr. Johnston: I think so.

Q. Does the continuing of this line of trend then by the dotted line up to and into the year 1922,—is that a method which is justified——

A. Yes.

Q. From the standpoint of economic statistics?

A. Yes.

Q. Having once determined your line of trend during the so-called normal period?

A. Yes. I have already said that this same method was used by [fol. 1170] Col. Ayers in his study to determine the building shortage, in which he projected the line to show what normally would have been the building, had the unusual conditions incidental to the war not existed.

Q. Now, you have referred to certain restrictions imposed upon building operations?

A. Yes.

Q. What restrictions do you have reference to?

A. During the war, for the purpose of conserving materials, in an aid to our national defense, the Government placed restrictions upon all but the most necessary and vital construction in the United States. I cannot cite offhand the actual dates and restrictions.

Q. Have you reference here to any Government publications which refers in general terms to those restrictions?

A. I think it is in here, but I am not sure.

Mr. Johnston: All right. Just see if you can find it.

A. In Price Bulletin No. 43 of the War Industries Board, en-

titled Prices of Lumber, appear specific restrictions placed upon the manufacture and use of various materials including building materials.

Mr. Newman:

Q. What page?

Mr. Johnston:

Q. Upon what pages of the bulletin?
A. Upon page 36 are cited three specific restrictions; and on page 39 appears another, and on page 41 another; and on page 42 again appears another. And there are a couple of more on page 43.
Mr. Newman: Yes.

Mr. Johnston:

Q. How do those appear?
[fol. 1171] A. They appear under the date.

Mr. Johnston: I don't know as it is necessary to go into that.

Q. You have given reference to the number of the Bulletin where these restrictions are set up?
A. Yes, sir.

Mr. Thompson:

Q. Are those restrictions on manufacturing?
A. Manufacture and use, not particularly manufacture.
Mr. Newman: There was a period of time when you could not ship anything.
The Witness: Yes.

Mr. Johnston:

Q. Now, referring again to exhibit 14 for identification; will you point out on that chart what space upon that chart indicates the so-called shortage of building material?
A. The distance between the jagged line, or the line of volume of building permits, and the line of trend in any year shows the quantity of under or over construction in that year.
It is apparent that in 1916, 1917 and 1918,—or from 1916 to 1918 the volume of building declined to a level lower than at any other time since 1900. The area underneath the line of trend will give you an approximation of the accumulation of building shortage.
Q. That is, underneath the line of trend and within the jagged line?
A. Yes, sir.
Q. That indicates the accumulated shortage?
A. Yes,sir.
Mr. Darby: Beneath the jagged line.

Mr. Johnston: No, within the jagged line, and beneath the line [fol. 1172] of trend, shows the accumulated shortage.

A. Yes, roughly.

Q. Roughly?

A. Yes.

Mr. Johnston: All right.

A. It is apparent then in the years 1917 and 1918 the volume of building declined lower than at any time since 1900. This fact indicates the failure of demand for maple flooring and offers adequate explanation of the comparative low level maintained by the prices of maple flooring in comparison with other commodities as shown by the all commodity index, the index of all building materials prices and the index of lumber prices.

Q. During what period? During that period?

A. Yes, sir, during that period.

Q. Then what further does it show?

A. Then in 1919 it shows that the volume of building more than doubled over the previous year, 1918, and explains the tremendous rise in the price of The Product.

Q. As shown on exhibit six?

A. As shown on exhibit six.

Q. During the years 1919 and 1920?

A. Yes, and early 1920.

Q. Yes?

A. The demand in 1920, because of the—that is, the quantity of building in 1920 declined for the entire year relatively little because of the high level during the first half of the year.

In 1921 and 1922 the volume of building increased tremendously, reaching in 1922 a figure higher than at any time during the period 1900 to 1922.

This explains why the prices of maple flooring, lumber, building materials and all commodities reversed their order or relationship; [fol. 1173] the more specialized of these indices feeling this accumulated demand more than the all commodity index.

Q. And offers an explanation, as I understand you, why from the end of 1918 or until the present time, this specialized product of maple flooring has occupied a relatively higher level than the other three groups of commodities?

A. Yes, because the demand for it was relatively upon a greater level, or higher level than the demand for the less specialized products, the products not so dependent upon the volume of building.

I might point out that this chart, exhibit 14, is upon a yearly basis and not upon a monthly basis. That is, it does not show the monthly figures, but only the yearly total, consequently it does not show the variations within the year which are evident in the exhibits showing the volume of building contracts awarded which have previously been referred to.

Q. Yes; meaning exhibit 12?

A. Meaning exhibit 12, yes.

Q. Well, the purpose of this exhibit 14, as I understand, being to show merely the departure from the normal trend of the volume of building?

A. Building.

Q. By building permits issued?

A. Yes, and to show that the price of The Product was on a lower relative level than the other indices because of the low demand for maple flooring during the years 1917 and 1918, and upon a higher relative level in 1919 and 1920 and to date, because of the shortage of [fol. 1174] building which caused an accumulation of demand for building which was not satisfied in the years 1919 and 1920.

Q. As indicated by the rising line on chart, No. 14?

A. Yes.

Q. In those years?

A. Yes.

Q. That is, the sharply rising line (indicating)?

A. Yes."

(Defendants' Gordon Exhibit 14 for identification was received in evidence as Defendants' Gordon Exhibit 14.)

(Defendants' Gordon Exhibit 14-A for identification was received in evidence as Defendants' Gordon Exhibit 14-A.)

"Q. Now, have we finished this subject, Mr. Gordon, of the comparison of the new orders booked by the members of the Association, to the volume of building contracts awarded?

A. Yes, sir. We have come back to the comparison of the index of the prices of The Product with all commodity prices, all building materials and lumber prices.

Q. That is Exhibit 6?

A. Yes.

Q. Is there anything further now that you want to explain or point out in Exhibit 6?

A. This chart, exhibit 6, indicates that in its major movements the price of The Product fluctuated the same as the prices of all commodities, all building materials and lumber.

The difference in level of price before and after the end of 1919, it has been shown, was caused by the specialization of The Product, which can be used only as flooring in the construction of new building. The changes in the quantity of new building in these periods [fol. 1175] offers explanation of the change in relative price levels of these four indices.

Q. Does the fact of the levelling out, for instance, of the line indicating the price of The Product in 1918 and into the middle of 1919, have any significance, as bearing upon the restriction of building?

A. It has no significance in this comparison.

It is of significance in a further investigation we made into the factors of supply and demand.

Q. Yes?

A. As they are reflected upon this particular product.

Mr. Johnston: Oh, yes.

A. But here it is of no consequence. It shows a similarity of level.

Q. With the other three groups of commodities?

A. Yes.

Q. Were you through with that?

A. Yes.

Q. Now, passing from this subject to the question of the higher relative price of the commodity—The Product, rather, as you have described, it with the price of other commodities during the same period, that is, from 1913 to 1920: Have you made such a comparison to ascertain whether or not the price of The Product was on a higher or lower level than the price of other commodities during that period?

A. Because the price of The Product differed in level from the price index of all commodities it might at first be thought that this deviation was significant and had a bearing upon the possible control of price of The Product.

A mere deviation or difference in price level continuously through [fol. 1176] the period or at any time during the period would offer no basis alone for any conclusion as to price control or manipulation.

The index of all commodity prices, the index of all building materials prices and the index of lumber prices are made up of a variety of different products—prices of a variety of different products, in the case of all commodities, 404 in number.

Now, the index of all commodity prices is an average of these 404 individual prices, by far the largest proportion of which differ throughout the period, or at individual times within the period, from the average of the group. Therefore, if a mere difference is condemnatory or taken as an indication of manipulation or control all of the prices which make up the all commodity index, which differ from the average of the group must be condemned, and to do so would be absurd.

Furthermore, a higher relative peak price, that is, a price at any time reaching its peak, or having its peak upon a higher level than the peak price of other commodities as shown by the all commodity index, all building materials index and the lumber, index, is of no significance in this connection.

A comparison has been made of the relative peak prices attained by The Product of members of the Maple Flooring Manufacturers Association, and other commodities. This table which I have here indicates that there were 21 commodities given in the United States Bureau of Labor Statistics Wholesale Price Bulletins that had a higher relative peak price than did The Product.

Mr. Newman: Maple flooring: the product of maple flooring.

[fol. 1177] Mr. Johnston: Well, we have called it here "The Product" Mr. Newman.

Mr. Newman: Oh, I see.

Mr. Johnston: That is a consolidation of the three grades of maple flooring.

Mr. Newman: All right.

A. Now, if this fact alone, that is, the fact of having attained a higher peak price is condemnatory, or is taken as the basis of judgment alone, then it would be necessary to condemn this list of twenty-one commodities, which would be absurd.

This table shows the actual commodity, the peak or the highest price attained during the period 1913 to 1923, inclusive, and the year in which that peak price was attained for the individual commodities.

These price relatives were taken directly from the United States Bureau of Labor Statistics Wholesale Price Bulletins.

Mr. Johnston:

Q. On what basis are they compared with the price of the commodity?

A. Upon the same basis as all of the indices we have used, 1913 equals 100 per cent.

Q. What indices do you refer to, to show the peak price of the Product?

A. I beg your pardon?

Q. What one of these exhibits do you refer to to show the peak of The Product, the peak price of The Product, Mr. Gordon?

A. The peak price of The Product is shown upon the table that is at the foot of the table, in order that a ready comparison might [fol. 1178] be made of its peak price with the peak price of the other 21 commodities.

Q. And that is the price of 397%?

A. Yes sir.

Q. Attained in 1920?

A. Yes. There is one commodity, quinine, which which attained a peak price of 394, and was included in the table as being of the same practical high level.

Q. Well, these figures which appear under the heading "Peak Prices, 1913—100%" are expressed in percentages?

A. Yes.

Q. Taking 1913 as the base, or 100 per cent?

A. Yes.

Q. And if you taken as an illustration Fertilizing Materials, Nitrate of Potash, 1013; that means that in 1916 the price of that product reached 1013, as compared with 100 in 1913?

A. Yes, sir.

Q. And so with each of the other products?

A. Yes, sir.

Q. These being the high points that these products reached in the years indicated in the column following Peak Prices?

A. Yes. It is a mere expression of the price in the peak year, in terms of the prices in 1913. Q. On the basis of 1913 equalling 100 per cent?

A. Yes.

Q. The same relative comparison that you have made——
A. Throughout this study.
Q. (Continuing:) —throughout these studies?
A. Yes."

[fol. 1179] (The table of peak prices in commodities was marked Defendants' Gordon Exhibit 15 and received in evidence.)

"Q. Now, Mr. Gordon, Defendants' Gordon's exhibit 15 is a table comparing the peak price of The Product in the three grades of maple flooring, that you have heretofore referred to, with the peak price of other commodities during the period from 1913 to 1923. Those price relative indices are in each instance for what period?

A. They are the average for that year. They are indicated in the third column. That is, they are the average price for the year and not the monthly price.

Q. Yes. Is there anything further you wanted to say concerning that table, Mr. Gordon?

A. No, sir.

Q. What further comparison did you make of the price of The Product with the price of other commodities?

A. An investigation was made to determine whether the fact of having a higher average relative price over the period 1913 to 1923, higher than the average relative price of all commodities, all building materials or lumber prices was indicative or significant.

Upon investigation it was found that there were 146 other commodities which had an average relative price over the period 1913 to 1922, inclusive, higher than the average relative price of The Product.

These commodities with their yearly price relatives and the average for the ten year period is made up in the table which I have here.

Q. This table which you produce was taken from what source or data therein concerned?

[fol. 1180] A. From the Wholesale Price Bulletins of the Department of Labor, the same source previously used.

Q. Except the information as to The Product?

A. Except the information as to The Product shown at the head of the table, merely for purposes of comparison.

Q. Which was taken from the same source you have heretofore testified to, the records of the Association?

A. Yes.

Q. Or various associations?

A. Yes."

(The table last above mentioned, consisting of 14 sheets, was marked Defendants' Gordon Exhibit 16 and received in evidence.)

"Q. I take it, Mr. Gordon, that the figures appearing under the separate years, 1913, 1914, etc., are the average for each of those years?

A. Yes, sir.

Q. And the average in the last column, the figures under the heading "Average" is the average for the period 1913 to 1922, inclusive?

A. Yes, sir.

Q. And it is that average embodied in the last column of figures with which you are making a comparison?

A. Yes. This list, as I say, contains a list of 146 commodities, at 36 per cent of all the prices which enter into the all commodity index. These prices all had a higher average relative price over the ten year period, 1913 to 1923, than did The Product.

It would appear then that such a difference, that is, a difference in average over the period from that of the other three indices did not offer any basis upon which to condemn or regard as significant the [fol. 1181] higher relative level of The Product during the period which we studied.

Q. By that I take it you mean that the average price of The Product does not indicate any fixation of that price at an unreasonable level?

A. Yes, sir. That fact alone could not be regarded as significant because if so, a fortiori, it would be necessary to regard as fixed the prices of these 146 other commodities.

Q. Now, Mr. Gordon, up to this point you have given us your study of the subject of the price of The Product as compared with the prices of other commodities, and particularly the three groups known as All Commodities, All Building Materials and Lumber, and as a result of that study, will you sum up for us the conclusions which you have derived from that study of the facts as you have given them to us?

A. Well, our investigation indicated that there were but four manners in which the price of a commodity could be fixed.

They could be fixed continuously at an unreasonably low level, at an unreasonably high level, or at a reasonable level. The fourth method of fixation might be sometimes at one of these three levels, and sometimes at another.

It was ascertained and found that to fix the price of a commodity in the first three manners necessitated control of the potential supply of that commodity.

A study revealed the fact that control of the potential supply would require control of any or all of the means of production; that [fol. 1182] is, raw materials, equipment, capital, managerial ability or labor.

It was inconceivable that the members of the Association controlled the capital, managerial ability or the labor supply necessary to the production of this product.

Data was secured which showed that the members of the Association owned or controlled but two per cent of the stand of maple, beech and birch timber in the United States; that is, but two per cent, of the raw material.

It was found that the members of the Association did not control

the equipment necessary to the production of maple, beech or birch flooring.

It was determined in this manner that the members of the Maple Flooring Manufacturers Association did not control the potential supply of maple, beech and birch flooring, control of which supply would have been necessary in order to fix or maintain the price of maple flooring in the first three manners cited.

It was found that a party could not fix the price continuously at an unreasonably high level without control of the potential supply, and that control of this supply was not had or enjoyed by members of the Association.

Had an unreasonable price been secured by members of the Association, it was shown that a special inducement would have been offered for other supply to be produced by agencies outside of the Association.

A study was made which revealed the fact that anyone could purchase the equipment necessary to the production of maple flooring [fol. 1183] for approximately thirty thousand dollars.

Moreover, it was found that on the average, during the nine years, 1912 to 1920, inclusive, there existed 4767 producers of rough maple lumber who could have entered into the production of maple flooring had attractive profits been available by so doing.

Data was also secured which indicated that over 80 per cent of the yearly cut of maple timber in the United States was available to be transferred from its other uses into the manufacture of maple flooring had an attractive profit been available by so doing.

In addition it was ascertained that producers of other competing floorings could have entered into the manufacture of maple, beech or birch flooring, merely by purchasing the raw material and running it through their existing equipment. Most significant of all, a list of approximately one hundred manufacturers of maple, beech or birch flooring was secured. This list contained only names of manufacturers who were not members of the Association, and who could have produced a greater volume of maple, beech or birch flooring had the prices been such as to offer attra-tive profit.

In order to determine whether the prices realized for maple flooring by members of the Association offered any indication of price manipulation, which was cited as the fourth manner of price fixation, or offered any indication of price control, a comparison was made to the index of all commodity prices, all building materials price and prices of lumber.

This comparison showed a similarity in general movements. It was found that the relationship which the relative levels of the four [fol. 1184] price indices bore to each other during the years 1916, 1917 and 1918 was reversed from the latter half of 1919 to the beginning of 1923. This change of relationship was found to be caused by the extreme specialization of maple flooring and its greater dependence for demand upon the volume of new building construction in the United States.

The low volume of building construction in the United States in the years 1917 and 1918 explained the relative low level of the

price of maple flooring during these two years, in comparison with the other three indices. The high volume of building construction in the years 1919 to 1922, inclusive, explained its higher relative level in the latter years.

Finally it was found absurd to regard a difference in extent of price fluctuation, in price level or in peak or highest price attained of themselves as significant or as indicative of price control.

Now, in a number of places I have mentioned the fact that an unreasonably high price would offer a special inducement for the production of additional supply.

Mr. Johnston: Yes.

A. An actual example of this inducement and the resultant increased supply placed upon the market is offered by the condition which existed in the southern pine territory during the period of high prices in 1919 and early 1920.

In the Report of the Federal Trade Commission on War Time Costs and Profits of Southern Pine Lumber Companies, published on May 1, 1922 by the Government Printing Office, Washington, D. C., [fol. 1185] on page 68 the following sentence is found:

"The effect of this period of high prices was to stimulate increased production. Not only did established mills produce to capacity but it is estimated by the United States Forrestry Service that during 1919 between eight hundred and one thousand small mills began operations in the Southern Pine region alone."

I would like to also clear up the use of the name of the Association. By that I mean whatever organization which has functioned under the name of "Maple Flooring Manufacturers Association." Among the names contained in Defendants' Gordon's exhibits 2 and 3 it is possible that all the names do not represent present manufacturers of maple flooring.

In the first list secured were found a number of errors made by the publisher.

The lists which have been submitted, however, contain names which, as far as Mr. Keehn and I know, are actually producers of flooring. I just say that in the event that there may be errors in there that we did not know of. The other list, exhibit one, however, is correct in every detail, and actually represents the producers.

Q. Exhibit 2 was taken, of course, from the 1923 edition?

A. Yes, sir, the latest edition.

Q. The latest edition?

A. Yes.

Q. And the same is true of Exhibit Number three?

A. Yes.

Q. Now, from the investigation which you have made up to this point have you found anything which would evidence a fixation of price of maple flooring, birch or beech flooring by the members of this Association or preceding Associations under the same name?

A. No, I have not.

[fol. 1186] Q. You might state, Mr. Gordon, by whom you were employed to make this investigation?

A. By the law firm of Newman, Poppenhusen, Stern & Johnston.

Q. And you might state what your instructions were with respect to the preparation of this data?

A. My instructions were to make an unbiased investigation and report the facts as they were actually found, and analyzed, from an unbiased viewpoint.

Q. And to the best of your ability have you done that?

A. I have.

Q. You have, of course, worked with Mr. Grant Keehn upon the entire investigation, have you not?

A. Yes, sir.

Q. And you have gone over with him the data, the tables and the charts concerning which Mr. Grant Keehn is to testify, have you?

A. Yes, sir.

Q. I will ask you now so it will not be necessary to recall you upon that subject, whether or not you agree with Mr. Grant Keehn, or whether you and Mr. Grant Keehn have agreed upon the conclusions, so far as there are conclusions involved, in the balance of the report?

A. I do.

Q. And you have checked over the data there which Mr. Keehn will testify about, the computations, the figures, the tables and the charts in the same way that you have checked over those charts and tables concerning which you have already testified, and which have been introduced in evidence?

[fol. 1187] A. Yes.

Q. And with the same care?

A. Yes.

Mr. Johnston: I think that is all.

Mr. Thompson: I would like to reserve the right to cross examine later, if it is deemed necessary, after I have had an opportunity to study these exhibits.

Mr. Johnston: I see.

Now, of course, the only difficulty of that is Mr. Gordon will be at Cambridge.

Mr. Thompson: That is why I inquired if you had the other depositions in Boston, if we had to go there to take care of that it could be taken care of at that time.

The Witness: It would be rather hard for me to come out here again.

Mr. Johnston: I might ask you that question.

Q. Mr. Gordon, would it be possible for you to be present at the trial as a witness?

A. It would be extremely difficult.

Mr. Johnston: That is all."

DEPOSITION OF GRANT KEEHN, TAKEN, PURSUANT TO STIPULATION, AT CHICAGO, ILLINOIS, ON OCTOBER 21ST, 1923

[fol. 1188] GRANT KEEHN, being duly sworn, testified as follows:

Direct examination.

By Mr. Johnston:

I live in New York City. I am employed in the Statistical part of the Securities Department of Goldman-Sachs & Company, 30 Pine Street, New York City. I am the son of George W. Keehn, the secretary of the Maple Flooring Manufacturers Association. I secured an A. B. degree at Hamilton College, Clinton, New York, and then entered the Harvard School of Business Administration, where, upon completion of a two year course I secured the degree of Master of Business Administration. I specialized in statistics while in the Harvard School of Business Administration.

"The course there, however, prescribes a very full study of all of the various functions of business, and during the course I studied, among other things, marketing, industrial management, finance and statistics, economics and lumbering.

"I took a course under Prof. Robert T. Fisher, who is director of the Harvard Forest and who teaches the course in Lumbering, which is a general survey of the lumber industry, and particularly of the features of production. I also secured information as to the source of lumber data while in that course. Other courses that were particularly applicable to this study were: a course in advanced business economics, under Professor Homer B. Vanderblue, who is an economist on the Harvard Committee of Economic Research.

"I took a senior course entitled Commercial Crises under Professor Warren B. Persons, who is, I believe, the head statistician [fol. 1189] for the Harvard Committee on Economic Research. I also had two courses under Professor A. J. Hettinger, who is professor of Statistics there, and also serves in an advisory capacity as to the statistics at the Federal Reserve Bank of Boston."

I took courses under Professor Melvin T. Copeland in Marketing, Professor A. S. Dewing, Incorporation Finance, Professor Cole in Accounting, Professor Callan in Industrial Management, and others. I was on the Editorial Board of the Harvard Busines Review and was chairman throughout my second year. This work involved the writing and passing upon material included in the Students' Section of the Harvard Business Review. I was also employed for a short time by the Harvard Bureau of Business Research in connection with the shoe industry, or to be specific, the cost of doing business in the shoe industry. The Harvard Bureau is part of the School of Business Administration.

"The method of instruction in this Business School is that of the Case System. The agents of the Bureau of Business Research collect from actual businesses the facts and problems which are found among various concerns. They write up these facts and figures where there

are any, and they are presented as problems or cases to the students in the school for them to study over and discuss in the class room, and to write reports upon.

"One of the other functions of the Bureau is to make researches into the costs of doing business in several lines of industry.

"Q. You say you did some practical work in the field for that Bureau?

A. My work was connected with a convention of shoe retailers that was held in Chicago. I was employed to explain several of their [fol. 1190] methods that they recommended for shoe retailers, such as stock keeping records, accounting system, and the like.

Q. While you were in the Harvard School of Business Administration, did you make any special study of the subject of Lumber, Lumber Costs, or Maple Flooring, particularly?

A. I prepared a thesis in partial fulfillment of the second year course called Advance Business Statistics. The subject of that thesis was the relation of the maple flooring industry to the business cycle.

In that thesis I attempted to find out what relation if any existed between the movements of the activity in the flooring industry and of business in general. As an indicator of the fluctuations in the activity of business in general, I used the three curves prepared by the Harvard Committee on Economic Research.

I found that the shipments which I took to represent the activity of the maple flooring industry moved in very close accord with the activity of general business, although preceding it by some little time.

Q. That investigation and the preparation of that thesis occupied some time, did it?

A. It occupied portions of my time throughout the second term this last year at the Graduate School of Business Administration."

Mr. Gordon and I were employed by Newman, Poppenhusen, Stern & Johnston to make an investigation of the subject of maple flooring, and particularly the prices charged by the members of the present Association and preceding Associations. On this work I put in all of June and July and by that I mean not only days, but Sat- [fol. 1191] urday afternoons, Sundays and practically all evenings. Since then I have put in perhaps one or two week ends and several evenings. I worked with Mr. Gordon. I have heard Mr. Gordon's testimony in this case and am familiar with the exhibits which have been introduced here. I agree with the testimony of Mr. Gordon. I have checked with him all the tables, charts and lists which up to this time have been introduced in evidence and verified the correctness thereof. I was employed in the office of the Maple Flooring Manufacturers Association last summer and there acquired a certain familiarity with reports and data which were available in the office of the Association.

"Q. Now, Mr. Keehn, what further study did you and Mr. Gordon make of the relationship of the price of The Product, so-called, being the three grades of maple flooring selected, and the prices of other commodities?

A. We made a comparison, going on from where Mr. Gordon's testimony ended, of the prices of The Product with prices of competing wood floorings and the costs of raw material, and the other manufacturing and marketing costs.

We also made a study of the operation of the law of supply and demand, were it permitted to operate in a free and unobstructed manner, and studied the movements of supply and demand, the price and the production of The Product of the Maple Flooring Manufacturers Association to determine whether or not the prices of "the product" had been permitted to operate in a free and unobstructed manner, as compared with the conditions of supply and demand of The Product.

Q. Now, will you take up the first of those subjects, namely, the comparison of the prices of The Product of the Association, and [fol. 1192] compare it with the prices of competing wood floorings? Before you do that, let me ask you what you mean when referring in your testimony and in the charts and tables to the "Association?"

A. I mean the Association that exists today and those previous Associations which bore the name "Maple Flooring Manufacturers Association."

Q. You have attempted to make no distinction in your data?

A. No.

Q. All right. Will you proceed with the study?

A. The prices of The Product have been compared with the prices of oak flooring, Arkansas Soft Pine Flooring, Southern Yellow Pine Flooring and Douglas Fir Flooring.

For our information as to what wood floorings were competing, we secured advice from the office of the Association, and also from the field representative or inspector of the Association, Mr. Robertson.

We made comparisons for the period 1918 to 1923. There were not sufficient data earlier so comparisons could be made previous to the years mentioned.

Of the floorings which were competing and whose prices we studied, Oak and The Product are hardwoods; Arkansas soft pine, southern yellow pine and Douglas fir are soft woods.

It might be expected that movements of the prices of The Product, therefore, would be more nearly identical with the prices of oak flooring than with the prices of the three soft wood floorings studied.

We prepared indices of the prices of the four competing wood floorings, which we studied. For our quotations of the prices of [fol. 1193] these other four floorings we took those quotations found in the trade publication called Lumber. This publication is recognized as a reliable trade paper in the lumber industry. It is used, furthermore, as a source of lumber prices by the United States Department of Commerce for its publication "Survey of Current Business."

The quotations were taken from the issue of the last week of each month to represent the prices in that month. Our purpose in taking the quotations from this week was that they would represent the prices realized or bid and asked in the third week of the month, or approximately the middle. Where the quotations were not available

in the issue of the last week of the month we took quotations from the issue previous, and where absent in both we took them from the issue subsequent. The index of——

Mr. Thompson: May I ask just one question?

A. Yes.

Q. Do you know where Lumber obtains the prices which are used in the publications?

A. Yes. It obtains the prices of the southern yellow pine flooring, I believe from the Southern Pine,—reports of members of the Southern Pine Association. At least they are the prices F. O. B. mills, and they are the average of actual prices realized by mills in Alexandria, Louisiana, Hattiesburg, Mississippi, Kansas City, Missouri, and Birmingham, Alabama.

The Arkansas soft pine prices are an index prepared by the publication itself, and are secured from reports, I believe, of producers of Arkansas soft pine. The oak flooring prices in the early [fol. 1194] part of the years are for the Cincinnati market. I am not certain as to where those prices came from. But since then, since May, 1922 the prices are those realized by members of the Oak Flooring Manufacturers Association; and the Douglas Fir flooring prices are those quoted F. O. B. mills in the Seattle market. I am not certain as to where "Lumber" secures them.

To go on with the composition of the indices, The Product is composed, as previously explained, of the prices of clear, number one and factory 13/16th by 2¼ grades weighted 50 percent. clear, 35 percent. No. 1, and 15 percent factory. The prices are F. O. B. mills.

The oak flooring index is the arithmetic average of the prices of clear plain white and red, selected plain white and red, and number one common 13/16ths by 2¼ inch face grades.

The prices are in the Cincinnati market, March, 1919, to December, 1920. They are F. O. B. mills Cincinnati basis after April, 1920.

The Arkansas soft pine flooring index is the arithmetic average of the prices of edge grain B. and better and flat grain B. and better, 1 by 4 flooring. They are F. O. B. mills also.

Q. What?

A. Those prices are F. O. B. mills also.

The southern yellow pine flooring index is the arithmetic average of the prices of edge grain B. and better, flat grain B. and better and flat grain No. 1 common, 1 by 4 flooring. The prices are F. O. B. mills, Alexandria, Louisiana, March, 1919 to March, 1921. The [fol. 1195] index is the average F. O. B. mills price of Alexandria, Louisiana, Hattiesburg, Mississippi, Kansas City, Missouri, and Birmingham, Alabama, July, 1920 through May, 1923.

Of course, in some cases the prices were not available in all of those four cities, and when that was the case the average of the prices in those cities, which were available, was taken.

The Arkansas soft pine index is included after November, 1922 in this case. The Arkansas soft pine prices are included with the Southern yellow pine prices in the publication "Lumber" after that date.

The Douglas fir flooring index is the arithmetic average of the prices of vertical grain, Nos. 1, 2 and 3 clear and flat grain No. 2 clear

and better, 1 by 4, 10 to 16 ft. They are F. O. B. mills in the Seattle market.

As to the source of the prices of the Southern yellow pine flooring, I am not definitely certain but their source could be verified or found out by investigation of the trade paper Lumber.

Q. Now, those various grades that you have selected are nearly comparable to the grades selected for The Product as possible to find in market quotations?

A. In selecting the grades, the prices of which were averaged to make our indices, we secured information from the Association office as to which would be representative grades of those competing with the grades of the maple flooring in the index of The Product of the Association.

The selection of grades was also presented to the field representative [fol. 1196] of the Association, Mr. Robertson, for verification as to adequacy.

Q. And what was his report?

A. He concurred with the selection of the grades used in the composition of the indices.

Q. As being representative and competing?

A. As being representative and competing. Now, I have plotted——

Mr. Johnston: Just before you get to that, Mr. Keehn.

Q. In preparing these indices, were they prepared in the same manner as all the other indices?

A. Yes.

Q. As testified to by Mr. Gordon here?

A. Yes.

Q. And in the same method as followed by the Department of Labor, and other Governmental Departments in their statistics?

A. I am not certain which method you refer to.

Q. Well, I mean the preparation of price indices. Mr. Gordon testified that some of the Governmental Departments used the same methods in preparing their price indices or indices of other data?

A. I do not believe they are, no. Up to the present time I have only described them in actual prices, on a dollar basis.

Q. Oh, yes. You have not gotten to the comparison of percentages.

A. No. In making these comparisons we prepared two charts. On the first chart——

Q. By the "first chart" you mean this chart which I show you, do you (showing a chart to the witness)?

A. Yes.

[fol. 1197] Mr. Johnston: I will ask to have this chart marked Defendants' Grant Keehn's exhibit No. 17.

(Said document, so marked as Defendants' Grant Keehn's exhibit 17, is attached and returned herewith.)

A. On this chart the averages of the various grades that I explained previously, still in the dollar form were plotted. The purpose of plotting them in this form was to justify the continuation or the lack of continuation of two of the series.

In the oak flooring index the quotations were in the Cincinnati market from March, 1919, through December, 1920, and F. O. B. mills Cincinnati basis from May, 1920 to May, 1923. It can be seen on the chart, as both series are plotted over a certain portion, namely the last part of 1920, that this change in the location of the market is not an important factor, and that the curves for the prices in both of these markets, during the period in which they overlap, are on practically the same level and have the same fluctuations.

This same thing is true for the index of Southern yellow pine flooring. During 1919 and the early part of 1920 the quotations are F. O. B. mills in the Alexandria, Louisiana, market alone; and in the last part of 1920, throughout the remainder of the period under consideration, they are the average F. O. B. mills prices in four different markets.

Again it can be apparently seen that the two curves, during the overlapping in the Southern yellow pine prices, are on identically the same level, and have identically the same fluctuations. We did this to justify our change in the compositions of the series.

[fol. 1198] Q. So that in your opinion the difference would be negligible?

A. Yes, sir. It can be seen on this chart that the five curves are on various levels, due entirely to the difference in the value of the grades used in the composition of the indices, and due to the difference in the inherent values of the different woods.

We were not interested in the difference in the values of the particular woods. We were interested, rather, in the fluctuations of the prices—the relative fluctuations of the prices. We, therefore, believed it desirable to place the various indices prepared on a percentage basis merely to facilitate comparison. That is, we wanted to place the curves in just a position on the chart. This was done. We took as a base, equalling 100 per cent., the average monthly figure of each index to equal 100 per cent. For each series the average was made of the same and an equal number of months. The figures for each series which were taken, the average of which would equal 100 per cent., were for the period of March, 1919, through May, 1923, for this was the period during which quotations were available for all. In some few months in some of the series data were lacking. When this occurred we took as the figures for the month or months in which data were lacking, those which would be represented by points appearing on a straight line connecting the segments of the curve during which data were available.

Q. In other words, you have connected the point from which data was available with the succeeding point where data was available?

[fol. 1199] A. Yes.

Q. By a dotted line?

A. Yes. And in making up our average, which would equal 100 per cent., we took the point on that straight line where that straight line crossed the vertical line representing the month, the particular month.

Our reason for using an average of the entire series to equal 100 per cent., was that we believed no year subsequent to the war to be

normal. An average of the entire period would be a better base for that reason, and because our purpose was not to compare relative levels so much as to compare fluctuations.

In preparing the indices on a percentage basis where the curve, namely, in oak flooring and yellow pine flooring, was composed of two overlapping lines, we averaged the quotations of the two lines into one. The cause or reason for this was that we did not wish to have more lines than necessary on the chart because the greater the number of lines the more confusing it would be. Furthermore, as was apparent on exhibit 17 I believe the number is——

Mr. Johnston: Yes.

A. (Continuing:) —the overlapping of the lines showed the quotations in the two markets to be practically identical.

This chart on which the indices were plotted on a percentage basis is drawn on identically the same scale but in larger proportions. This also was to facilitate comparison. The shape of the curves has in no way been changed from the shape of those curves which appeared in exhibit 17.

Q. Now, this second chart which you are discussing is the one [fol. 1200] which I now show you, is it not (handing a chart to the witness)?

A. Yes, sir.

Mr. Johnston: I will ask to have this marked Defendants' Grant Keehn's exhibit 18, for identification.

(The document indicated was thereupon marked as Defendants' Grant Keehn's exhibit 18, for identification, and was handed to the witness.)

Q. All right, go ahead, Mr. Keehn?

A. This chart, exhibit 18, indicates that the prices of all five floorings started to rise sharply at about the same time, in March and April of 1919. The rise of the prices of The Product, however, was not as accelerated as that of the prices of the other four wood floorings. The last half of 1919 saw a reaction in the advance of the prices of the other floorings, whereas the price of The Product, which as can be seen, was still upon a relatively lower level, continued to advance.

In November and December of 1919 the upward movement was recommended in all series, with The Product still upon a lower level. This rise was continued by all five wood floorings until early 1920. The soft woods, Arkansas soft pine, Southern yellow pine and Douglas fir reached their peaks coincidently in February of 1920.

The hard woods, oak and The Product, continued to advance and did not reach their peaks until April of 1920. The decline which has set in after the peak prices in all of the five series was broken in all by a slight reaction in the third quarter of 1920, but the precipit-us downward movement was again resumed.

[fol. 1201] The downward movement of all indices was broken only in February, 1921, save for Southern yellow pine, and cul-

minated in the low points in 1921. Douglas fir was the first to reach its low point in April 1920. The next two months saw a slight reaction in all prices, and, with the exception of Douglas fir, July again brought a decline.

This marked the low point for the other two soft wood floorings, Arkansas soft pine flooring and Southern yellow pine flooring.

The next month saw a sharp rise in the indices of the soft wood flooring prices. The two hard wood floorings, however, continued to decline in price. Oak flooring reached its low point two months later, in September.

Mr. Newman:

Q. What year?
A. September, 1921.

Mr. Johnston:

Q. Yes?
A. And The Product continued to decline until October, when the bottom was reached. Thus the price of The Product was the last one to advance, having continued its downward movement in the face of the sharp advance in other flooring prices.

A reaction from the upward trend was felt by all of the flooring prices in the early months of 1922; but the upward movement was again resumed in the second quarter of that year, and continued with but few interruptions to May of 1923.

The Product price index has risen since its low point in 1921 at a slower rate than all other flooring indices except for that of Douglas fir flooring, from their respective low points.

[fol. 1202] This comparison indicates the price movements and fluctuations of these competing floorings to have been practically identical with those of the prices of The Product. All have moved together with soft wood floorings and coincidently reached their peaks and troughs earlier than did the prices of the hard wood floorings.

The Product is shown to have advanced less sharply on the upswings, both in 1919 and again in 1921. It would appear that the existence of the Maple Flooring Manufacturers Association has not tended to accelerate the upward movement of the price of its product.

It would appear further that the Maple Flooring Manufacturers Association could not have had control of the prices of its product when the price of its product did not advance in the face of sharp advances of other flooring.

Q. Is that all upon that, Mr. Keehn?
A. Yes, sir.
Q. Now, as I understand you, the comparisons on chart 17 and chart 18 will show that there were substantially the same movements in the prices of these various commodities?
A. Yes, sir.
Q. And so far as those two charts are concerned the curves or the lines are identically the same, or almost the same?

A. They are identically the same, with the exception that in exhibit number 18 they are placed in juxtaxposition.

Q. Yes.

A. Because of the use of the logarithmic paper, the placing them [fol. 1203] upon an index basis does not alter the shape of the curve.

Q. Therefore, exhibit 18 accords just as fair and accurate a comparison of the price movements as Defendants' exhibit No. 17?

A. Yes, it permits an even more accurate comparison of the price movements.

Q. The methods you have described of arriving at the index is one which in your opinion is fully justified by accounting methods and by statistical methods?

A. By statistical methods, not accounting.

Q. I mean by statistical methods. Accounting has not anything to do with it.

A. No.

(Defendants' Grant Keehn Exhibit 17 for identification admitted in evidence as Defendants' Grant Keehn Exhibit 17.)

(Defendants' Grant Keehn Exhibit 18 for identification was admitted in evidence as Defendants' Grant Keehn Exhibit 18.)

Q. What is the next subject, Mr. Keehn, that you and Mr. Gordon investigated in connection with this matter?

A. We investigated the prices of The Product, or the prices realized by the members of the Association, with their cost of production, and in comparing the prices with the costs we made a division of the costs into the costs of the raw material and the other manufacturing and marketing cost.

Q. Now, in all these comparisons you used the same indices for the price of the product that were used by Mr. Gordon?

A. Yes, sir.

—. In the tables and charts that were introduced?

[fol. 1204] A. Yes, we have used the same index throughout.

Q. Well, will you proceed with your consideration of the prices of The Product with the price of lumber?

A. The cost of the raw material in the production of maple flooring is approximately three quarters of the total cost of the finished maple flooring. We secured that information from the office of the Maple Flooring Manufacturers Association. Raw material for the manufacture of maple flooring is rough maple lumber. In making the comparison of the costs of the raw material and price realized it was not our purpose to show the relative amount of profit secured at one time as compared to another, but merely to indicate changes in cost of the raw material and the finished product, and to compare the fluctuations in their price.

We prepared an index of hard maple lumber prices which would be the costs of the raw material, of maple flooring. The index that we used is, throughout the entire period, the arithmetic average of the three grades of hard maple lumber, first and second, No. 1 and No. 3 common, 4/4.

The prices used are F. O. B. mills in the Michigan market, with

the exception of January, February, March and April, 1920, which are F. O. B. mills in the Wisconsin market. The index is on a quarter yearly basis, 1913 through 1918, and monthly thereafter, with the exception of December, 1919, and May and September, 1920, for which months data are lacking.

As in the other series which we have used, 1913 is taken as a base, but in this case the average of the last three-quarters of 1913 only equal 100 per cent, as data for the first quarter are not available.

[fol. 1205] Mr. Thompson:

Q. Does the source of this price data appear?
A. Yes, sir. I am coming to that.

Mr. Johnston: He was just going to get to that, Mr. Thompson.
Mr. Thompson: Yes.
Mr. Johnston: It appears on the chart.
Mr. Thompson: Yes, I see.

Mr. Johnston:

Q. Proceed, Mr. Keehn.
A. The quarterly data for the years 1913 through 1918 are taken from Price Bulletin No. 43 of the United States War Industries Board. This Bulletin is entitled, I believe, Prices of Lumber.

Monthly figures for the years 1919 to 1923 are taken from the trade papers "Lumber" and "The American Lumberman."

"Lumber" is used in most cases. June, July and October, 1920; January and February, 1921 and July, 1922 being the exceptions, from The American Lumberman.

Q. You mean taken from the American Lumberman?
A. Yes, sir.
Mr. Johnston: All right.

A. As in the case of the quotations for competing wood floorings, the quotations in the last week in the month were taken to represent the month, and where absent in that issue, from the issue of the previous week; and where absent in both, from the issue of the subsequent week.

In compiling this index there were two other sources of information which we might have used. There were the raw material costs, [fol. 1206] which are included in the tables of test runs made by the Maple Flooring Manufacturers Association. These figures would have been ideal in some respects, but they were so infrequent and at such irregular intervals that the fluctuations would have either been not apparent or disguised.

The other possible source was the Wholesale Price Bulletin of the U. S. Bureau of Department of Labor Statistics. The prices of hard maple lumber quoted in those bulletins, however, are in the New York market and are wholesale prices. They would include, therefore, freight charges from the place of manufacture to New York City, and would include the wholesaler's profit.

The fluctuations in this series, therefore, could be expected to be

somewhat different from the fluctuations in the costs of the raw material used by the members of the Maple Flooring Manufacturers Association, who purchased the hard maple lumber in most cases in the Michigan and Wisconsin markets.

Q. Therefore, you considered the prices which you did take from the "Lumber" and The American Lumberman as being more clearly representative?

A. Yes; at the same time considering those prices in the price Bulletin 43 of the War Industries Board.

Q. Well, that was on a quarterly basis?

A. Yes, sir.

Q. That is the reason why figures were taken on a quarterly basis?

A. Up to 1919.

Q. Up to 1919?

A. Yes. The reason that an arithmetic average was made of the prices of these three grades was that all of these grades, and others, namely, No. 2 and No. 3 common A, are used by the Association—by [fol. 1207] the members of the Association. The quotations on these other two grades were not available in the United States War Industries Board Bulletin #43. The prices of only the three grades used, namely, first and seconds, No. 1 and No. 3 common, were quoted in this bulletin.

We could not weigh the prices of these three grades in proportion to their use because we did not have figures on the relative consumption of these three grades by the members of the Association. It was necessary, therefore, to combine them on some arbitrary basis, and the arithmetic average seemed the reasonable method of combining them.

As I stated, the prices, with the exception of a few months, are F. O. B. mills in the Michigan market. The reason for this is that prices are quoted only in the Michigan market in the bulletin previously mentioned, of the United States War Industries Board. The substitution of the Wisconsin prices in the four months in early 1920 was necessitated by the asbence of data for prices in the Michigan market in these four months.

In order to justify the substitution of Wisconsin for Michigan prices we made a comparison, over a period of months, of Michigan with Wisconsin prices. That comparison is made on this chart.

(Said chart marked Defendants' Grant Keehn Exhibit 20 for identification.)

A. These indices of Michigan and Wisconsin hard maple lumber prices are where possible the arithmetic average of the prices, first and seconds, No. 1, Nos. 2 and No. 3 common, 4/4, hard maple lumber, and are the average of the quotations for these four grades in the last week of the month of the issues of both of the trade papers [fol. 1208] previously mentioned, "Lumber" and The American Lumberman.

I believe I did not mention any justification for the use of the American Lumberman, as a source of data.

Q. What about that?

A. It is a trade paper which is considered as reliable in the trade; and quotations in the preparation of a bulletin by the United States Federal Trade Commission of lumber prices were taken from it. The title of it is "Report of the Federal Trade Commission on War Time Costs and Profits of Southern Pine Lumber Companies."

To get back to the chart comparing the prices of rough maple lumber in the Michigan and Wisconsin markets, it is apparent that the fluctuations of the two series are practically similar. The difference, if any, in the two curves is in the higher level of the Michigan prices than of the Wisconsin prices.

The substitution of Wisconsin for Michigan prices in the first four months of 1920 is justifiable, first, because the shape of the curve would not be altered by the substitution; and secondly, because the substitution would, if anything, act to the disadvantage of the Association.

The reason for this latter statement is that the base, 1913, is made up of prices in the Michigan market, which we can assume from a study of exhibit No. 20 were higher than the prices which would have existed for Wisconsin rough maple lumber in 1913.

This would make the indices for the four months in early 1920 appear lower since they are Wisconsin prices. Early 1920 was the period of high prices in both the finished product, finished flooring, [fol. 1209] and in the rough lumber. The substitution would make raw material costs of the members of the Association appear lower during this period of substitution of Wisconsin for Michigan prices.

To return now to the chart, on which the prices of rough maple lumber and the price of The Product of the members of the Association are compared, for the years 1913 to 1923:—

Q. That is this chart which you now produce?

A. Yes?

Mr. Johnston: And which I will ask to have marked Defendants' Grant Keehn's exhibit 19 for identification.

(The document indicated was thereupon marked as Defendants' Grant Keehn's exhibit No. 19 for identification, and was handed to the witness.)

Q. Will you proceed with the exposition of the chart, Mr. Keehn?

A. A study of this chart, Exhibit 19, shows that the prices of the finished goods have fluctuated practically identically with the prices of the raw material. In the years 1913 through 1915 the downward trend in the prices of the rough maple lumber were exactly reflected in the price of The Product.

Early in 1916 the two lines started to diverge, and the price of the raw material attained a higher relative level during the middle of the year than did The Product.

In the years 1917 and 1918 the spread was even greater, with the rough maple lumber upon a distinctly higher level. It was during these years that the demend for the product was low on account of the small volume of new building.

[fol. 1210] Here again the less specialized product, namely, the rough maple lumber, for which there was demand other than for building construction purposes alone, maintained a higher level, similar to the all commodity price index and the indices the prices of all building materials, and lumber, which was brought out in the testimony of Mr. Gordon. The more specialized product, the flooring, on the other hand, could not be diverted to fill the demand for uses other than building construction, and consequently could not and did not attain as high a price as did other commodities, and its raw material,—rough maple lumber.

The data for these years, on this chart, exhibit 19, are another indication that the Maple Flooring Manufacturers Association did not have control of the price of its product, for it would not have allowed the price of its product to advance practically not at all, while at the same time the price of the raw material had advanced materally.

In March, 1919, when the demand for building was allowed expression, the prices of both the raw material, rough maple lumber, and the finished product, the flooring began a sharp advance. In this advance the price of The Product temporarily out-stripped the price of the rough maple lumber. This condition again was caused by the difference in the degree of specialization of the two products. The manufacturers of maple flooring were less prepared to meet the demand for their product because of their relatively low activity in the previous years, 1916, 1917 and 1918. The price of The Product reached its peak in April of 1920, whereas the price of the [fol. 1211] raw material continued to advance and did not reach its peak until two months later, in July. At this time it again reached a higher level than the price of the finished product.

It should be noted that the price of The Product was actually going down, while the raw material cost was going up.

From the peak, in early 1920, the prices of The Product declined slightly, had a short reaction, and then plunged into a precipitous decline, unbroken except in Febrauary and June of 1921, until the very low point was reached in October, 1921.

The price of the rough maple lumber during this period had continued its advance until June and July of 1920, and then had a decline, similar to though not as sharp as that of the price of The Product.

The rough maple lumber price advanced from its low point, while the price of The Product continued to decline for one month.

Q. That is 1921, Mr. Keehn?

A. Yes, sir. From the end of 1921 to the last quarter of 1922 both indices had about the same upward trend. In the last quarter of 1922, however, the rough maple lumber advanced sharply, more gradually in the first quarter of 1923, and again sharply in the second quarter.

The price of The Product, on the other hand, has not had as upward a trend as the raw material prices from the third quarter of 1922. The last quarter of 1922 saw practically no advance in the

price of The Product; and the first quarter of 1923 a sharp advance, which eased off in the second quarter.

From this comparison it is evident that the prices of The Product, [fol. 1212] of the Maple Flooring Manufacturers Association, were not unreasonable from the point of view of the cost of raw material. Moreover, from this single point of view it appears clearly that the members of the Association would have been justified in securing a higher price in the years 1917 and 1918 and the first part of 1919, and the last half of 1920, and the first one-half of 1921, and the first part of 1923. The prices of The Product were on a relatively higher level than the price of its raw material for only about one year in the 11 under consideration.

That completes my explanation of the comparison of the prices of The Product with the raw material costs.

(Defendants' Grant Keehn Exhibit 19 for identification was received in evidence as Defendants' Grant Keehn Exhibit 19.)

(Defendants' Grant Keehn Exhibit 20 for identification was received in evidence as Defendants' Grant Keehn Exhibit 20.)

Q. Now, you said that in addition to comparing the prices of The Product, prices realized for the Product with the prices for the raw material, rough maple lumber, you have made a further comparison of the price of The Product with the price of the cost, other than raw material, of producing the finished product, maple flooring?

A. Yes. We made a comparison of the price of The Product with an index of the average manufacturing and marketing cost of the members of the Maple Flooring Manufacturers Association.

This index includes costs other than the raw material. These average costs were made recently quarterly by the Association. The information of the average costs was secured from the office of the [fol. 1213] Association. The comparison has been made from 1916 to 1923. The only other year in which a survey was made was in 1913, which year we have used as a base.

We did not believe it necessary to chart previous to 1916 because it would merely be a straight dotted line from 1913 to 1916. These two indices were plotted on this chart (indicating).

Q. Have you prepared a table showing these indices, and the figures representing same?

A. Yes, the table is appended to the chart.

Q. And this is the chart which expresses those tables (handing a document to the witness)?

A. Yes.

Q. Or the figures shown thereon?

A. Yes.

Mr. Johnston: I now ask that these be marked for identification Defendants' Grant Keehn's exhibit 21, together with the table appended there to the chart.

(The document indicated was thereupon marked as Defendants' Grant Keehn's exhibit 21, for identification, and was handed to the witness.)

Q. Will you now explain further what this chart and the table shows?

A. Yes. In 1916 and early 1917, the average manufacturing and marketing cost index, and the index of the prices of The Product, were upon the same approximate relative level, both advancing slightly.

From the middle of 1917 to the second quarter of 1918 the average manufacturing and marketing cost index advanced sharply; whereas [fol. 1214] the price of The Product declined steadily. In the second quarter of 1918 the price of The Product advanced sharply to a new high level, which, however, was still considerably below the relative level already reached by the average manufacturing and marketing costs.

From the second quarter of 1918 to the second quarter of 1919 the index of average manufacturing and marketing costs advanced, while the index of the prices of The Product remained at about the same level. The price index of The Product advanced sharply from the second quarter of 1919 to the peak of early 1920; while the index of average manufacturing and marketing costs declined throughout the third and fourth quarter of 1919, and advanced sharply throughout the second quarter of 1920. From its peak in the second quarter of 1920 the price of The Product declined precipitiously throughout the remainder of the year.

During this time the average manufacturing and marketing costs had continued to advance. Through practically the whole of 1921 the two indices were upon approximately the same level, and both declined at the same rate.

Throughout the year 1922 the index of average manufacturing and marketing costs maintained, with the exception of the second quarter, approximately the same level reached in the last quarter of 1921.

The index of The Product, on the other hand, advanced steadily from its low point at the end of 1921.

The first quarter of 1923 saw a further increase in the level of the Product price index and a slight decline in the index of average [fol. 1215] manufacturing and marketing cost.

It is apparent from this comparison that there is little similarity, except in general direction, in the movements of these two indices. For approximately half of the period the average manufacting and marketing costs were upon a higher relative level than the prices of The Product, and during approximately one half of the period this relationship was reversed.

A study of the items which make up the average manufacturing and marketing costs, and the conditions and forces which affect them, will provide an explanation of the divergence and dissimilarity in the movements of these two indices.

Of the items which go into Average Manufacturing and Marketing Costs, other than raw materials not here included, labor cost is dominant. Because of agreements with labor and the lack of an immediate necessity to raise wage rates, wages practically always lag after prices of products upon which this labor is expended. So great is the lag that the payments made to labor increase even after the

peak in prices has been reached and continues to decline even after the prices have reached their low points and have again started upon the upswing.

Delay is also caused in the action of labor costs by the increased per unit expenditure after the peak has been reached and the rate of production decreases; and conversely, after the rate of activity has increased the per unit expenditure for overhead and labor decreases. The other manufacturing and marketing costs, which are the overhead expenses, fluctuate in a similar manner, and are less flexible in their fluctuations.

[fol. 1216] This comparison indicates the fact that the prices of The Product during the last half of 1917, 1918, and the first half of 1919 were upon a much lower relative level than the average manufacturing and marketing costs.

As was stated when a comparison was made of the prices realized to the costs of the raw material, the Association would have been justified had it secured higher prices during this period. And it was pointed out that the cause of the low relative price level of The Product at this period was due to low volume of building construction and the consequent lack of demand for The Product."

(The chart which was explained by the witness, together with the table showing the indices of the average manufacturing and marketing costs, was marked Defendants' Grant Keehn Exhibit 21, and was received in evidence.)

"Q. Now, Mr. Keehn, you indicated that you and Mr. Gordon made a further comparison or investigation to show how the prices of The Product have re-acted to the forces of supply and demand?

A. Yes. We went into that subject very thoroughly.

Q. Will you tell us what you did in that investigation, and what questions were considered and are necessary to consider in making that comparison?

A. Well, before we investigated the relation of the price of The Product to the conditions of supply and demand for it, we believed that it would be desirable to study how the law of supply and demand could be expected to operate were it allowed to operate in a free and unobstructed manner.

[fol. 1217] The simplest statement of the fundamental principle of the law of supply and demand as affecting price would be that if the demand for a commodity increases, and the supply of it remains the same, the price will go up, or if the supply is increased, and the demand remains the same, the price will go down.

There are numerous corollaries to the law to take care of the various and simultaneous changes in amount of the two forces. They may all be summed up, however, in the statement that as the excess of demand over supply increases or decreases, the price will increase or decrease; and as the excess of supply over demand increases or decreases, the price will decrease or increase.

The consequent re-action upon the amounts of supply and demand of such changes in price must be considered. When the price increases as a result of an increase in the excess of demand over supply

for example the greater profit which it allows should stimulate the offering of supply upon the market to the point where the increase in the excess of demand over supply will be eradicated and the price will come down to the original level; or, if the price has decreased, the amount of supply offered will be decreased because of the smaller profit allowed so that the excess of supply over demand will be wiped out and the price will come back to normal. On the other hand, the increase or decrease in price will discourage or stimplate the demand to the extent that the increase in the excess or shortage of demand over supply will be removed and the price will become re-adjusted at the normal level.

[fol. 1218] These are the two forces, then,—supply and demand—a change in either of which will re-act upon price, which in turn will cause a change in one or both of the two forces so that the normal relationship between them will be re-secured and the normal level for the price will be resumed.

The statements of the law of supply and demand, both as regards their effect upon price and the effect of price upon them, must be qualified. Certain conditions must be assumed in order to make these statements valid. First, a complete and accurate knowledge of market conditions must be had, at the moment these conditions exist, by both buyers and sellers; for if the buyers and sellers do not have complete and accurate knowledge of the conditions of supply and demand they cannot know the actual worth of the commodity and they cannot adjust the prices at the worth of the commodity, since their knowledge of its worth is inadequate.

Secondly, the judgment of the buyers and sellers in their interpretation of this knowledge must be infallible; for if their judgments were fallible the prices which are secured will vary from the actual worth of the commodity by the amount of their error in appraising the worth, in the light of their knowledge.

Thirdly, there must be perfect flexibility of supply to demand, so that the adjustments will be instantaneous. The perfect flexibility of supply that I just mentioned as necessary to the validity of the fundamental principles of the law of supply and demand means that the production rate can be increased or decreased with the same readi-
[fol. 1219] ness as conditions in the demand, so that stocks and demand are never accumulated above or below what is normal or necessary.

Under ideal conditions there would be a normal supply of stocks on hand and a normal supply of accumulated orders, and the production rate would be just equally the demand rate, and as the demand rate increased or decreased the production rate could be increased or decreased to equal the change in the demand.

Fourthly, the law of supply and demand must be equalified to the extent that a condition, what is termed a "static" market, exists. "Static market" is used to mean one in which the nature of the demand, and of the supply, does not change. A change in the nature of the demand would be, for example, when the price is increased, but the same quantity or more will be taken from the market. The rise in price has not discouraged demand. There has been a change in

the intensity of the demand. In the same way a decrease in price will not stimulate the purchase of a greater quantity of the product if the demand has become less intense.

A change in the nature of the supply would mean in this case a change in the costs of production. If the costs have increased, the increase in price will not necessarily stimulate greater production; or the opposite, if costs of production have gone down, a decrease in price will not necessarily cause smaller production. For the fundamental unqualified principle of the law of supply and demand to operate, therefore, neither the intensity of the demand nor the costs of supply may change; that is, we must have a static market.

[fol. 1220] It is apparent, therefore, that the economic law of supply and demand, as I stated originally, must be modified to meet conditions as they actually exist.

Market information is not complete, is not always accurate, and is not always instantaneously available. Variations occur in human judgment, so the interpretation of the market information, even were this information perfect, would differ materially.

Furthermore, in this regard, not only must present conditions of supply and demand be judged by the producers, but also the future conditions must be predicted to determine purchases and production.

The adjustment of supply and demand cannot be perfect, for production, of necessity, is less flexible than demand. Production is bound by physical limitations, whereas demand can spring into existence by the mere placing of an order; and, finally, business is never continuously in a static condition—but rather in a dynamic condition wherein demand fluctuates in intensity and the costs of production change.

The conditions that make necessary the qualification of the fundamental laws of supply and demand are elements in what are known as business cycles, or fluctuations in the activity and prosperity of business; so that the existence of business cycles will be apparent and more completely understood I would like to read a short portion from the report of the President's Conference on Business Cycles and Unemployment. This Committee was composed of several persons of some reputation. I might give a list of the members of this Committee.

[fol. 1221] Mr. Johnston: Yes, I think you better.

A. Owen D. Young, Chairman of the Board, General Electric Company, Chairman; Joseph H. De Frees, former president United States Chamber of Commerce; Mary Van Kleeck, Russel Sage Foundation; Mathew Woll, vice president, American Federation of Labor; Clarence M. Woolley, president American Radiator Company, and Edward R. Hunt, Secretary of the President's Conference on Unemployment, Secretary.

Q. Did that Committee also have the assistance of some economists and statisticians?

A. Yes. It has a Foreword by Mr. Hoover. It has Articles by Wesley C. Mitchell, National Bureau of Economic Research, Frederick R. Macaulay, National Bureau of Economic Research, Willford I. King, of the same Bureau, William A. Berridge, of

Brown University, and Paul F. Brissenden, of Columbia University; well, there are numberous others whose work is included in it.

The particular part that I wish to bring out is in Chapter I, called "Business Cycles, by Wesley C. Mitchell, who is one of the leading statisticians of the country, particularly in the phase of the subject of Business Cycles. (Reading:)

"The Nature of Business Cycles"

"Fifteen times within the past one hundred and ten years, American business has passed through a 'crisis.' The list of crises years (1812, 1818, 1825, 1837, 1847, 1857, 1873, 1884, 1890, 1893, 1903, 1907, 1910, 1913, 1920) shows that the periods between successive crises have varied considerably in length. Further, no two crises [fol. 1222] have been precisely alike and *and* the difference between some crises have been more conspicious than the similarities. It is not surprising, therefore, that business men long thought of crises as 'abnormal' events brought on by some foolish blunder made by the public or the government. On this view each crises has a special cause which is often summed up by the newspapers in a picturesque phrase 'the Jay Cooke panic' of 1873, 'the railroad panic' of 1884, 'the Cleveland panic' of 1893, 'the rich man's panic' of 1903, 'the Roosevelt panic' of 1907.

"Longer experience, wider knowledge of business in other countries, and better statistical data have gradually discredited the view that crises are 'abnormal' events, each due to a special cause. In stead of a 'normal' state of business interrupted by occasional crises, men look for a continually changing state of business—continually changing in a fairly regular way. A crisis is expected to be followed by a depression, the depression by a revival, the revival by prosperity, and prosperity by a new crisis. Cycles of this sort can be traced for at least one century in America, perhaps for two centuries in the Netherlands, England, and France, and for shorter periods in Austria, Germany, Italy, Spain, and the Scandinavian countries. Within a generation of two similar cycles have begun to run their [fol. 1223] courses in Canada and Australia, South America, Russia, British India, and Japan.'

I read that merely to explain something of the nature of business cycles, and also to establish their existence.

Now, if an outline were made of what might be expected to happen were the law of supply and demand to operate in a free and unobstructed manner throughout a complete business cycle, all of the conditions which make necessary its qualifications would be considered in all of their aspects. An outline of this sort, furthermore, if dealt with in the abstract rather than with reference to any one particular industry, would serve as a standard by which to judge whether or not in a particular industry the law of supply and demand had operated in a free and unobstructed manner; and to form such an outline I will apply the law of supply and demand to the full course of a business cycle.

Since business cycles are continuous, each one growing out of its predecessor, and merging into its successor, it does not matter with which phase of the cycle I start; but as it is necessary to have some starting point, the point at which the demand begins to revive after a period of inactive business will be taken. The circumstances existing in industry will be traced throughout the business cycle—revival, prosperity, crisis, and depression.

In discussing the operation of the law of supply and demand throughout the business cycle recognition must be made of two types or two divisions of demand, and two types or two divisions of supply. There is, first the rate of new demand, or amount of de- [fol. 1224] mand that is arising to be filled, and secondly, there is the demand which has accumulated and which has not yet been filled. The analagous parts of supply are the rate of production, or the amount that is being produced to be sold, and, secondly, the stocks of the supply which have been produced, which have not as yet been shipped or sold; while the new demand rate is the genesis of accumulated demand and is the important and effective factor in determining the activity of the industry over the course of time, and while it is the price at which new demand is accepted that is the market price, it is the condition of stocks and of accumulated demand,—costs remaining the same, that determines the necessity or desira' ility of accepting new orders, and at what price to accept them. Furthermore, it is the conditions of stocks and accumulated demand that determine the rate at which new supply will be produced.

Now, to get back to the outline of what might be expected were the law of supply and demand allowed to operate in a free and unobstructed manner throughout the course of a business cycle, and taking the point at which demand revives after a period of inactive business. Certain conditions could be expected to exist at this point. New demand would be arising at a very low rate. There would be practically no accumulated demand. There would be large quantities of stocks on hand which had been produced during the preceding periods of crisis and depression at which time the rate of new demand was lower than the rate of production. Because of the large supply and small demand the price would be low—probably considerably below the cost at which a large part of [fol. 1225] the stocks had been produced. The producers would realize that it was impossible to secure prices such as to cover past costs. The rate of production would be low since there would be little reason to continue to pile up stocks. The cost of production by this time would be back at a low level.

The immediate effect of the revival in demand would be either to decrease the stocks on hand or to increase the accumulated demand if this demand could not be filled out of stocks. This decrease in the excess of supply over demand, however, could not be expected to have an immediate reaction upon either production or price. The stock condition would still be considerably over what was desirable for working purposes and the accumulated demand would still be

under normal. The producers would be glad to have their stocks and unfilled orders adjusted to normal by this new demand.

Moreover, they would not be sure that this new demand was the commencement of a permanent and lasting revival or merely a short lived flurry which could be met without an increase in the rate of production above that existing at the time. The prices realized would allow a profit above the low costs and the producers could not be expected to seek higher prices, for these would discourage the growing demands.

As the new demand became greater, the stocks would become less abnormally large and the accumulated demand less abnormally small. The producers, with reasonable security, could anticipate a period of good business. They would be anxious, furthermore, to operate their plants at a greater capacity, provided, only, that costs [fol. 1226] were covered by the prices realized. The natural consequence would be an acceleration in the rate of production.

The rise in prices, however, would lag after the production rate increase by some time. The accumulated demand would continue smaller than the stocks on hand; there would be no physical difficulties in filling the new demand with a reasonable delay for the period of manufacture. The prices, as has been pointed out, would allow a margin of profit at present costs, and there would be a danger of discouraging the new demand, were a higher price asked.

The increase in the new demand rate in a period of revival would be more rapid than the increase in the production rate. It is bound by no physical limitations, and can spring to large size in short time, particularly if the business world is optimistic towards the future. The production rate, even if at a maximum capacity, is far lower in quantity that can be turned out than the quantity of new demand which can arise. In consequence, the excess of supply over accumulated demand would become smaller and smaller. A rise in price would be inevitable even if costs did not increase.

As the production of the finished goods was increased, demand would be created for the materials with which to produce. The natural result would be a rise in the price of these raw materials. This would occur at about the same time as the rise in the price of the finished goods. Other manufacturing costs, overhead and labor, could be expected to be lagging because of wage agreements, and the less flexible nature of overhead expenses. For example, contracts [fol. 1227] for light, heat and power exist, which would have to terminate before higher expenses for light, heat and power would be incurred, and interest rates usually lag after commodity prices throughout the course of the business cycle.

Throughout the period of revival and prosperity, prices could be expected to continue their upward trend, because of the continued increase of the excess of demand over supply. The raw material costs would continue to increase at about an equal rate and other costs would lag slightly. This situation would continue until the new demand began to fall off. It is not necessary to explain why demand falls off; the fact that it does is sufficient to carry out the

outline of the working of the law of supply and demand in the business cycle.

The conditions which would exist immediately before the retardation of new demand would be practically the reverse of those at the inauguration of the revival of demand. New demand would be coming in quantities far in excess of the quantities that could be produced. Accumulated demand would be tremendous and stocks would be seriously depleted. The production rate would be around capacity, hindered by the difficulty of securing raw materials, labor scarcity and inefficiency. The prices would be high and rising. All costs would be high with costs other than raw materials rising more rapidly than previously.

The decrease in new demand would not be noticeable in the quantities of accumulated demand and in stocks until it had dropped below the rate of production. This would occur, however, in a short time. It would not have an immediate effect upon the production [fol. 1228] or the prices. Producers would not be certain that the end of heavy demand had actually been reached.

There would be enough unfilled orders on their books to keep the plant busy for some time without any new demand. Manufacturers would be influenced by the possibility of bringing their stocks on hand back to normal. With costs high, and still rising in most cases, the producers would be disinclined to lower prices in the attempt to secure new orders.

On the downswing of the cycle, in the early part called crisis, the new demand would fall off with extreme abruptness. It would soon have a considerable effect upon the stocks and upon the accumulated demand. As the permanence of this decline became assured and the stocks continued to accumulate and accumulated demand began to sluff off due both to its filling and to cancellation, the production rate would be decreased. It is at this period in the business cycle that the practice of cancellation of orders is very common.

It might be argued that the prices should drop immediately, perhaps before the production rate were decreased, with the purpose of stimulating new demand with lower prices. This, however, could not reasonably be expected. On the crisis period of the cycle, demand becomes inelastic; by "inelastic demand" is meant that it requires a drastic reduction in prices to stimulate a small increase in demand. During the period of prosperity, the costs of production would have been high. The stocks on hand would have been produced at a high cost. Costs at this point, moreover, are very high. Producers would be disinclined to take orders at prices below what [fol. 1229] their goods had cost and below what it would cost to reproduce them. When it becomes impossible for them to secure orders at prices adequate to cover current costs, it is only natural that they should decrease their production rather than to keep on producing goods on which a loss must be taken. And it is only natural that they should endeavor to secure prices which will cover their costs or production, particularly as they must cut deeply to secure even a small demand.

As the demand becomes negligible and the stocks pile up, the impossibility of securing the prices necessary to cover costs would become apparent. Probably a few reductions would have been made without avail. As a result, all regard for cost would be thrown aside, and the price would drop drastically and abruptly in the attempt to move the stock. It would be without use, however, and the stock would continue to pile up. Accumulated demand, furthermore, would have practically disappeared because of the cessation of new demand, and because of cancellation.

The period of the cycle called depression would set in at this point. New demand would continue at a progressively lower level, production would be slowed down, stocks would continue to pile up, and accumulated demand would become practically negligible. The price would fall off gradually.

Raw material costs would have fallen approximately with prices of the finished goods. Other costs would continue high in the early depression, but would begin to fall after a short time.

These conditions would continue until the cycle again reached the point of the inauguration of the revival of demand.

[fol. 1230] In preparing an outline of the operation of the law of supply and demand throughout the business cycle it is desirable that some discussion be given to the manner in which the margin of profit might be expected to act. The ideal situation would be a continuous level of prices which would allow a continuous fair margin of profit over costs which remained at continuously the same level. This condition, as I have explained, does not exist.

Next to it, and the second ideal situation, would be a constant margin of profit over the costs, which fluctuate. That is, that the prices would always be sufficient to allow a fair margin of profit over costs; but in periods of the cycle called "crises" and "depression" buyers will not buy on a basis of costs. The conditions of supply and demand will set the prices below the cost of production. To permit or to allow a fair margin of profit to be averaged over the long run, producers must secure a larger margin of profit in the periods of revival and prosperity; this to compensate for the loss during the period of crisis and depression.

Since the purchasers cannot be compelled to purchase on a cost basis in periods of bad business, it would not be reasonable to force the producers to sell on a cost basis during periods of good business.

This outline that I have stated of the operation of the law of supply and demand throughout the business cycle was prepared by Mr. Gordon and myself as our result of study of authorities on the sub-[fol. 1231] ject, and of our experience in the School of Business Administration. In substance it will be in accord with the views of the modern writers on the subject of Business Cycles.

The continuation of the chapter in the Report of the President's Conference on Unemployment and Business Cycles, by Wesley C. Mitchell will give practically the same conclusions as to the operation of the law of supply and demand in a business cycle, but in a less detailed form.

Q. Can you refer to any of the other authorities consulted?
A. Some of the other authorities consulted were Taussig.

Mr. Newman:

Q. Who is he?
A. He is one of the leading economists of the country. He is a professor at the Harvard University; and Marshall, who is a leading English economist; and the excellent works of the Harvard Committee on Economic Research, who have made studies of the actual statistics of supply and demand in a great many industries—supply, demand, price and production in a great many industries.
Q. Now, are you through with that subject?
A. Yes, I am.

Mr. Johnston:

Q. We have now reached the point, I believe, Mr. Keehn, where you were about to present an analysis of the supply, demand, price and production of the product of the Maple Flooring Manufacturers Association, to show the operation of the law of supply and demand in that industry.
A. Yes. In order to compare the prices of the product with the supply and the demand, of the product of the Maple Flooring Manufacturers Association, it was necessary to have some indices of the [fol. 1232] supply and the demand. We took, to represent supply, in this case, the stocks on hand of the fifteen identical members of the Association, which were used previously, or, whose new orders booked were used previously to represent the demand. To represent the demand in this instance, we used the unfilled orders at the end of the month, of the same identical fifteen members. The reason that we used the unfilled orders instead of the new orders booked, in this case, is apparent from the explanation that I gave previously of the effective sources of supply and demand, which was, namely, that while the new demand would be the genesis for the activity of the business over a long period of time, it would be the accumulated demand and the accumulated supply which would regulate the necessity for accepting new demand, and at what price the new demand would be accepted. The unfilled orders, obviously, would better represent this accumulated demand than would the new orders booked. That the stocks on hand are represented by the supply actually ready for sale there can be no question.
In presenting this subject we prepared three separate charts, the first one of which shows the stocks on hand, the unfilled orders, and production of these fifteen identical members of the Association, in actual figures, upon an arithmetic scale. The figures are in units of a thousand feet. On the same chart are presented the figures in graph form of the prices of product, in units of one dollar. While we did not use this chart in making our final conclusions, we thought it interesting in case a quantitative study of the amounts of supply and demand were desired.

[fol. 1233] Mr. Johnston:

Q. Is this the chart to which you refer (indicating)?
A. Yes, sir.
Q. And are these three tables attached, and a sheet showing the reference to other tables, the tables which accompany this chart, and which are reflected on the chart?
A. Yes, they are.

Mr. Johnston: I will ask that this chart be marked Defendants' Grant Keehn Exhibit 22 for identification.

(Said document was marked as requested.)

Q. Now, referring first, Mr. Keehn, to the tables, will you state where the data there expressed was obtained?
A. All of the data used in this connection was secured from the office of the Maple Flooring Manufacturers Association.
Q. That applies to all of the tables appended to this exhibit?
A. Yes. I might add that the justification for using the figures of fifteen members rather than the present total membership of twenty-two, was brought out in Mr. Gordon's testimony.
Q. And applies equally to this situation?
A. Yes, sir.
Q. Does this chart need any particular explanation?
A. No, I do not believe it does. It merely makes possible comparisons of actual quantities of supply and demand, in case that should be desirable in later discussions.
A. The red line representing unfilled orders at the end of the month, and the yellow line stocks on hand at the end of the month?
[fol. 1234] A. Yes, sir.
Q. And the two charts on the right hand side, one labeled "Production," and the other "Prices of the Product"?
A. We included both of those series, because later on in the testimony I will make a comparison of the connection of production to supply and demand, as I am interpreting how the price acted in relation to the supply and demand at the present."

(Said chart, together with tables appended, was marked Defendants' Grant Keehn Exhibit 22, and received in evidence.)

"The Witness: Another reason for the preparation of the three charts dealing with the same subject matter was that we felt the relative importance of this phase of the subject was so great that it would be desirable to show all the processes through which we put the figures. The same conclusions could be reached by a study of any of them but the chart on which the figures are the most refined presents the most accurate and the clearest basis for comparison. The second chart mentioned in this connection is one on which the series for stocks on hand and unfilled orders and prices of the product have been placed upon an index basis—1913 equalling one hundred per cent.
Q. Are these the tables showing the index basis, which are at-

tached to this map, which I now show you (indicating)?

A. Yes, they are.

Mr. Johnston: I ask that this chart, together with the two tables appended thereto, and the sheet showing reference to the other tables bearing upon that chart be marked Defendants' Grant Keehn Exhibit 23 for identification.

[fol. 1235] (Said documents were so marked.)

Q. How were these indices prepared, Mr. Keehn?

A. The average month for each series in 1913 was taken to equal one hundred per cent. The figures of all the other months in the period under consideration were taken as a percentage of that average month in 1913. That applied to all three of the indices under consideration.

Q. That is the same basis upon which the other indices that have been introduced in evidence here were prepared?

A. Yes, sir.

Q. And the data from which these indices were prepared was obtained in the same manner from the offices of the Association?

A. Yes, they were.

Q. Will you now state what this chart shows, Exhibit 23.

A. That chart shows the three indices, prices, supply and demand of the Maple Flooring Manufacturers Association, on 1913 basis, but uncorrected for any of the elements for which we later corrected them. It will serve the purpose, if desired, of showing the operation of the law of supply and demand as affecting price, in this connection, but not as clearly nor as accurately as the chart which will follow this, on which are plotted these indices, with certain corrections made."

(Said chart, together with the tables appended thereto, was marked Defendants' Grant Keehn Exhibit 23, and was received in evidence.)

"The Witness: On the third chart, in connection with the comparison of the fluctuations of the price of the product, on this chart the [fol. 1236] indices of the unfilled orders and the stocks on hand of the identical fifteen members, on 1913 basis, have been corrected, for a seasonal variation.

Q. Let us identify this now. Is this the index to which you are referring (indicating)?

A. The chart, yes, sir.

Q. Or the chart. And the indices there expressesd upon the chart are attached thereto in three separate tables.

A. Yes."

(Said chart, and the indices attached thereto, were marked Defendants' Grant Keehn Exhibit 24, and was received in evidence.)

"Mr. Johnston:

Q. Will you now proceed, Mr. Keehn?

A. As I said, on this chart are plotted the indices of unfilled orders, and stocks on hand of the identical fifteen members of the Maple

Flooring Manufacturers Association, corrected for seasonal variations. Our purpose for correcting for seasonal variation was to better show the conditions of supply and demand. It is a fact that throughout the year, in the calendar months, there are recurrent oscillations, which are due entirely to either the difference in the days of the months, or due to climatic conditions. It might be argued that in connection with supply and demand this should not make any difference, for if a given supply exists in a month, and the given demand exists in a month, no matter what month that occurs in, the relationship would be the same. However, the manufacturers of maple flooring must know that in certain months the demand is normally high, and that in certain months the stocks on hand are normally [fol. 1237] low, for example. They, therefore, realizing the normalcy of the situation, would not increase their production, or increase their prices, under the circumstances. In other words, they make a mental adjustment of the conditions of supply and demand, based upon their knowledge of conditions in the industry. That mental adjustment, or mental process through which we have taken cognizance of in the correction of the indices of stocks on hand and unfilled orders presented in this chart. We have also on this chart made a correction upon the index of the prices realized by the members of the Maple Flooring Manufacturers Association on their product. We have corrected it for what we call a change in the level of the purchasing power of the dollar.

In comparing the price of the product with the supply and demand, the latter two series were in physical units of one thousand feet, and the price in units of one dollar. The one thousand foot unit was constant throughout the period, whereas the value of the dollar has changed. We appreciated, as any one will, that the purchasing power of the dollar is on a lower level today than in 1913. In order to determine whether or not the price fluctuations of the product have been in accord with the law of supply and demand, we wished to remove as much of the fluctuation in this price index as possible which did not result from changes in conditions of supply and demand, and therefore searched for some means of removing the changes due to the change in the general price level. The use of an all-commodity price index suggested itself, as it would represent the number of dollars required to purchase the same quantities of the same com- [fol. 1238] modities at various times, and thus would measure the purchasing power of the dollar.

The purchasing power of the dollar, or the all-commodity price index, fluctuates from a variety of causes, including the changes in the condition of supply and demand of all the commodities whose prices are included in the index.

The change in the quantity of money would be another factor or influence in the changes in the purchasing power of the dollar. We did not wish to correct the price of the product for changes in the purchasing power of the dollar resulting from the cause of changes in the conditions of supply and demand for all commodities, because the purpose of the corrected index was for comparison with supply and demand. An example will make this reason plain. If we were in-

vestigating the change in the price of all commodities in relation to the change in conditions of supply and demand for them, and if we used the index itself as a means of correcting itself for fluctuation in the purchasing power of the dollar, the result would be a straight line; whereas, the prices of all commodities must have fluctuated from changes in conditions of supply and demand.

We wished to segregate, therefore, those fluctuations in the purchasing power of the dollar which resulted from changes in conditions of supply and demand, from those other factors affecting changes in the purchasing power of the dollar. We believed that the short fluctuations in an all-commodity price index would be primarily due to fluctuations in conditions of supply and demand, as over the long run the total supply and the total demand for all commodities should [fol. 1239] remain in approximately the same relationship.

The other factors in the fluctuations of the value of the dollar, principally changes in the quantity of money, for which we wished to correct the prices of the product, would be of influence primarily in the long time direction of movement, of an all-commodity price index.

We took, therefore, the all-commodity price index of the United States Bureau of Labor Statistics as being the best index of the purchasing power of the dollar, as it included the prices of such a great number of commodities. We secured the secular or long time trend of this index, by the method of least squares, explained by Mr. Gordon. We took the line of secular trend to represent the changes in level of the purchasing power of the dollar for which we wished to correct the price of the product. The method was to divide the index of the prices of the product by the ordinates of secular trend of the all-commodity price index for the particular months. This was possible, since both series were on a 1913 basis.

The effect of this correction can be explained somewhat as follows:

Imagine a relatively stiff yet flexible link chain attached to a straight stick at irregular intervals so that portions of the chain would protrude above and below the stick, in loops; imagine also the stick at an angle of about 30 degrees from horizontal—then imagine the higher end of the stick brought down and the lower end brought up so that its position would be horizontal. The chain would still be attached at the same points so that the fluctuations would be primarily the same.

[fol. 1240] To illustrate, on the two charts—the one which shows the index of the price of the product uncorrected, and that after correction, will show——

Q. That is, you refer now to charts 23 and 24?

A. Yes, sir, it can be seen that a straight line of best fit drawn through the uncorrected index of the price of the product, that on chart 23, would be at an angle from the horizontal, whereas a line of best fit drawn through the corrected index of the price of the product would be more nearly horizontal. If we had used the line of secular trend of the index of the prices of the product this line of best fit drawn through the curve would be exactly horizontal. We did not believe that the line of secular trend of the prices of the prod-

uct would be an accurate measure of the changes in the level of the purchasing power of the dollar, although for comparison purposes with conditions of supply and demand it might have been better. We did not believe it would be an accurate measure since it would be the secular trend of the prices of but one commodity, whereas the purchasing power of the dollar is more adequately represented by changes in an all-commodity price index.

In this correction the result has been merely to bring prices down to a lower level in recent years, when the value of the dollar has been relatively low, and to elevate the prices in the earlier years, when the purchasing power of the dollar was higher. As we are measuring fluctuations and not levels, in this comparison, this correction merely facilitates the comparison.

Q. In other words, the oscillations upon Exhibit 23 are the same [fol. 1241] as those upon Exhibit 24, substantially?

A. Yes, only in one case the oscillations will be about a line, in a more vertical position, than the line about which the oscillations existed in the second chart, or Exhibit 24. As I said previously, the same conclusions as to the relationship of price to supply and demand could be reached by a study of any of the three charts presented on this subject.

To discuss in detail, now, this Exhibit 24, which shows corrected indices, it can be seen that in the first part of 1912, demand was low, and the stocks on hand, which represent supply, were high; and as a consequence the price was falling. Throughout 1912 demand rose steadily, demand represented by unfilled orders, but suffered a temporary reaction in November and December, reaching its high level again in January and February of 1913. During the last half of 1912 stocks on hand, which represent supply, fell, and, after a lag, which we have explained to be natural, the price of the product began a gradual upward trend.

Throughout 1913 the trend of demand was downward, and, with the exception of the last four months, the trend of supply was upward; and as a result, and after the natural lag, the prices of the product reached the peak, in the middle of 1913, started downward. The stocks on hand, representing supply, fell off in the last four months, but not to as great an extent as did the demand, in the last part of 1913. The result of that falling off of supply is seen in the leveling of the prices of the product in the last two months of 1913.

Q. Falling off of supply?

A. Yes. Through the entire year 1914 the trend of supply, stocks, [fol. 1242] again was upward; demand—unfilled orders—after an abrupt jump to a high level in the first quarter of 1914, declined during the entire year. In the face of a situation of declining demand and increasing supply, the price of the product was forced to decline throughout the entire year.

In the first quarter of 1915, a reaction occurred. Demand increased, and supply declined. This condition was only temporary, and did not affect the price. In the middle of 1915, however, conditions again changed, the demand rising sharply, and supply dropping off. These factors caused the price to advance, after a short

period of lag. Through the first half of 1916, demand and supply merely maintained the levels secured at the end of 1915; and the price also remained levels secured at the end of 1915; and the price also remained level. In the second half of 1916, however, demand again advanced sharply, and supply fell off rapidly. The price, after a short lag, advanced. The trend of demand was downward in 1917. The trend of supply, with the exception of the first few months, was upward. Prices continued to rise, until this change in conditions was felt, in the middle of the year when the price, as could be expected, declined.

This condition continued through the early months of 1918. In March, April and May of 1918, demand again increased abruptly, with a concomitant falling off in supply. As a result the price of the product advanced sharply in May and June. In June, however, demand fell off heavily, and continued to do so for the remainder of the year. Supply, which had been falling off, increased again in the last half of the year. In consequence of these forces the price discontinued its advance in July, the month after the decline began in [fol. 1243] demand. This position was held by the price during the remainder of 1918 and the early part of 1919. In early 1919 a great change took place. Demand started a sharp advance, to an unprecedentedly high level, which lasted until January of 1920; and supply fell off precipitously throughout the entire year, to an unprecedentedly low level.

After a few months lag the price of the product inevitably rose, to unprecedented heights.

Beginning with the first month of 1920 demand reached its peak, and started to decline sharply; and supply reached its low point, and started a sharp advance. After a few months lag, during which the prices continued to feel the effect of the great accumulation of orders still unfilled, the price of the product inevitably fell, and continued to do so for the remainder of the year.

January, 1921, saw a slight reaction in both supply and demand, followed one month later, in February, by a reaction in the price.

Since the beginning of 1921 the reaction of the price to conditions of supply and demand has been particularly sensitive. Demand had reached an unprecedentedly low level by the end of 1920. The return of demand, which occurred in the first three quarters of the year, merely served to bring it up to an ordinary low level. Supply, which was already above normal, continued to rise during this period. As a natural result of these conditions, prices continued to decline, although less sharply. In September, October and November, [fol. 1244] 1921, demand rose sharply, and supply began to decline. This was followed, after two months lag, by a reaction in prices, which advanced slightly in November and December. In December, 1921, January and February, 1922, demand again decreased heavily. In December, 1921 and January, 1922, supply increased slightly. This increase was followed in January, February and March of 1922, by a slight decline in prices.

In March and April, demand again advanced sharply, and supply continued to fall off. One month later, in April, prices again re-

sumed the upward movement. From May to October the demand hardly more than maintained its level. Supply, for the first three of these months, continued to decline, and then merely maintained its level. Price, in consequence advanced less sharply, and in the last three months of 1922, advanced not at all.

In the last two months of 1922, and through February of 1923, the demand increased rapidly, and supply declined sharply. As a result, after a short lag, prices advanced sharply.

Thus it is clear that the prices of the product of the Maple Flooring Manufacturers Association fluctuated in harmony with the forces of supply and demand. It is apparent that, with practically every increase in the excess of demand over supply came, with a natural lag, an increase in the price; and with every increase in the excess of supply over demand came, with a natural lag, a decrease in the price of the product.

It can be noted that in the latter part of '18 and the early part of 1919 the price of the product did not decline, but remained level, [fol. 1245] while demand was decreasing and supply was increasing. It must be remembered, however, that at this period the cost of the raw materials and the cost of manufacturing and marketing were upon a higher relative level than the prices of the product; that the prices of practically all other commodities were upon a higher relative level; and after the close of the War there was a condition of uncertainty. In addition to these factors, and perhaps most important of all, is the fact that during the latter half of 1918, there were restrictions placed upon building. Because of these restrictions people could not build, even though they so desired. A cut in price of the product at that time, therefore, would not have stimulated demand.

Moreover, it may be contended that the price of the product should not have gone as high in 1919 and early 1920. Unexpressed demand had accumulated because of the restrictions placed upon new building. It is necessary merely to regard the extent to which the unfilled orders increased in this period, to prove this statement. In addition to the accumulation of demand, production was low and the plant organizations had become disorganized throughout the years of *1918,* 1917 and 1918.

It might also be contended that the price of the product in early 1920 should not have continued upon such a high level so long a time, in face of the drastic decline in demand and increase in supply. It has already been stated that such a condition was a reasonable one, because the manufacturers had on their books enough unfilled orders to maintain production at a high rate, without accepting new orders. Furthermore, stocks were low and could not be brought up to normal. [fol. 1246] Costs were still high, and many of them rising. It would be unreasonable to expect a producer to cut his prices, in face of these circumstances, until such a step became an absolute necessity.

That ends the discussion of the relation of the price of the product of the Maple Flooring Manufacturers Association to the demand for and the supply of it.

Q. You spoke about correcting this chart, Exhibit 24, for seasonal variation. Was that correction made in the same way that Mr. Gordon has heretofore described in his testimony?

A. Yes, the same statistical method was applied as in the case of the new orders booked—which Mr. Gordon discussed.

Q. So that it is not necessary to go into that any further?

A. No, sir.

Q. Now, what subject did you next consider in connection with the operation of the law of supply and demand?

A. Well, we did not believe that we would be justified in testifying that the law of supply and demand had operated in a free and unobstructed manner, without giving some consideration to the fact of production, because of the two forces, supply and demand, supply might be under the control of the producer of the particular commodity. It is by control of the supply that a monopoly operates and manipulates its price. We therefore went into the subject of the relation of the production of the Maple Flooring Manufacturers Association to the conditions of supply and demand, to determine whether or not the production rate had been increased when demand was large and supply small, and whether or not the production rate [fol. 1247] had been forced to decrease when the supply was large and the demand was low. In making this comparison we used three charts similar to those used in comparing price with supply and demand. The first one is on the arithmetic basis, and has been described previously. It is Exhibit No. 22, I believe.

Q. Yes. Before you go into these charts, showing the relationship of production to supply and demand, I call your attention to a table which is designated "Monthly Ordinates of Secular Trend of 'all-commodity price index' ".

A. That table represents the ordinates of secular trend of the United States Bureau of Labor Statistics all-commodity price index, which we used to correct the prices of the product of the Maple Flooring Manufacturers Association for what we call the changes in the level of the purchasing power of the dollar. Those figures were divided into the index of the prices of the product of the M. F. M. A. the figure for the particular month being divided into the respective figure of the index of the product."

(Said table marked Defendants' Grant Keehn Exhibit No. 25 and was received in evidence.)

"Q. Now, will you state a little more fully than you have just what you did in the preparation of these indices and the charts to represent the same.

A. As I said, the first chart, which is Exhibit No. 22, shows production, stocks on hand and unfilled orders, on the arithmetic scale. A second chart was prepared, in which those three series were placed upon an index basis, 1913 equaling one hundred per cent. The third [fol. 1248] chart in this connection shows those three indices on a 1913 basis corrected for seasonal variation—for the same reasons as they were corrected in the earlier chart, wherein prices and demand and supply were compared.

Q. Now, I will show you the first of these two latter charts that you have been referring to, and the tables or reference to tables accompanying the same, which chart, together with the tables and references to tables accompanying the same I will ask to have marked Defendants' Grant Keehn Exhibit 26 for identification, and ask you to state again just what chart Exhibit 26 shows, in a general way."

(Chart, with tables appended thereto, marked Defendants' Grant Keehn Exhibit 26 for identification.)

"A. That chart, which shows the indices uncorrected for seasonal variation, shows in a general way that the production of the members of the Association has acted in accord with the law of supply and demand. It will be noticed upon this chart that a dashed line is drawn horizontally through, on the chart, between the horizontal lines marked 90 and 100. This line represents the normal production capacity of the fifteen members whose statistics we used. The figure for the normal production capacity was eight million eight hundred and eighteen thousand feet. That figure was secured from the office of the Association. It can be noted, by a mere glance at the chart, that normal capacity in this connection means far greater than average capacity, for a great portion of the white line, representing production, is below the normal capacity line.

[fol. 1249] Q. Now, the figures shown on this chart you then subjected to the treatment you stated a moment ago you gave to those on the chart comparing prices——

A. Yes.

Q. (Continuing:) —with the law of supply and demand, namely, the corrections for seasonal variation and the correction for the purchasing power of the dollar.

A. No. We have corrected it here only for seasonal variation, because there is—in none of the series is the unit the dollar. In all of the three cases the unit is one thousand feet, which remained constant throughout.

Q. Therefore it was not necessary to correct——

A. It was unnecessary to make corrections for changes in the level of the purchasing power of the dollar.

Q. And this is the chart which you produced here, together with the tables accompanying the same, or references to tables, and which shows the same data as Exhibit No. 26, with the corrections for seasonal variation?

A. Yes."

(Said Chart, together with accompanying tables was marked Defendants' Grant Keehn Exhibit 27 and received in evidence.)

(Defendants' Grant Keehn Exhibit 26 for identification was received in evidence as Defendants' Grant Keehn Exhibit 26.)

'Mr. Johnston: The reference to these tables, Mr. Thompson are due to the fact that the same tables occur in prior depositions, and therefore we have merely put a sheet in showing that the other tables are so and so.

The Witness: They occur in prior exhibits.

[fol. 1250] Mr. Johnston: Yes, attached to prior exhibits, so that it is unnecessary to repeat them.

Q. Will you now examine this chart, Exhibit 21, and interpret it for us (indicating)?

A. Beginning with 1912, in the first half of that year, supply was high, demand was low, but advancing steadily; and the production was a round capacity. During the latter half of the year supply declines, demand felt a reaction, which was only temporary, and production, after a momentary decline, advanced because of the falling stocks. Throughout the year 1913 the trend of demand was down. For the first three quarters of the year the trend of supply was up. Decreasing demand and increasing supply caused production to decline slightly throughout the entire year. Decrease in supply, which occurred in the last months of the year, made necessary an increase in production, even though demand was low.

Demand advanced sharply in December of 1913 and January and February of 1914. Throughout the remainder of the year, however, the trend of demand was shortly downward. Supply increased steadily throughout the entire year. The natural result of this condition was a reduction in the rate of production, which declined, save for a momentary increase in response to temporary reactions in supply and demand, throughout 1914.

Demand rose sharply in January and February of 1915, and supply declined. As a result production increased in April and May. In April, May and June, the demand fell off, and the supply increased. Production, therefore, declined in May, June, July and August. From June through the remainder of the year demand [fol. 1251] increased sharply and supply fell off. Production, in response to this condition, increased above normal capacity, and continued upwards from August throughout the year.

In the first half of 1916, demand fell off slightly, and supply was maintained on the level reached at the end of 1915. As a result production returned to normal, and dropped below. The second half of the year, however, saw a sharp advance of demand, to a new high level, and a rapid decline of supply. Production consequently increased to full capacity.

Throughout the year 1917, the trend of demand was downward sharply, with the trend of supply upward. The rate of production, as a natural result, declined steadily throughout the year, with the exception of a slight reaction at the very end as a result of a momentary return of demand. This condition continued throughout the first two months of 1918. In March, April, May and June, the supply declined. Demand increased in March, April and May. May, June, July and August, therefore, saw an increase in the rule of production. This increase was only temporary: with a precipitous drop in demand from May throughout the end of the year, and a concomitant increase in supply, the production declined to a new low level.

From February throughout the entire year 1919 demand increased as an extraordinary rate, and from the new low level it rose to a

new high level. This action was caused by the removal of the restriction on building, which had forced demand for new construction to accumulate unexpressed supply, during this year, declined drastically, to a new low level. Production increased sharply throughout the entire year.

[fol. 1252] It has been clearly indicated, throughout this study, that production is less elastic than demand, and requires time to become adjusted. It has been seen that production has invariably lagged after changes in supply and demand. Moreover, the drastic decline in demand, and consequently in production, which had been continuous throughout the two years previous to 1919, caused the Maple Flooring Industry to become disorganized. Plants were barely working, in a disorganized condition, and were unprepared to meet this tremendous demand. Production therefore could not rise to capacity in a few months, nor should it have done so were such a performance possible. The experience of the past two years was enough to make any producer discouraged and pessimistic. They could not be expected to have viewed a return of demand as permament, until thas permanence had been clearly established. Even before the permanence of demand was assured, the producers increased production at a tremendous rate, but because of physical inability they could not product at capacity in immediate response to the demand. A full appreciation of these factors provides an explanation of the slower increase in 1919 in the rate of production than in the rate of demand.

In 1920, the demand declined precipitously from the high level reached in January of the same year, to a new low level. As a result of the fall in demand, and the continued high level of production supply advanced rapidly throughout the entire year. Even in the face of such a tremendous fall in demand, and the increase in supply, the rate of production was maintained at normal capacity during the first quarter of 1920. In the second quarter the rate of pro-
[fol. 1253] duction fell off sharply, but in the third quarter it was again increased to a higher level. With conditions as they existed in the last quarter of 1920—supply piled up, and demand unprecedently low—it would have been ridiculous to have maintained production at the level of the third quarter. The production was decreased in the last quarter of the year, and reached a new low level.

This decrease of production, and the fact that demand ended its decline, caused a temporary decline in supply in the first two months of 1921. In March the demand increased sharply, followed the next month by a sharp increase in production. In April a reaction took place in demand. It again advanced in June, with a slight setback in July. The sharp increase of production in March was not maintained, because of the reactions in demand. Production therefore advanced but slightly in April, May and June. Supply meanwhile was piling up. This condition, coupled with the frequent reactions in demand, caused the production rate to decline in July, August and September. The substantial increase in demand assured its permanence, however, and with supply slightly lower, the pro-

duction rate was increased to normal in the last quarter of the year. Demand, which had been increasing steadily, fell off in December, and supply rose. The sharp decline in demand in the last month was continued in January and February of 1922. Production therefore declined one month later, in January, February and March. Supply, which had increased in January, continued to decline. March, April and May brought a sharp increase in demand. This increase was followed by an increase in production, which reached [fol. 1254] normal capacity in June. The sharp upward movement of demand halted, and remained upon approximately the same level during the entire second half of 1922. Production, after a temporary decline in July, advanced above normal, with a slight upward trend throughout the remainder of the year. The trend of supply was downward during the entire year.

In January, 1923, demand advanced sharply, and supply diminished. Production consequently was increased to full capacity.

Thus it is apparent that the production of Maple flooring has fluctuated in accord with the factors of supply and demane. Increases in demand have been followed, with a regular lag of one or two months, by increases in production. In like manner decreases in demand have been followed by decreases in the rate of production.

Mr. Johnston:

Q. There are one or two questions that I wanted to ask you of a general nature, regarding these tables and charts. You stated, I believe, that it has been part of your work for the last two years to examine and to prepare indices of this character and charts of the general character of those produced in connection with your testimony and the testimony of your predecessor?

A. Yes, sir—in my work at the Harvard Graduate School of Business Administration.

Q. In the production of these charts and these tables you have personally checked the figures?

A. Yes, sir.

Q. And to these tables and these charts correctly set forth the *the* [fol. 1255] facts as you have received them and as you have collected them and tabulated them?

A. Yes, sir.

Q. Now, having reference to the subjects concerning which you have testified directly, namely, the comparison of the prices of the product with the prices of competing wood flooring, and the comparison of the prices of the product with the supply and demand of the product, and the comparison of the production of the product with the forces of supply and demand, have you reached a conclusion as to what those facts, as you have developed them, show, with respect to the existence of a control of the prices of the maple flooring manufactured by the members of that Association?

A. I might answer that by a short recapitulation of my testimony on the subject. The first comparisons that were made in my testimony were of the prices realized by the members of the Maple Floor-

ing Manufacturers Association with the prices of competing wood floorings. Those comparisons indicated that in general the fluctuations of the prices of the product and of the prices of the competing wood flooring have been practically identical, but that the prices of the product had not risen as sharply in the up-swing in 1919, and in 1921, as had the prices of competing wood flooring. It was also pointed out that there was an apparent lag of the prices of the product behind the prices of the competing wood flooring. In the comparison made of the prices of the product, with those elements which go to make up its cost, a comparison of the price of the product with the prices of rough maple flooring, that is, of raw materials, was made.

[fol. 1256] This comparison indicated a practical identity of fluctuation movement, except in the years 1917 and 1918 and the first half of 1919. The fact that the product was on a lower relative level during this period was explained by the greater specialization of the product—its greater dependence for demand upon the volume of new building construction in the United States, and the inevitable effect which the failure of this demand in these two years had upon its price. It was found that the price of the product in early 1920 declined, while the price of the raw material continued to rise. A similar situation was found again in late 1921, when the price of the product continued to decline, in the face of the advances in the cost of the raw materials, rough maple lumber. The price of the product, also, was compared to the other manufacturing and marketing costs, not including raw material. The index used in this comparison was of the average manufacturing and marketing costs of the members of the Association. As might have been expected, it was found that these two indices only fluctuated together in general directions, and that during the years of low volume of building and consequent failure of demand for the product, the price of the finished maple flooring was on a distinctly relatively lower level than the average manufacturing and marketing costs. In 1920 the price of the product declined distinctly, while the cost of the average manufacturing and marketing—the average manufacturing and marketing cost continued to advance for over a half a year thereafter. From the point of view of raw materials, and other manufacturing and marketing costs, it was found that the price of the [fol. 1257] product was reasonable, and that in the years 1917, 1918, and the first half of 1919 a higher price could reasonably have been realized by the members of the Association for their product, had they the ability to set or fix the price.

A study was made of the factors of supply and demand, as these forces affected the price and production of the product. A measure of criterion was developed, by which to judge whether or not the prices and production of the maple flooring product of the members of the Association had reacted and fluctuated in accord with the free operation of law of supply and demand. A study and analysis of the immediate demand and supply of the product was made. This study clearly showed a free operation and reaction upon the part of prices and production of the product to these conditions.

To sum up finally, therefore, the study which Mr. Gordon and I made developed data and material such as to clearly indicate that the members of the Association did not have the ability to continuously control the prices of maple flooring, or, even if it be assumed that they had such ability, comparisons with other prices, with prices of competing floorings, with the costs of maple flooring, and with the conditions of supply and demand of that product, do not offer any evidence of fixation or unreasonableness.

Q. Have you considered the question of whether or not there has existed, among the members of the Association, during the period of your inquiry, from 1913 to 1923, a practical uniformity in the net f. o. b. selling prices of such members?

[fol. 1258] A. Yes; we secured, from the office of the Association, figures showing the range of f. o. b. mill selling prices of members of the Association at various months throughout the period under consideration. We plotted, or charted, the prices secured by various members on various grades, in various months. This chart, which we prepared, was in the form of a bar chart. By a bar chart is meant a series of columns, with the levels equalling respectively the prices secured by the various members.

Q. Is this the chart, which I show you (indicating)?

A. Yes, sir."

(Said chart marked Defendants' Grant Keehn Exhibit No. 28, and was received in evidence.)

"The members of the Association are grouped in three groups, according to their geographical location. On this chart the groupings have been made so that the price secured by the various members within one geographical group can be more easily compared. It is to be noted on this chart that the comparisons which are made are of fixed relationships—that is, an actual quantitative measurement is made of the prices secured by the various members.

Q. And therefore this form of chart is particularly applicable?

A. Is particularly applicable, for the type of comparison. In explanation of the chart, prices in March of 1920 of 13/16 by 2¼ Clear grade maple flooring among members in Group A, which includes mills in Eastern Lower Michigan, ranged from $154.38 to $190.36, a spread of $15.98, or twenty-three per cent.

Q. Those prices are per thousand feet?

A. Per thousand feet, yes, In Group B, which includes mills in [fol. 1259] Western Lower Michigan, the prices for this grade of flooring, in that month, ranged from $154.57 to $176.36, a spread of $21.79, or 14 per cent. In Group D, which includes mills in Upper Michigan and Wisconsin, the range in the prices of this grade, for this month, was from $183 even to $217.50—a spread of $34.50, or 19 per cent. And for all of Michigan and Wisconsin mills it ranged from $154.38 to 217.50, a spread of $63.12, or 41 per cent.

Q. Group A is the first group?

A. Yes, sir. Group A, in the first section of the chart which compares the prices realized among members for Clear 13/16 by

2¼ inch maple flooring, for March, 1920, includes all those mills numbered from 2 to 49—all members in between not being included. Group B, mills 3 through 30; and Group D, 4 through 44.

Mr. Darby:

Q. Where is Group D?

A. Group D, in the upper left hand section of the chart, comprises the bars beginning with 4 and ending with 44. There is no Group C.

Q. Does the same grouping apply to each one of the other charts?

A. Yes, sir.

Q. Each one of the other months, I mean, shown upon the chart?

A. Yes. For each month, in the grade shown.

Q. The same numbers appear?

A. Yes. In some cases the same numbers do not appear, but those members reporting in each group are included in that group on the chart; and the groups are placed respectively in the same position on the six sections of the chart.

[fol. 1260] Q. In the same location?

A. Yes. To continue the discussion of the Chart,—prices in March, 1920, of 13/16 by 2¼ No. 1 grade maple flooring, among members in Group A, ranged from $173.50 to $194.43, a spread of $20.93, or 12 per cent. In Group B they ranged from $149.58 to $184.77, a spread of $35.24, or 24 per cent. In Group D, ranged from $172.91 to $198.75, a spread of $23.84, or 14 per cent. And for all Wisconsin and Michigan mills, ranged from $149.56 to $196.75, a spread of $47.19, or 31 per cent.

Prices in February, 1920, of 13/16 by 2¼ inch Factory grade maple flooring, among members in Group A ranged from $119.62 to $144.75, a spread of $25.13, or 21 per cent. In Group B, ranged from $124.00 even to $131.50, a spread of $7.50, or 6 per cent. And in Group D ranged from $115.20 to $147.20, a spread of $32.00, or 28 per cent. And for all Michigan and Wisconsin mills, ranged from $115.20 to $147.20, a spread of $32.00 or 28 per cent.

This month, or these two months which were taken were taken because of the fact that they were at the peak of prices. To compare the range of prices secured by members of the Association at a low point in prices, March, 1922 was taken. The same condition existed, namely, that there was a lack of uniformity of net f. o. b. mill prices for the different grade of maple flooring.

Prices in March, 1922 of 13/16 by 2¼ Clear grade maple flooring, among members in Group A, ranged from $83.95 to $85.20, a spread of $1.25, or 1½ per cent; in Group B ranged from $84.78 [fol. 1261] to $88.29, a spread of $3.51, or 4 per cent; in Group D ranged from $85.30 to $93.22, a spread of $7.92, or 9 per cent; and for all Michigan and Wisconsin mills ranged from $83.95 to $93.22, a spread of $9.27, or 11 per cent.

In March, 1922, prices of 13/16 by 2¼ No. 1 grade maple flooring, among members in Group A, ranged from $60.89 to $64.30, a spread of $3.41, or 6 per cent; in Group B ranged from $59.88 to

$68.69, a spread of $8.81, or 15 per cent; in Group D ranged from $58.93 to $68.95, a spread of $8.02, or 14 per cent; and for all Michigan and Wisconsin mills ranged from $59.93 to $68.69, a spread of $9.76, or 16 per cent.

In March, 1922, the prices of 13/16 by 2¼ Factory grade maple flooring, among members in Group A, ranged from $17.17 to $19.77, a spread of $2.60, or 15 per cent; in Group B ranged from $17.60 to $25.06, a spread of $7.46, or 42 per cent; in Group D ranged from $15.17 to $22.27, a spread of $7.10, or 47 per cent; and for all Michigan and Wisconsin mills ranged from $15.17 to $25.06, a spread of $9.89, or 65 per cent.

Q. Now will you pick out Groups A, B and D, on the lower brackets in this chart, Exhibit 28, being the prices shown for the months of March, 1922?

A. Included in Group A would be numbers 24 and 33. Included in Group B would be numbers 4, 5, 14, 28, 30, 37 and 47. Included in Group D, numbers 4, 7, 23, 34, 42, 44 and 50. In the March, 1922 chart showing the range of prices of No. 1, 13/16 by 2¼.—Group A comprises numbers members 24, 33 and 49; group [fol. 1262] B includes members 3, 5, 14, 26, 30, 33 and 47; Group D includes members 4, 7, 23, 34, 42, 44 and 50. For Factory grade, in March, 1922, the grouping is apparent, by the spacing of the columns.

Q. Yes, the first being A, the second B, and the third D?

A. Yes.

Q. Now, the reason that the number varies, in March, 1922, from the number comprising the same group in 1920 is what, Mr. Keehn?

A. Will you repeat the question.

Q. The reason that the number varies, in the group, in 1922, from the number in the same group in 1920?

A. The reason for that might be that while a member had sold some of No. 1 grade, 13/16 by 2¼, he might not sell any factory even in the same month, and therefore he would have no recorded price for sales of Factory, of that particular month. It would apply the same way as between years: a member might have sold some No. 1, 13/16 by 2¼ grade maple flooring in March, 1920, but had not sold it in March, 1922; he would be included in the chart on the upper level, but not in that of the lower level. That explains the difference in the number of members per group.

Q. And was there any significance in taking the month of March for this comparison, over any other month?

A. No, except that March in 1920 was at a relatively high level of prices, and March, 1922, at a relatively low level of prices.

Q. And from your knowledge of the data in the files of the Association would you say that the same relative situation would exist if comparison were made in other months?

[fol. 1263] A. Yes, the same relative percentage of range.

Q. And other years?

A. To bring out that point, we have prepared three charts showing the range of prices among members of the Maple Flooring Manufacturers Association throughout the period, for the three grades,

Clear, No. 1 and Factory. I might say that these charts show the range among Michigan and Wisconsin members of the Maple Flooring Manufacturers Association.

Q. Are these the three charts to which you refer, Mr. Keehn (indicating)?

A. Yes, sir.

Mr. Johnston: Let us have these marked. We are going to offer all these charts, and the tables with them as one exhibit, since they are all the same, only each one refers to a different grade of flooring. We will ask that these three charts, and the tables accompanying the same, be marked Defendants' Grant Keehn Exhibit 29 for Identification.

(Said documents were marked as requested.)

A. I might say that these three charts are used for two purposes; the first one is to show the range of prices, and in that regard the charts should be considered in the same manner as if there were no red lines upon them.

Q. That is, for the purpose of showing the range of prices as between the members?

A. Yes sir. Now, taking them up one at a time. This is Exhibit 29, I believe (indicating)?

Q. Yes.

A. The first one shows the range of f. o. b. mill selling prices, of Michigan and Wisconsin members of the Maple Flooring Manu- [fol. 1264] facturers Association from 1913 to 1923, for Clear 13/16 by 2¼ flooring. It shows that at no time throughout the period has there been a uniformity of f. o. b. mill selling prices among the members of the Association for this particular grade.

Q. Just how is that shown, Mr. Keehn?

A. There are two lines upon the chart, for consideration in this respect. Both lines are white. The top line—or the one which is on the relatively higher level throughout—represents the price secured by the member who realized the greatest price in each particular month.

Mr. Gordon: Average price, was it not?

A. Whose average price for the month was the highest. And the white line which is on the relatively lower level throughout shows the average price which was lowest realized among the members of the Maple Flooring Manufacturers Association.

Mr. Johnston:

Q. What does the second of these three tables show?

A. The second chart indicates an exactly similar situation for No. 1 grade of 13/16 by 2¼ flooring. The third chart indicates the same situation with respect to the Factory grade of 13/16 by 2¼ flooring.

Q. Now, referring at this point to the first three of the four tables,

which are appended to and comprise a part of this exhibit, what do those tables contain?

A. Those tables contain the range of f. o. b. mills selling prices of Michigan and Wisconsin members of the Maple Flooring Manufacturers Association, monthly, from 1913 to 1923, on a dollar basis. They include the range of prices for the three grades, Clear No. [fol. 1265] 1 and Factory 13/16 by 2¼ inch face maple.

Q. And all of that data was secured from the offices of the Association?

A. Yes, it was.

Q. Now, in addition to the range of prices of members—Wisconsin and Michigan members——

Mr. Thompson: Pardon me. May I ask a question? Do those, again, refer to average prices, as the charts do, as you said, or what?

Mr. Johnston: Oh yes. The chart contains or sets forth the figures of the representatives of the figures which appear upon the tables. Do they not?

A. I did not quite get Mr. Thompson's question, so I would not want to answer that.

Mr. Thompson:

Q. You testified, in answer to a question a minute ago, that your white figures here referred to the high and low average prices.

A. Well, the way the prices are here compiled is as follows: The average price of each member is compiled for each month, by the member. He sends in what his average price, realized, has been for the month. All the members do the same thing. And as a consequence there are these several figures, each one an average of the monthly prices secured by the members of the Association. If, for example, they range $25, $27, $28 and $31, to represent the range we would take $31, as being the high price secured and $25 as being the low price secured; and the range would be the difference, of course—$6.

[fol. 1266] Mr. Johnston:

Q. But I understand that, for the purposes of comparison here, you have selected that member who had the highest average price for each month?

A. Yes.

Q. To represent the high. And that member who had the lowest average price for the corresponding month to represent the low; and have then graphed those figures upon this chart?

A. Yes sir.

Q. Now, there also appears upon this chart, Mr. Keehn, a red line, which you have designated "Average Cost." Will you tell us where you obtained the figures which are represented on the chart by that line?

A. Those are what is known as average costs. They appear in

the tables of test runs which the Association puts out at infrequent intervals; they are called,—in the Government's petition against the Maple Flooring Manufacturers Association,—"recommended prices;" so we have called them "average costs," or, as called in the Government's petition, "recommended prices," of the Maple Flooring Manufacturers Association.

Q. And these are the prices ascertained as the result of these test runs from time to time?

A. Yes sir.

Q. As being the actual cost of production?

A. Yes sir. In explanation,—information as to the composition of these average costs,—it might be well to have explained by some one from the Association offices. I have merely secured it second hand.

[fol. 1267] Q. But you have taken this data, shown upon the fourth table attached to this exhibit, from the records of the Association?

A. Yes, sir.

Q. And have then expressed the figures thus shown upon these three charts, by the red line?

A. Yes, sir. On each chart the average cost, or, as called in the Government's petition, "recommended prices", have been plotted with the range of prices for that particular grade.

Q. And, briefly, what does that show, upon each of these three charts?

A. It shows that in a great majority of the cases there were members selling above the average cost, or, as called in the Government's petition, "recommended prices", at the time at which the average costs were issued; as, for example, on Chart 1 of Exhibit 29, in, I believe it was January of 1915, one of these tables of test runs was sent out; and, for the Clear 13/16 by 2¼ inch maple flooring the average cost was $40, and at that time, or in the month of January, there was at least one member selling above. The reason I say "at least one" is because the high price represented on the chart was for but one member, it being the highest secured in that month. Another example might be given,—in March, 1920, when the average cost of the Clear grade, sent out on the table of test runs, was $154; and in that case practically all of the members were selling above that price, for that grade, as can be seen on the chart,—that the red line barely comes in contact with the white line, representing the average low price for the lowest member in that month.

[fol. 1268] Q. And the reason that this red line takes a straight course, horizontally or vertically, is that only at infrequent intervals are these test runs made?

A. Yes. And when a test run was sent out, from that date until the next we made a horizontal line at the level of the average cost included in that table of test runs. At the date at which the new table of test runs came out we made a vertical line, from the old average cost to the new average cost."

"Mr. Johnston:

Q. Does this chart indicate that at various times all of the members, of a considerable part of the members were selling at a price below that average cost?

A. Yes. As an example, in 1921, when the red line appears considerably above both high and low prices, for the early part of the year. That feature can be brought out in an exhibit which appears later, wherein the product is compared with the average cost of the product over a period of years."

(Said three charts and four tables, accompanying the same, are marked as Defendants' Grant Keehn Exhibit 29 and received in evidence.)

"Q. Now, you made reference to a further chart, that was prepared for the purpose of showing the index of the prices of the product as compared with the index of its average cost?

A. Yes, sir. This chart (indicating), which is exactly the same as Exhi it No. 18, with the exception that on it has been plotted the average cost of the product. That is, on this chart appear indices of the prices of competing wood floorings, and the index of the price [fol. 1269] of the product—on which chart the average from March, 1919 through May, 1923, equals 100 per cent. The base which was used for the average cost of the product was the average price of the product from March, 1919 through May, 1923. It is represented on the chart by the white line, which moves only in a horizontal or vertical direction. The white line, which fluctuates, is the price of the product. The identity of the other lines can be seen from a study of the legend. This chart indicates that the price of the product fluctuated at all times, and was not above the average cost all the time—in fact being below, during a considerable portion of the time. It also indicates that when an average cost table was sent out to the members that rises in prices occurred in the indices of all the floorings—all of the competing wood floorings, including the price of the product. This is evident in 1919, in May, when an average cost table was sent out, on which the average cost was higher than that on the average cost table previously sent out. At this point, all of the indices of the competing wood floorings, as well as the index of the price of the product, rose. In 1920, in March, a new table of test runs or average cost was sent out. At this time the price of the product was considerably above the average cost sent out on the table of test run. The other four competing wood flooring price indices were also on a relatively higher level. In 1921, in September, another average cost chart was sent out, and all five price indices—including the price of the product, but also the indices for the prices of the four competing wood floorings, rose, within a month or two.

The same situation occurred in May, 1922, in October, 1922, in [fol. 1270] February, 1923, and in March, 1923. In other words, there has occurred, when a table of average costs has been sent

out to the members, a rise in the prices—not only in the price of the product of the Maple Flooring Manufacturers Association, but also a rise in the prices—the price indices of four competing wood floorings; in other words, it would be no more possible to say that the tables of average costs prepared by the Association have made the prices of the product rise than it would to say that they had made the price of competing wood floorings rise—and the latter statement would, of course, be absurd—this because the indices of all five wood floorings have fluctuated practically identically throughout this period, 1919 through 1923.

Q. Does this chart also indicate that the prices have not, in general, followed along the same line as the so-called average cost, but have departed therefrom, apparently in unison with or in response to the operation of the law of supply and demand?

A. They have departed from the red line representing the average cost, but have moved in the general direction. This is only to be expected, because the average cost is prepared from the average cost of the members of the Association, and it is only natural that the price would fluctuate in general similarity with the cost of producing the product. But it would appear that the price has moved in accord with the operation of the law of supply and demand, rather than in accord with these average costs that have been sent out from the offices of the Association."

(Comparison of the Index Prices of Product and the Index of Average Cost, with the price of Competing Wood Floorings were marked Defendants' Grant Keehn Exhibit No. 30 and received in evidence.)

[fol. 1271] "Q. Mr. Keehn, reference has been made, during the course of your examination, and the examination of Mr. Gordon, to the fact that some of the members of the Association own standing timber, and cut their own maple lumber, from which they manufacture maple flooring. What can you say upon the relevancy of that statement of that fact, if it be a fact, to the question of the price of maple flooring, as to whether it is or is not unreasonable, or the inquiry into the reasonableness of the price of maple flooring?

A. Well, I should say that the processing of the hard maple lumber into maple flooring was an entirely separate manufacturing process from that of making the timber into hard maple lumber. This is apparent from the fact that some manufacturers of maple flooring include both operations, but some of them purchase on the open market the hard maple lumber and process it into maple flooring. The question of profits with respect to the two operations is more or less an accounting matter.

Q. Is there any distinction between the price which the man who owns his own timber and processes it into maple flooring is entitled to charge, and the price which the man who buys his rough lumber in the market is entitled to charge, for the finished product, maple flooring?

A. By no means—there should be no differentiation, because there will be only one market price, which will include the costs of what is known as the marginal producer. By marginal producer is meant that last producer who will be induced to produce and can produce, at a profit, at the market price. It is used in connection with changes or with differences in the expenses of production. The members who own their own timber and process it into hard maple lumber, [fol. 1272] or rough maple lumber, and then into maple flooring, could, if they were not permitted to secure a profit on both operations, sell their rough maple lumber in the open market, and secure a profit, selling it at the market price; they could then purchase the rough maple lumber and process it into maple flooring, selling it at the market price for maple flooring. It is only reasonable that they should secure a double profit, because of the double operation, that is, more profit than a manufacturer who merely buys the rough maple lumber in the open market and processes it into maple flooring, this because he has need of a greater organization, he has need of a greater investment, and it also necessitates greater managerial worries and functions than in the case where there is only the one operation. To continue, on that: It is only reasonable that the manufacturers who perform both functions in this particular industry, namely, cutting the rough lumber from the timber, and the processing of it into flooring, should consider as their raw material costs the market price which the rough maple lumber which they are using brings."

[fol. 1273] DEPOSITION OF ALBERT JOHN HETTINGER, JR., TAKEN, PURSUANT TO STIPULATION, AT WINTHROP HALL, CAMBRIDGE, MASSACHUSSETTS, ON NOVEMBER 22, 1923

ALBERT JOHN HETTINGER, JR., being duly sworn, testified as follows:

Direct examination.

By Mr. Johnston:

"Q. Your name is?
A. Albert John Hettinger, Jr.
Q. Where do you live, Dr. Hettinger?
A. In Belmont, Mass.
Q. What is your occupation?
A. Statistician.
Q. With what institution are you connected?
A. Harvard University.
Q. And in what capacity?
A. Assistant Professor of Business Statistics.
Q. How long have you been connected with Harvard University in the capacity of Professor or instructor?
A. This is my fourth year.

Q. Is all of your work in the Graduate School of Business Administration?

A. That is all my university work, yes.

Q. And are you at the head of that department?

[fol. 1274] A. I am.

Q. And the general scope of the work in that department is what?

A. The general scope of it is twofold: that is a study of external statistics, which really comes down to a study of the business cycle; and a study of internal statistics for purposes of control with any given concern and really trying to link the two together.

Q. What work outside of your professional work in the Graduate School of Business Administration have you done and are you now doing?

A. Well, for several years I have actuated as consulting statistician for the Federal Reserve Bank of Boston and I am now connected with the Ludlow Manufacturing Associates in the same capacity; and then for several years in miscellaneous consulting work, statistical in character.

Q. Have you contributed any articles to periodicals upon statistical subjects?

A. I have not. I am interested in the internal control primarily and we are pioneering there.

Q. Are you connected with any of the publications that are put out by the Graduate School?

A. No, except very indefinitely, insofar as the faculty itself handles the publication. That is, Professor Tosdal is the editor and definitely in charge.

Q. Do you have any connection with the Harvard Committee Economic Research?

[fol. 1275] A. No definite connection whatsoever. I am in fairly close contact with Professor Parsons, Prof. Bullock and Prof. Vanderblue, but not in an official capacity.

Q. Where did you receive your preliminary education?

A. At Stanford University. That is, I took my A. B. there and my A. M. and took my Doctor's degree from Harvard in business economics.

Q. That is you specialized in business economics in your graduate work?

A. Yes.

Q. Did you have any connection with the Railroad Administration during the war?

A. Yes, I was with the Operating Statistics Section as statistician from the time of its organization until I went over to the Director-General's office as statistician to the Financial Assistant to the Director-General. All told that was probably a little less than two years' experience there.

Q. Are you acquainted with Mr. Grant Keehn and Mr. Edward B. Gordon?

A. Very well, for a time dating really from their arrival in Combridge, you might say.

Q. Did they take work under you and in your department?

A. Yes.

Q. I believe they both majored in statistics, didn't they?

A. Well, with the group system in the school, I do not recall. That could easily be determined. Each of them had as much statistics as was available and my supposition is that an investigation [fol. 1276] of the records would show a definite technical concentration there.

Q. You have read, have you not, the depositions which Mr. Gordon and Mr. Keehn have given in this case of the United States of America vs. the Maple Flooring Manufacturers Association and others?

A. Yes.

Q. And you have also examined the exhibits which accompanied their depositions?

A. Yes, I have.

Q. Turning to the first of these exhibits, which is Exhibit 6, with certain tables appended thereto, Exhibit 6 is a table upon which have been graphed certain price indices, first of the product of maple flooring, then price indices of all-commodity prics, all building material prices and lumber prices. I want to ask you first, Dr. Hettinger, about the preparation and use of price indices in preparing statistics, particularly for price comparisons. Are such indices in general use by statisticians?

A. Yes, they are in general use; in fact it is the only feasible way of making a comparison.

Q. In this instance you will note that the tables appended use 1913 as a base equaling 100 per cent.

A. Yes.

Q. What can you say about the use of one year as a base in the preparation of price indices such as these are?

A. A choice of a base is thoroughly fundamental in that all comparisons are with that base period primarily; that 1913 is the last full pre-war year, and that in substantially all price comparisons [fol. 1277] and a great many of physical volume, by almost common consent 1913 is deemed the fair base, the most workable base to use. The Bureau of Labor Statistics in its revised index numbers bases prices up to date on the 1913 price level. The Federal Reserve Bank of New Work in its studies has done the same thing, and it is commonly accepted.

Q. And the Bureau of Labor Statistics makes up price indices such as those which are used in the tables appended to and made a part of Defendants' Exhibit 6?

A. Yes, the Bureau of Labor Statistics is the recognized source for price comparisons. You really have four: Dun's, Bradstreet's, Prof. Irving Fisher at Yale and the Bureau of Labor Statistics; and of the four I think there is no question but what the Bureau of Labor Statistics covers the broadest base, has the soundest system of weighting and would be considered standard by most of us for most purposes.

Q. Now in arriving at the price index for the product of maple flooring Mr. Gordon and Mr. Keehn have taken the three grades and

sizes of maple flooring which are those commonly manufactured and sold and have, as you may recall from their report or from their testimony, weighted those three grades and sizes in making up their average, giving a weight of 50 per cent. to the 13/16 by 2¼ inch flooring, 35 per cent. to the 13/16 by 2¼ No. 1 and 15 per cent. to the 13/16 by 2¼ factory; these percentages being arrived at by determining the proportion in which these three grades of flooring are manufactured and sold by the members of the association. Is the making of such a weighted average a method generally recognized [fol. 1278] by statisticians?

A. Yes, an index number I imagine is essentially similar to getting at a resultant in physics, where you have different forces moving at times in different directions with different intensities. The only way we can get at a reasonably true movement of the product as a whole here or commodity prices as a whole in the Bureau of Labor Statistics index is by combining them, and in combining them the question comes right up of whether or not one desires to weight, and essentially the only sound basis is weighting if there is any reason under the sun for weighting, and here where you have the information, the weighting is thoroughly desirable, and I should say essential to get at the truth.

Q. It is rather common practice, is it not, to take three or more items representing different grades or classes of a commodity and so combining them to represent the commodity?

A. Oh, yes. For instance Prof. Copeland in his international comparisons of print cloth, combined half a dozen grades or more of cotton goods in American markets, the same in British, India and Chinese markets, and in the textile industry today I think that the Fairchild index of cotton goods based by combining a considerable number of them is considered sound, thoroughly sound.

Q. If you look, Dr. Hettinger, at Exhibit No. 7, which is a comparison of the price index of the product with the f. o. b. mill prices of its components, that is the three grades which I mentioned to you a few minutes ago, assuming that the figures from which this chart was prepared are accurate and have been accurately placed upon the chart, would you say that by looking at this chart, Exhibit 7, Mr. Keehn and Mr. Gordon were justified in combining these three grades [fol. 1279] and sizes of maple flooring into the components which they have termed the product?

A. Yes, if there were merely the white line I would feel it was justified, and where they have given in addition the actual prices of each of the component parts, I feel that it is doubly justified. One has all manner of comparisons possible there to get at the truest picture of the situation.

Q. And does that chart, Exhibit 7, show that the various component parts of the three grades have substantially the same movements as the component which is evidenced by the white line?

A. I should say that mathematically speaking the correlation would approach perfect positive correlation.

Q. Now this chart, Exhibit 7, which you are looking at and most of the other charts which appear as exhibits to the depositions of Mr.

Keehn and Mr. Gordon are charts upon a logarithmic scale, are they not?

A. Yes.

Q. What can you tell us about the use of a logarithmic scale where you desire to make comparisons of movements?

A. A logarithmic scale such as one finds on a ratio chart presents the truest figure of percentage changes, for the reason that any given distance on the vertical scale, regardless of where selected, means absolutely the same percentage change; so that a drop of an inch in the price of the product in 1920 would mean the same percentage of change as a drop of an inch anywhere else. And that would not be true on an arithmetic scale. An arithmetic scale will give one a [fol. 1280] good, honest cross section picture showing the relative magnitude at a moment of time of each curve presented on it. It does not give a picture of percentage changes from time to time. Consequently, I feel that in practically all cases of time comparisons where I was interested in the trend, whether one curve moved with another, whether yo ucould trace cause and effect in the movements, I would prefer the logarithmic scale, and I think there would be substantial unanimity among the better class of statisticians there. If I were localized on a cross section at one moment of time I am inclined to think that there an arithmetic scale would be preferred. Now practically all the charts in here have to deal with time comparisons from 1912 on. We are interested in the reactions of demand and supply and price and their sequence and the intensity of the relative trends, and for that reason I am in thorough agreement with the particular selection chart by chart throughout as to scale, whether logarithmic or arithmetic.

Q. In a chart such as Exhibit 7 for instance you are not interested there in the quantity, the difference between the various lines there charted, but only in the shape of the lines, are you not?

A. I am interested in the trend, the time trend there. With the scale one could approximate very closely his cross section view with his slight mental readjustment, but for the trends, and that is what we are interested in, we want the logarithmic charts there.

Q. Now getting back to the chart which I first called to your attention, Exhibit 6, which is the comparison of the index of the prices and the product with the indices from the United States Bureau of Labor Statistics, all commodities, all building material and [fol. 1281] lumber prices, assuming the accuracy of the figures which have been charted upon that chart, Exhibit 6, and the accuracy with which they have been charted, what does that chart show to you as a statistician?

A. Do you at a glance or in some detail?

Q. Oh, yes, at a glance. I do not mean for you to follow it in detail.

A. I think that the striking thing that would be shown would be the strong cycle movement and the very pronounced factor of price inflaction that occurred primarily beginning with the latter quarter of 1915, when we felt the effect of European demand upon our commodities.

I think, to go further, it would show substantial conformity in the movements of the curves with what I think one would expect, a very much lower price movement of the product during the period of time when, due to war conditions, there was definite curtailment in building and an extremely pronounced upward swing of the products price as soon as we came into a boom period with no restrictions on building and had the pent force of curtailed demand. That except for those two variations which can be explained by economic conditions the correlation would be very close.

Q. That is the correlation between the price of the product and the other prices which are referred to?

A. And the other prices referred to here.

Q. Referring next, Dr. Hettinger, to the chart which is marked as Gordon's Exhibit No. 9, you will note that that chart is a comparison of the value and volume of new building contracts awarded in the United States monthly from 1913 to 1923. I will call your atten-[fol. 1282] tion first to the fact that the source of information from which the value of new building contracts awarded in the United States has been taken is F. W. Dodge & Company's figures. What can you say about the figures supplied by the F. W. Dodge Company as a source of information?

A. Without question they are standard figures for the industry. In the Federal Reserve Bank of Boston we habitually use them, and the New York Bank does and they would be the most desirable figures one could obtain.

Q. Now those values are expressed in figures of dollars and cents, are they not?

A. Yes, sir.

Q. In order to make a proper comparison of volume of new building contracts awarded would it be necessary to deflate those dollar value figures?

A. In order to make any comparison with the physical volume of building, the physical aspects of the building situation, it would be obviously necessary to find a method for deflating the dollar value, due to the fact that there has been such a change in price levels since 1913; and in your later exhibits where comparisons are with physical volume, such as the number of board feet of unfilled orders and so forth, the comparisons would lose much of their value if they were not deflated in order to make as nearly as possible 1920 or 1921 or 1922 building contracts awarded totals comparable with those of the earlier period.

Q. Now have you observed the method employed by Mr. Gordon and Mr. Keehn in connection with this chart, Exhibit 9, in de-[fol. 1283] flating those dollar value figures?

A. Yes, I have observed the method and am familiar with the method, and I feel that it is thoroughly sound and the best available method. I think I could say that it would be generally recognized as such. That was the Federal Reserve Bank of New York's method of deflation.

Q. Yes, I think in one of the tables attached to Exhibit 9 it is stated that it is the index developed by the Federal Reserve Bank

of New York and also used by the Cleveland Trust Company and by the Association of General Contractors of America.

A. Well, there I would say that in statistical work in general the Federal Reserve Bank of New York would be one of three foremost authorities. The American Telephone & Telegraph Company, the Harvard Economic Service and the Federal Reserve Bank of New York would head the procession. Mr. Snyder and Mr. Burgess of that bank have given very careful consideration to this subject and the index represents the best of statistical practice. The Cleveland Trust Company work is under Col. Ayre, the vice-president, who is certainly one of the half dozen foremost statisticians of the United States.

Q. Then turning to the table which follows the one which you have just been considering, Exhibit No. 10, attached to the deposition of Mr. Gordon, which is relation of new orders booked, by the M. F. M. A. to the volume of new building contracts awarded in the United States, on this chart you will note that the white line represents new orders booked by the members of the Maple Flooring Manufacturers Association. You may recall that the testimony of Mr. Gordon shows that in order to have a constant figure, one which was not influenced by the changes in membership, they have used [fol. 1284] the figures of new orders booked by 15 members of the association, that being the number that it was found had been members of this or prior associations continuously, although the present membership of the association is 22. If you will turn to the small chart which follows Exhibit 10, that is Exhibit 11, you will note that for the purpose of justifying the use of the figures of new orders booked by 15 members comparisons have been made between those figures and the figures for the same new orders booked by 22 members. From an examination of this small chart, Exhibit 11, would you say as a statistician that Mr. Gordon and Mr. Keehn were justified in taking the figures from the 15 so-called constant members?

A. Yes, the correlation is approximately perfect there and personally I would much prefer to get the truer comparability that one could get between different periods of time by sticking to the same consistent group of members than trying to shift my membership right along. In fact were that latter practice reserted to it would make me want to dig into the figures with a great deal of care.

Q. In other words, you feel they were justified in doing what they did in that respect?

A. Oh, absolutely.

Q. You will note that Exhibit 10, the one you were just looking at, makes the comparison without making adjustments for seasonal variation. On the third chart in this hearing, Exhibit No. 12 which follows the one you were just looking at, you see the same figures charted as upon Exhibit No. 10 with adjustment made for seasonal variation. Do you feel that an adjustment should be made in a comparison of this character for seasonal variation?

A. Yes. We are interested primarily in the reactions of these [fol. 1285] curves to conditions of improving or declining business,

and in the building industry the seasonal factor is so strong that it would really obscure a great deal of the other movement unless measured and corrected for. Consequently I feel that the correction and allowance for seasonal variation is both sound and desirable.

Q. You have observed, have you not, the method employed by Mr. Gordon and Mr. Keehn in making this correction for seasonal variation. Do you agree with the method which they have employed and is it one generally accepted by statisticians?

A. Yes. There are several methods of correcting for seasonal variation that are thoroughly accepted and that give approximately similar results. I think that they have taken one of the simplest and most clearly understood, and the fact that they have checked the results so obtained against the results yielded by what is probably the most technical method known gives double assurance in the validity of their methods.

Q. Now looking at this last chart, Exhibit No. 12, what does that chart reveal to you as a statistician as to the relation of new orders booked by the members of the association with the volume of new building contracts awarded in the United States.

A. Intrinsically a close correlation.

Q. That is that the movements have been very similar?

A. Oh, yes. When you get close correlation it would be I suppose a technical way of saying that the movements were extremely similar. I use that terminology possibly more than I should.

Q. Now if you will turn to Exhibit No. 14, which is an index of the volume of building in the United States yearly from 1900 to [fol. 1286] 1922, on which chart has been shown a line of trend indicating the normal trend in building construction in the United States during the period from 1900 to 1922, you have read the deposition of Mr. Gordon describing the method in which this line of trend has been platted. I ask you whether or not you agree with that method of arriving at a line of trend.

A. It is the thoroughly accepted basis. That is, there would be two possible bases of computing, a straight line of trend and compound interest line of trend, and with the data as it exists there is not even room for argument. The straight line of trend will fit the data and the compound interest would not. They have taken the proper method and I believe that the results are truthful results.

Q. Is the ascertainment and platting of a line of trend a method in quite common use by statisticians in order to arrive at comparisons or for other statistical purposes?

A. Yes, it is. The Harvard Economic Service use it as the starting point in their cycle analyses, and personally I have used it in industrial statistics and in my consulting work consistently for a considerable length of time.

Q. I note that in platting this line of trend the period from 1916 up to and into 1923 is represented by a dotted line, indicating that the line of trend is carried on from the point in 1916 into 1922 on the same line with the line of trend as followed up to that point. Is that the usual method of expressing on a chart a line of trend?

A. If I can answer that in my own words a little differently there,

[fol. 1287] I would say that the purpose of measuring the line of trend is to give one of the best basis, the most rational basis for estimating the future, and that we consistently project a line of trend such as this one here into the future until we have definite indications that the line of trend should be changed. Here you have an abnormal war period with a very definitely recognized curtailment in building. You have an abnormal post-war period with equally recognized building activity above normal. And this line of trend as projected would give one the truest and a most reasonable basis for gauging what normally is, measuring the amount of deferred building during this so-called war period and arriving at an approximate estimate of the amount of deferred building that we can normally expect during the next few years.

Q. Now in this chart——

A. Pardon me. My last statement there is not quite as I want it—and giving us our best estimate for estimating the excess above normal during the next few years that will be necessary to compensate for this deferred building during the so-called war period.

Q. In this Exhibit 14 I take it we are interested in determining fixed relations as distinguished from the other charts in which we were comparing movements so that in line with your testimony a little while ago this chart is properly drawn I take it upon an arithmetical scale rather than upon the logarithmic scale?

A. Yes. We are interested in measuring volume practically here. This deferred volume of building will presumably be made up some time; part of it has been made up upon this book, and with a straight line fit and this time series one would never think of putting it on logarithmic paper.

[fol. 1288] Q. Now if you will turn, Dr. Hettinger, to Exhibit 17, which is a comparison of the prices of the product with the prices of competing wood floorings. I first call your attention to the sources of information as to the prices of the competing products, oak flooring, Arkansas soft pine and so forth. Is it permissible to take such data from trade papers of recognized standing?

A. It is customary. Are the sources stated right here?

Q. Yes, all the information except as to the price of the product is taken from the trade paper known as "Lumber," which is one of the recognized trade papers in the lumber industry. It further appears from the testimony of Mr. Keehn that in making up the index for the purpose of comparison he has taken the arithmetic average of those grades and prices of each of the competing wood floorings which from the information available were the grades and sizes coming most directly into competition with the product of maple flooring. Would you say that that was sound from a statistical standpoint?

A. I am not sure that I understand that question. Let me just read these headings.

Q. Yes, surely.

A. Yes, I should say that that was sound.

Q. In this case, Mr. Keehn testified that there was no information available as to the proportions in which oak flooring for instance,

the various grades of oak flooring which have been used in making up his index of oak flooring, were sold. Under such circumstances it is permissible to use an arithmetic average, is it not?

A. Oh, yes. Weighting is a complicated thing. If one has all the information in front of him one can frequently get a truer picture through weighting. In the absence of all that information [fol. 1289] the procedure followed of taking an arithmetic average of these given grades would I think be sound, and my own opinion is that in all probability the trends would be substantially the same, and I question whether there would be any point on the curve that would be a quarter of an inch different from what it is. That is just a guess, but I think it is true.

Q. It appears furthermore from Mr. Keehn's testimony that in a few instances it was necessary to use prices in a different market than the market generally used in making the index. And that is expressed, as you will note, upon the chart, Exhibit 17, by overlapping lines in some instances. Would you say from the examination of this chart that such substitution of prices made any difference in the results obtained?

A. I would say that the principle of splicing series is thoroughly sound. The Bureau of Labor Statistics resorts to it. The Dow-Jones average of industrial stock, the New York Times averages—I think it is sound here, and the fact that they have given the overlapping quotations for a given period of time indicates clearly that trends and results as a whole are not materially altered.

Q. Now in the following table, Exhibit No. 18, the comparison is made of the indices of the prices of the commodity or of the product maple flooring, and the other competing wood flooring, oak, Arkansas pine and Southern yellow pine and Douglas fir. Would you say as a statistician that these two charts, Exhibits 17 and 18, looking at them together, show substantially the same results, the first chart, 17, being the actual prices and Exhibit 18 being the indices.

A. Yes, either of them are thoroughly fair comparisons and the results are similar. One is simply expressing the actual difference [fol. 1290] and the other expressing them in percentage form.

Q. And looking at Exhibit 18, what does that chart express to you as a statistician?

A. It expresses to me the very intense cycle movement during the period following the war and the substantial conformity of the price of the product and the trends of the product as contrasted with the oak, Arkansas soft pine, Southern yellow pine and Douglas fir, which indicates that the product lags slightly behind the others and the movement both on upgrade and downgrade is consistent there; that the degree of correlation or correspondence of the whole group is extremely high.

Q. If you will turn to Exhibit 19, which is headed comparison of indices of prices of the product and Michigan f. o. b. mill prices of raw material, it appears from this exhibit that the index of the hard maple lumber prices has been made up by taking an arithmetical average——

A. You mean the rough maple lumber?

Q. Yes, the rough maple lumber—by taking an arithmetical average of the prices of three grades of hard maple lumber, those being the three grades commonly used for the manufacture of maple flooring; and that the data from which these prices were taken are from 1913 to 1918 the War Industries Board price Bulletin No. 3 and from 1919 to 1923 the last week in the month's issues of the trade journal "Lumber" except as to a few issues where the information was not available, where it was then taken from another trade journal, the American Lumberman. Would you say that in the preparation of such an index, assuming the facts to be as I have stated them in the question that is justifiable from a statistical standpoint?

[fol. 1291] A. Thoroughly so. That is as to the arithmetic average of the three grades of lumber used I would say that the arithmetic average would be preferable to using any one of the three alone. If one had been able to get what one could not be able to get, a definite basis for weighting those three, weighting might have been considered, though personally I question whether it would have changed the line itself or its trend to even a slight extent. The War Industries Board bulletins would be thoroughly authentic. Wesley C. Mitchell, heading that work did work of the highest standing during this period, and the supplementing of this data by the trade journal sources after the War Industries Board ceased to function would be thoroughly justifiable.

Q. Now looking at this chart, Exhibit 19, what does that indicate to you as a statistician?

A. Well, the very close correlation of the curve, the extreme upward movement of prices, the pronounced nature of cyclical movements would be the three things. The—well, that really covers it.

Q. During 1917 and 1918 and up until about the middle of 1919 you will note the price of the raw material moved on a higher level than the price of the product. Is that explainable to you?

A. Yes, it is; Normally the movement of raw materials covers a wider amplitude of swing or fluctuation than that of the finished materials drawn from it and I should assume that the highly specialized character of the product there, the fact that it was a finished goods as contrasted with raw material could explain that. The thing that I am rather surprised at at the moment here is the fact that on [fol. 1292] the downgrade the product seemed to lead the raw material.

Q. Just what do you mean by that last statement, Dr. Hettinger, during the latter part of 1920 and 1921?

A. Yes, during 1920, the fall of the finished goods occurs before the raw material and the amplitude of the swing is moderately greater.

Q. Ordinarily you would not expect that——

A. No, I would not have expected that.

Q. —that the price of the specialized product would have dropped more rapidly than the raw material?

A. No, I would have expected just the reverse ordinarily, and I am

inclined to think that I would have expected—well, I can say that much pretty definitely and there is no use in guessing beyond.

Q. It appears in 1917 to 1918 that there was a restriction upon building placed by the United States Government as a war measure and that it appears further from the testimony of Mr. Keehn that rough maple lumber had many other uses than its use for the manufacture of maple flooring. Would that afford a possible explanation of the relative movement of the two prices during that period, 1917 and 1918?

A. Yes, that would be a very probable explanation of those differences. That is, if your rough maple lumber had alternative uses that were not open to the product with limitations on building, that I imagine is largely the explanation of the difference in price movement.

Q. And in 1920 on the basis of the raw material costs you would normally have expected the price of the product to have remained at a higher level for a longer period of time?

A. I would have expected in 1920 that the price of the raw ma- [fol. 1293] terial would have exceeded that of the finished product and that the price of the finished product would have lagged on the drop behind the raw material. I think that would have been the logical expectation.

Q. But in this instance it seems to have dropped sooner and more rapidly?

A. Yes.

Q. Looking at the next chart, Exhibit 21, which is a comparison of index prices of the product and an index of the average manufacturing and marketing costs of the members in the association, what does an examination of that chart, Exhibit 21, show you as an statistician?

A. That it both felt the changes in price level and in cycle movement; that during the period 1917, 1918 and the early part of 1919 when business was very uncertain, the first quarter of 1919, the price of the product was substantially below the average manufacturing and marketing costs; I imagine because the volume of business was not essentially large and the overhead burdens pretty heavy there. That that condition naturally changes in the latter part of 1919 and 1920, when the product feels the full brunt of the intensive demand for building materials, and you have a period roughly say of seventeen months when prices of the product were above costs. That during the period of depression in 1921 prices of the product declined rapidly costs lagged behind in the decline, and for that year as a whole the two curves moved in the same rough direction and at the same levels. The quantity of deferred building on hand still and the fact that the building industry did not feel as intensive movement I should assume would have been the explanation for the moderately earlier recovery of the product prices. And [fol. 1294] during 1922 and 1923 with large volumes of business prices of the product increased above costs levels. It is just what one normally would have expected with the trends of business making

allowance for the large amount of deferred building during the war period that has to be satisfied in the latter period.

Q. You will note from this chart that the movement of average manufacturing and marketing costs as indicated by the red line shows quite a definite lag in a movement of those costs over the price of the product. Is such a lag in manufacturing costs other than raw material one which you would naturally expect?

A. I assume you are speaking primarily of this 1920 situation?

Q. Yes.

A. Yes, it is absolutely what one would expect there. You cannot control your costs and reduce them as fast as you have got to reduce your prices there. Labor was getting increased rates in most industry throughout the spring and summer of 1920, even though prices were beginning to crumble. Overhead costs, that is of office personnel and that type of thing, can be reduced only with extreme difficulty, and I think that that would be a perfectly normal movement.

Q. The same is true on the upswing, is it not, that labor costs are not adjusted as rapidly as the price of the product?

A. Yes, it is a truism that labor prices lag behind business in general. They are slower to go up and slower to come down.

Q. If you will look now at the next large chart which is Exhibit No. 23, showing the relation of the prices of the product to the demand and supply of the product, you will recall from the testimony of Mr. Keehn that Mr. Keehn and Mr. Gordon have taken unfilled orders of the members of the association as representing demand and [fol. 1295] stocks on hand as representing supply for the purposes of making this comparison. Do you consider that sound from a statistical standpoint?

A. I do.

Q. This comparison as shown upon Exhibit 23 has been corrected for seasonal variation. Do you consider such correction as desirable in order to get a true picture; the corrected index being shown on chart No. 24, which follows?

A. Yes, it would be necessary to correct it for seasonal variation to get any clear picture of trend, the seasonal movement being so thoroughly marked.

Q. The same method of correction was used in this instance as in the other instance which I asked you about. Now the chart, Exhibit 24, in addition to the correction for seasonal variations has also been corrected as far as the price is concerned for what is stated upon the chart to be the decrease in the value of the dollar or the general price level change. Are you familiar with the method employed in making such so-called deflation?

A. You mean the specific method employed here?

Q. Yes, the method employed by Mr. Keehn and Mr. Gordon as set forth in their depositions.

A. I am.

Q. Is the method which they have employed an allowable method for such correction?

A. Yes, it is. It is an extremely difficult thing to do and I think

that one can say this, that in the first of these two exhibits before the correction is made——

Q. That is Exhibit 23 you are now referring to, for the purpose of the record?

[fol. 1296] A. Yes, the strong upward trend of prices which occurred through the war period would make it rather difficult to compare the relation of the prices of the product to the factors of supply and demand. We have to make a mental adjustment throughout for that change in the price level. In the second of these charts, Exhibit 24, that correction for change in price level brings all three curves within more comparable range. I do not think that any of us would claim that this correction or any other correction for prices would be 100 per cent. correct, but I think that we could honestly state that this as well as several other methods would be substantially correct, and in so far as the month to month trends are concerned presents a truer picture than the earlier chart. That the conclusions that I came to from Exhibit 24 would be similar to those that I would come to in so far as the price of the product is concerned on Exhibit 23 if I made my mental adjustment for changes in price level.

Q. Now looking at Exhibit No. 24, what does that chart show you as a statistician?

A. The fact that all three of these curves reflect sensitively changes in the trend of business; that you have a very high degree of negative corrlation between prices and stocks on hand; and that the price movement tends to lag behind the movement either of unfilled orders or stocks on hand, which would indicate that price was primarily the result of those two factors.

Q. Is that lag to which you refer one which is usually found in such comparisons?

A. Yes. For instance if you were to take the situation in probably our biggest basic industry, the steel industry, in 1920 production got as low as 864,000 tons, I believe, about June. I do not be- [fol. 1297] lieve that price reached its lowest level until at least six or eight months, and I am inclined to think at least eight months, afterwards. You would expect a pronounced lag in price as contrasted with the other two curves.

Q. And that same result I believe you have said could be determined from an examination of Exhibit 23?

A. Oh, yes.

Q. Although not——

A. Personally, I think I will get a clearer picture from Exhibit 24, realizing that the white line is approximately correct, but that there is naturally a possible slight element of error depending upon men's judgment. It is a thing that we cannot be sure of to the last percentage, but I feel that I would get a clearer picture from Exhibit 24 than 23, though not essentially a changed picture. It is simply a clearer photograph of the same thing.

Q. After discussing these two charts Mr. Keehn in his deposition states that it is apparent that with practically every increase in the excess of demand over supply came with a natural lag an increase in the price and with every increase of the increase of supply over de-

mand came with a natural lag a decrease in the price of the product. Assuming the accuracy of these charts would you say that that conclusion as expressed by Mr. Keehn is correct?

A. I would.

Q. Looking now at chart No. 27, which is a comparison of the production of the product maple flooring to the demand and the supply of that product, here again the chart has been corrected for seasonal variation in the same method that has been employed with the other charts concerning which I have asked you. Is such a correction [fol. 1298] for seasonal variation desirable in such a comparison?

A. Yes.

Q. Now looking at this chart, Exhibit 27, the corrected chart, what in general does that chart show you as a statistician?

A. I think primarily that unfilled orders declined at a somewhat earlier date than production, indicating that production was continued in the face of bad business as long as the manufacture felt that he reasonable could keep running, and that that slowness with which production was curtailed led to a building up of stocks in the early stages of any period of depression; that on an upward movement somewhat the reverse would naturally have ben expected, and I think the evidence indicates it; and throughout the very sensitive nature of all three curves when contrasted with changing trends of business.

Q. And the chart indicates in general, does it not, that the production of maple flooring has fluctuated in accordance with the factors of supply and demand as there represented upon this chart by unfilled orders and stocks on hand?

A. Oh, yes, fluctuated with it; in fact, was guided by it. That would be indicated by that lag to which I have referrerd.

Q. Production being in general more inelastic than demand?

A. Very much so.

Q. I will now call your attention to Exhibit 28 which is a bar chart showing a comparison of f. o. b. mill prices realized by reporting members of the manufacturers association during certain months in the year 1920 and in the year 1922. Assuming the accuracy of the figures which are represented upon this chart what does this chart show in general?

A. It shows of course the substantial decline that has occur-ed in [fol. 1299] prices between the two periods and a rather pronounced variation in price by—each of these members refers to a specific mill I take it?

Q. Yes.

A. By the different mills. For instance in the clear the range would run from about 153 to 220. That would mean that the highest price was somewhat more than 40 per cent above the lowest in that group. That in the No. 1 they range say from 150 to probably 195, which would indicate a 30 per cent range. That probably in the factory between 115 and a shade above 145 would indicate a range of over 25 per cent. A rather marked dispersion, in other words, of prices from their arithmetic average and the same type of thing is true in March, 1922. There on a percentage basis probably more pronounced in case of factory than clear. Just a little bit of reversal as to

which particular group had the widest dispersion of prices from what you could term the average of the group.

Q. This type chart is adequate, is it not, for the presentation of such a comparison as this where you are making comparisons between fixed amounts?

A. Personally I should regard it as the most desirable type of chart for this purpose.

Q. Will you turn back to chart 24 and referring to the lines drawn on the chart representing the movements in the year 1920 and particularly to the movement of the line representing the demand as compared to the movement of the line representing prices during that period, form 1920 in 1921, can you explain the correlation of [fol. 1300] those two lines?

A. What I should assume there is that the rate of manufacturing activity was increasing through that period; that with rising prices there was every incentive for it, and I think that the previous charts will indicate that that is so. That stocks were being depleted very fast. That with the increase in manufacturing demand by probably January, 1920, manufacturers were able to meet and hold their own with incoming orders. That incoming orders began to fall about that time. That costs of production were still increasing very fast. There was a railroad increase in rates early in 1920 and I imagine more awards of higher pay during the first six months of 1920 than in almost any period during this unsettled ten years we are considering. That the trend of commodity prices in general was still rapidly upward. The old Bureau of Labor Statistics index numbers, with 100 as base, in 1913 recorded the highest prices of the movement, 272, in May, 1920. A later index on a different base revised things slightly and I think showed higher prices at even a later date. Dun's review showed the highest price of the movement in May, 1920. As nearly as I can gauge from this chart the commodity reached its high price in April, which would have been one month earlier than Dun's Review and one or more months earlier than the Bureau of Labor Statistics review. It started its decline at an earlier date than commodity prices as a whole. This movement the first three or four months was, I believe the figures would show, thoroughly typical of commodity prices as a whole. For instance, raw cotton prices reached their peak of 43¾ cents a pound for spot cotton as early as August and other commodities trailing on until some of them reached their [fol. 1301] peaks early in 1921. The fall of commodity prices in general was most drastic during the last four months, say, approximately, of 1920 and I think that the commodity here indicates that. If you will recall the earlier chart where I commented that I was surprised that the commodity had fallen at an earlier date than——

Q. Exhibit No. 19?

A. Yes, you will remember that I was surprised that the product price had fallen at an earlier date than the basic raw material from which it was drawn. That was based not only on my generalizations concerning raw materials but that I had expected from the nature of this particular series to find some lag after commodity prices in the

drop rather than what appears to be even an anticipation of them.

Q. In other words, it would appear that the prices of the product of maple flooring instead of being maintained beyond the point of the general down swing in prices acted very sensitively to the change in conditions and declined at a rather earlier date?

A. Yes. In fairness I think I ought to say that Bradstreet's index, as I recall it, reached a peak in February with $20.27 whereas the pre-war price had been $8 or $9. Dun's Review in May, the early Bureau of Labor Statistics review of index number in May and the revised one at a somewhat later date. So that I think it would be a fair generalization that the price of the product fell at a moderately earlier date and that the percentage decline in the product during the last four months of 1920 was certainly more than that of commodity prices in general, and I think substantially more. In other words, the product declined from say about 280 down to 90 during a period when commodity prices as a whole declined from about [fol. 1302] 272 down to 140. That would mean that the deflation in the product was probably one third again as much as in most commodities and occurred at a slightly earlier date.

Q. Now taking the statistics which have been compiled in this case by Mr. Keehn and Mr. Gordon, taking them as a whole, what would you say as a statistician as to the adequacy of the statistics and the charts for the purpose of presenting a study of the relationship of the price of the commodity, maple flooring, to the other factors with which they are compared?

A. I think that the material chosen shows uniform good judgment; that the methods are essentially sound and able and that on the whole it is a remarkably fine piece of work, an unusually fine piece of work. I think that I could fairly say throughout that in choice of scale, in methods of weighing, in the decision as to whether or not to correct for seasonal variation and the methods adopted there in the measurements of long time trend, in the choice of methods for deflating building costs and such things, that in each case where material that could have been used existed they selected what I should term the best methods, and where they have had to pioneer for themselves essentially as they did in the one case in Exhibit 24, that the result they get presents a clearer picture than would have been presented without it That the conclusions one would gain from Exhibits 23 and 24 are essentially the same, and that by including both uncorrected and corrected data they permit the user of the exhibits to form his own conclusions in a way that would not have been possible without it. Does that cover your ground? I think it is a thoroughly able piece of work from beginning to end. [fol. 1303] Q. Taking the data as portrayed in these tables and upon these charts as accurate and the portrayal thereof as accurate, do you find anything in the data or the charts which is indicative of an arbitrary fixation of the price of this product, maple flooring?

A. Not a thing. That is the fact that throughout price seems to be the resultant of supply and demand; that it rather follows the supply and demand; the fact that during that period at the beginning of the war, a period of depression, the prices of the commodity

showed the effects of that depression and were lower than price levels as a whole; the fact that the commodity received relatively little advanage during the period of arbitrary increasing prices in 1917-18 when there was the curtailment in business; the fact that the decline in the price of the product occurred at as early if not earlier date than that of most commodities; that it lagged behind commodities on the upward movement and had a more intense downward movement, would lead me to believe on the basis of all that I have seen here, that is the exhibits that I have really studied—would lead me to believe that this market exhibited rather more sensitively than one would have expected in as broaod a market the full play of the factors of supply and demand.

Q. There is a discussion you may recall in the earlier part of Mr. Gordon's deposition as to the methods of control of the prices of a given commodity in which he discusses the different methods by which the price may be controlled, the different ways it may be controlled, as for instance at an unreasonably high level continuously, at an unreasonably low level continuously, at alternate high and low levels and a discussion of the condition of this industry with respect to the supply of the raw material; the other manufacturers of the product not within the association, the number of manufacturers of rough maple lumber and the other factors which might [fol. 1304] affect and control of the supply of the raw material. Do you recall that discussion, Dr. Hettinger?

A. Yes.

Q. I will ask you whether or not you would agree with that portion of Mr. Gordon's deposition in which he discusses that subject?

A. Yes, I would. He has had a really hard time at times in getting material from the Census to serve as a comparison with the fuller material available from the association, and I feel there that in his tabular presentation he has rather erred on the side of conservatism than anything else. That is, he has understated his case, if you want to consider it that way, rather than overstated it.

Q. And on the basis of the statistics and facts presented by him would you reach the same conclusion which Mr. Gordon reached, that the Maple Flooring Manufacturers Association did not control the potential supply of its raw material?

A. Yes, I should assume that. That is, I am not a lumberman and that is out of my line. I am familiar with statistics and statistical methods and economics and on the basis of what there is here and my own judgment on the situation I would concur in the conclusions he expressed. The expert end of my testimony of course would have to be on the statistical methods and possibly the economics attached to it rather than the internal phases of the lumbering industry. I am out of my depth there naturally.

Mr. Johnston: I think that is all.

Mr. Benton: I have nothing to say at all.

[fol. 1305] DEPOSITION OF HOMER B. VANDERBLUE, TAKEN PURSUANT TO STIPULATION, AT WINTHROP HALL, CAMBRIDGE, MASSACHUSETTS, ON NOVEMBER 22, 1923.

HOMER B. VANDERBLUE, being duly sworn, testified as follows:

Direct examination.

By Mr. Johnston:

Q. What is your full name?
A. Homer B. Vanderblue.
Q. Where do you reside, Professor Vanderblue?
A. Cambridge, Mass.
Q. What is your occupation?
A. I am Professor of Business Economics in the Graduate School of Business Administration of Harvard University and Economist with the Harvard University Committee on Economic Research.
Q. What subjects do you teach in the Graduate School of Business Administration?
A. I teach the course which goes under the general name of business economics, which has to do primarily with the relationships of the movements of the business cycle to business conditions and business policies.
Q. Now what is the Harvard Committee on Economic Research?
A. The Harvard Committee on Economic Research is engaged in the publication of the Harvard Economic Service and of the Review of Economic Statistics. The group of economists who collaborate most actively in the preparation of this work includes Charles J. Bullock, who is the chairman, Warren M. Parson, who is the editor of the Review of Economic Statistics, and myself, with professors Allyn Young, John H. Williams and J. S. Davis of Stanford [fol. 1306] University, as contributing editors; including those amongst the contributing editors.
Q. How long has that Committee been in existence?
A. That committee began the publication of the Harvard Economic Service or its predecessor publication of supplements to the Review of Economic Statistics, in the beginning of 1919, or has since published; the preliminary investigations anticipated the publication, necessarily.
Q. And what is the general scope of the publications and of the service which the Committee on Economic Research puts forth?
A. The Committee on Economic Research is engaged in the study of the economic phenomenon which economists know as the business cycle and makes interpretations of certain business conditions and a forecast of future business conditions based upon that economic analysis. In that work it is my function each month to make the appraisal of the current business situation as contrasted with or differentiated from the appraisal of conditions in the money market and in speculative markets, although necessarily there is a taking into

account of conditions in these markets and an appraisal of general business conditions.

Q. And to whom does this service go in general?

A. This service goes to business men, to bankers, both investment bankers and commercial bankers, to some individuals who are interested primarily as investors; but our service is sold essentially as a business service and is sold to business men. We have in the neighborhood of 2,325 individual business firms or business men subscribing. This is in addition to subscriptions or some duplicate subscriptions which go in some instances to firms that subscribe for more than one copy in order that copies may be available for their executives.

Q. How long have you been connected with the Harvard Graduate School of Business Administration?

A. I became Professor of Business Economics in September, 1922.

Q. Prior to that time were you engaged in educational work?

A. Prior to that time I was successively Assistant Professor, Asso- [fol. 1307] ciate Professor and Professor of Transportation in Northwestern University, where I taught courses in Transportation and general economic principles and in economic history.

Q. That is Northwestern University at Evanston and Chicago, Illinois?

A. Evanston and Chicago, Ill.

Q. And how long were you connected in the capacities that you have mentioned with Northwestern University?

A. I went to Northwestern University in the fall of 1915 and was a member of the faculty of that institution until my coming to Harvard. During certain periods of that time I was on leave of absence; from May, 1917, to late in December of 1918 I was an officer in the United States Army; and from June, 1920, until September 1921, I was engaged in making a study of business conditions, both in relationship to resources and to the business cycle of general business conditions for the Denver Civic and Commercial Association of Denver, Colorado. At no time did I resign from the university; I was on leave of absence in both instances.

Q. Where did you receive your preliminary education *had* training?

A. At Northwestern University, where I graduated and also took a Master's degree, and at Harvard University, from which I received the degreee of Doctor of Philosophy in 1915, having done my work in economics.

Q. Have you published in addition to the articles which I take it you have written frequently on economic subjects any books or treatises upon any general economic subjects or any special economic subjects?

A. I have written two books on the subject; that is, I myself have written two books on the subject of railroad valuation, one of them called Railroad Valuation and the other Railr*a*od Valuation by the Interstate Commerce Commission, which were essentially an analysis of the railroad valuation problem from the point of view of economic

theory, to be contrasted perhaps with the point of view of the engineer. In the early part of 1923 I published in collaboration with [fol. 1308] Kenneth F. Burgess a more general volume on the subject of railroads, entitled Railroads: Rates, Service, Management. In addition to these books I have from time to time contributed to such periodicals as the Journal of Political Economy, American Economic Review, Quarterly Journal of Economics, Railway Age, System.

Q. Now I take it in addition to your academic work which you have done as a professor in these two universities and in addition to your active work with the Harvard Committee on Economic Research you have had considerable practical experience in the investigation of actual business conditions in given businesses.

A. My experience has been very much less with individual business than with business conditions in general. That is in the work we are now engaged, it is only occasionally that we have the opportunity or for that matter the time to investigate in detail the figures furnished us by individual businesses. Last year I made the necessary preliminary studies and under my direction detailed studies were made and published of the business cycle in relationship with the paper industry and with the leather and hide industries, and we have made individual studies of the relationship of the statistics of an individual enterprise to the business cycle. We have collaborated with individual firms in showing them how to do the work which we are doing.

Q. That is what I had in mind more particularly.

A. Yes. It happens that we have a limited number of individuals who are competent to do statistical work and for whose accuracy we are willing to vouch, and we have to keep down the amount of that work which we do.

Q. But all of your work for a good many years has brough- you into very close touch with actual business conditions throughout the United States?

A. I have been studying business conditions for fifteen years.

Q. Are you acquainted with Mr. Edward B. Gordon and Mr. Grant Keehn, both of whom I believe have been connected with the Harvard Graduate School of Business Administration?

[fol. 1309] A. Mr. Keehn and Mr. Gordon were both members of my course given in the Graduate School of Business Administration last year, and did work of very high calibre.

Q. Have you, Prof. Vanderblue, read the depositions which have been given by Mr. Edward B. Gordon and Mr. Grant Keehn in this case of the United States of America vs. Maple Flooring Manufacturers Association and others, and have you likewise examined the exhibits which are attached to and form a part of those depositions?

A. I have.

Q. Now Prof. Vanderblue, turning to the deposition which was given by Mr. Gordon, one of the first subjects discussed by him in his deposition at some length is the methods by which those engaged in a certain industry may control the price of the commodity

which they are manufacturing and selling. As for instance, by controlling such price at an unreasonably high level, at an unreasonably low level, at a reasonable level and for periods of time at an alternately high and low level. Do you recall that discussion in the deposition?

A. Yes, I do.

Q. Addressing ourselves now to the division which he makes of such possible control of prices, do you agree in general with that discussion?

A. I should say that in general I would agree with that discussion; that he takes the alternate possibilities and discusses those so that at the conclusion he has covered the essential possibilities.

Q. Of price control?

A. Of price control, yes.

Q. Now assuming that it is established as a fact with reference to the manufacturers of maple, birch and and beech flooring who are members of the Maple Flooring Manufacturers Association that such members are about 22 in number; that there are approximately a hundred other individuals, firms or corporations who are engaged in the manufacture of the same products, maple, birch and beech flooring; that the members of this association consume annually [fol. 1310] approximately a little less than 20 per cent. of the rough maple lumber available to be manufactured into maple flooring; that they control something less than 2 per cent. of the maple timber which may be processed into rough maple lumber and into maple flooring; that it is further established that the manufacturers of competing wood flooring, such as oak and white pine may without additional expense process through their established factories or mills maple flooring should the price be attractive rather than their usual product of oak, white pine or whatever it may be; and that the cost of entering into the manufacture of maple flooring is relatively small, requiring an investment of approximately $30,000 for the installation of such machinery as would enable a manufacturer of rough maple lumber to process that lumber into maple flooring; and that there are on the average approximately 4,767 manufacturers of rough maple lumber in the United States; what would you say as to the possibility of the members of this association maintaining the price of their product, maple flooring, at and unreasonably high level for any continuous period of time?

A. I could say that it would be impossible for, in making these assumptions, the competition either of new producers or of the substitute materials would break the market.

Q. And just why in your opinion is it impossible for such group of manufacturers to control the price of their commodity at an unreasonably high level for any appreciable period of time?

A. Assuming that there is an available supply of raw material and that there is equipment which can be turned into this field, the result of a sustained high level and extreme profit in one particular line would be to draw capital, labor and managerial ability from other field into this, so that any substantially higher market of the

particular commodity would be broken by the alternate supply that would be available and the use of substitute commodities would, in view of this high price, curtail the volume of this that would be used. There is no more persistent principle operating in economic affairs than this principle of substitution. That is, given a [fol. 1311] market that can choose, it is a continuous weighing of alternatives. Therefore accepting the assumptions which have been given by Mr. Johnston, it is my opinion that the result of maintaining prices on an unreasonably high level over a sustained period of time would be out of the question.

Q. And you base that, I take it, upon your familiarity with the industry of the country as a whole?

A. I am basing that upon the normal relationship that we have developed in other industries, where we get not only the demand and supply of a particular commodity but also the demand and supply of alternate commodities.

Q. What would be necessary for a group of manufacturers of a given commodity to enable them to control the prices of their commodity at an unreasonably high level?

A. They would have to have sustained control of the supply; that is the essence—you are really raising the essential question of a monopoly—they would have to have a virtual control of the supply, because it is by a virtual control of the supply that any monopoly is able to control; and of course that is in those cases, even in the case of an extreme monopoly, which the assumption you have made in the question leaves out of consideration, but even assuming there was one, the attempt of the manufacturers would have to be tempered by the recognition of possible substitute materials.

Q. And in the case of the manufacture of maple flooring which, it appears, is the mere processing of rough maple lumber into another form, not by means of any patented processes but by means of machinery which is available to all who care to purchase and install and operate the machinery, that would mean the control virtually of the raw material, would it not? I mean by that the control of the supply.

A. Yes, that means the control of the raw material, although it is conceivable that control of all of the equipment might do it. If you had control of all the supply and of the companies that made the equipment it is conceivable that a monopoly could be effected in that way.

Q. Well, I am assuming that the equipment is available to every-[fol. 1312] body and at a small capital investment.

A. Assuming that there are equipment companies who are furnishing the equipment in an open market, I see no reason for believing that there could be control other than by a control of the raw material and supply over a period of years.

Q. Now I take it from your answers to the questions already propounded that you would give the same answer if I was referring to the possibility of the same group of manufacturers controlling

the price of the commodity for a sustained period at an unreasonably low level?

A. It is inconceivable, the way business is organized and the way society is organized, that any group of business men or any business man would stay in business and maintain his prices at a level which, over a period of years, did not give him at least a rate of return which was commensurate with what could be earned in other industries. It is not conceivable that any group of individuals or any business man is going to stay in business for his health.

Q. Now taking the possibility of the control of the prices of maple, birch and beech flooring by the members of the Maple Flooring Manufacturers Association at alternately high and low levels; or, putting it in another way, at an unreasonably high level for a period of time and then at an unreasonably low level, or the converse, what sort of evidence would you as a practical economist want in order to determine whether or not the manufacturers of maple, birch and beech flooring who are members of the manufacturers association were or had in the past been maintaining their prices at such an alternate high and alternate low level for periods of time; by alternate high I mean at an unreasonably high level and alternate low, at an unreasonable low level, which might force other producers out of competition?

A. I should want to have the best information available concerning conditions of supply and demand in the market. That is, in the case of demand, the volume of unfilled orders on hand and the current rate of new orders; and in the case of supply, the date of production plus the accumulated supply of stocks on hand. That is, you have two sides to the equation, both supply and demand; and [fol. 1313] I should like to see what the conditions of supply and the conditions of demand were at the two times. Of course that question assumes, like the first one, a control of the supply?

Q. Yes.

A. And if we assume that, we look for the conditions of supply and demand in the market.

Q. We were discussing a situation which might conceivably exist where without a control of the supply the manufacturers of this product grouped in this association were able to hold the price at the high level for a short period of time and then drop the price to a low level for a short period of time and then raise the price again to a high level.

A. That would assume a control over demand. That is, assuming one set of things, they might control the supply, but that would assume a control over demand, and I would want to know what the demand condition was.

Q. Now would one of the elements to be taken into account in such a study, Prof. Vanderblue, include a comparison of the prices of this product of maple flooring with the prices during the same period of time for other commodities in general?

A. That would be very important for the reason that it would be necessary to consider how the demand or supply for the commodity

would be affected by the phase of the business cycle you were considering.

Q. Would it also be important to consider as a bearing upon the solution of that problem a comparison of the prices charged by members forming this association for maple flooring and the prices by other manufacturers for directly competing wood florings, such as oak flooring and pine?

A. Of course that becomes highly significant, because that brings into play the principle of substitution of which I spoke a moment ago. That is, given a fixed demand for floor coverings or floors, you then have alternate supplies which you can draw upon and there [fol. 1314] is an interplay of the phase of the importance of one as against the other.

Q. Would it also be important to consider in addition to the element which you state of the supply of the product and the demand for the product from time to time, also the element of production by the manufacturers of this product as compared with the supply and demand for the product?

A. Of course there are some commodities which are produced where you can increase the quantity that comes on the market at a lower price, the cost becomes less per unit. If you get a commodity where you have to go deeper into the forest or further down into a mine, it costs more and more to get the additional units; and so in the case of a commodity which has a decreasing supply of raw material, where you are using up the inheritance of the community, you will find there a trend upward as well as a cyclical response.

Q. And it would also be important to consider the costs of production such as the costs of the raw material and other producing costs as compared with the prices of the product, would it not?

A. All commodities will not move with the same amplitude in the swing of the cycle. That is, you will find some commodities which will move with a very wide swing and some with a less wide swing.

Q. But there is generally, is there not, a relationship between the cost of course of the raw material and the other producing costs and the price charged for the commodity?

A. In a highly competitive market where you get a group of producers bidding for the same supply of raw material and selling in a common market you will find or you would expect to find that the movement would be in close coincidence, because you have the same group of forces operative both in the producing market and selling market. That assumes that the men on both sides have knowledge of what the market conditions are and that they are intelligent and not in business for their health.

[fol. 1315] Q. Now referring to the discussion of this general subject which is included first in the deposition of Mr. Gordon, you will recall that he has made a study of the movement of the prices of what he has termed the product, which is maple flooring, with the movement of the prices of all commodities, of all building materials and lumber prices during a monthly period from 1913 up to and

including the early part of 1923, which is expressed on Gordon's Exhibit No. 6, which I believe you have before you. This chart purports to set forth the figures which are taken from indices of these several prices, the indices being those used by the United States Bureau of Labor Statistics. I will ask you first whether the use of such indices in studies of prive movements is well recognized by economists?

A. Economists in general use indices of this character in making of price comparisons, as it is a method, and the only feasible method, for making comparisons of prices of different commodities. It brings them to a common basis.

Q. Is the compilation of figures put out by the Bureau of Labor Statistics, as for instance their figures on all commodity prices, all building material prices and all lumber prices a source quite generally used by economists?

A. It is not only generally used by economists, it is one on which we on the Committee of Economic Research place the greatest dependance. They are among the best of index numbers which are published at this time.

Q. Where you are seeking for purposes of comparison to obtain a price index of a group of commodities such as in the instant case, different grades of maple flooring, is it a method in common use by economists to combine those several commodities into one group to be expressed in one price index figure?

A. It is. For example, in those two investigations which I supervised last year, the one made into the paper industry by the Committee of Economic Research and into the leather industry and hide industry, we used in our index for hides the average for five series [fol. 1316] and for calfskin three series, for goat skins three series, for oak sole leather four series, for union sole leather three series, side upper four series, calf upper four series and kid upper three series and then we used all these series in making our combined index, both for hides and skins and for leather. Likewise for paper, we used a number of different series. That method makes it possible in any peculiar abnormal thing which happened in one month or two months to any one grade or three or four grades—it permits it to be ironed out in the average in the process.

Q. And presents a fair comparison?

A. And presents a fair comparison of the situation as a whole.

Q. And it is permissible I presume to weight that average by giving due weight to the volume of the different grades——

A. That is sometimes done. It is usually very difficult to do because it is not often that one has the opportunity to get the materials to know what the weights are on these various grades.

Q. But if you have accurate information as to the volume which the different grades or groups bear in the given industry or given commodity, then it is permissible to weight those accordingly in making up an average?

A. It is permissible to do it and in many instances it is desirable to do it, but on the whole I believe one would find that the result was not changed a great deal one way or the other.

Q. That is whether you use an arithmetic average or a weighted average?

A. Yes, I mean such comparisons as I have seen of that character have made a very little bit of difference in the essential picture which was given of what was happening in a market.

Q. Now looking at the chart, Gordon's Exhibit 6, what in a general way does that chart show to you as an economist; assuming of course the accuracy of the indes figures and the accurate portrayal of those figures upon the chart?

A. Of course the thing that strikes one at first is the general [fol. 1317] movement of these various price indices, that is, that they show the same general movement in a given time. The second thing that you get is the inflation or general trend to a peak in 1920, which came, looking at the whole group, with the inflation of prices in what we may call the wartime price revolution. The next thing is the extraordinary upward movement and the burst of expansion which came in 1919 and in 1920. The all-commodities index is generally a much less flexible index than other commodities, but you frequently find, since it represents an average, that there will be some above and some below. That is, when you get an index like the index which is shown here in the line of green, that is the all-commodities index, you have there a figure which is the result of some movements which were much wider and some of course much less in the periods 1919 and 1920. Through the fall of 1920, we had a most extraordinary upward movement of prices, the result of an inflation of the credit system. With the beginning of the down swing, the crises in the summer and fall of 1920, we had a very sharp and precipitous deflation of prices. And since the latter part of 1921 and into 1922 we have had an upward movement of prices which represents the normal response to the upswing of the business cycle.

Q. And have you found——

A. I have looked at this thing now simply to get the general swing of the chart.

Q. Have you found from your experience with other industries particularly and with the industries of the country as a whole that the movement which you have referred to as the upward movement of 1919 and 1920 was a general, sharp upward movement?

A. That was a very general sharp upward movement. If one—shall I refer to one of these other industries?

Q. Yes, go ahead.

A. If we take for example the paper industry; these also are index numbers, the index numbers having been prepared by the Com- [fol. 1318] mittee on Economic Research; that shows for book paper from a low of 94 in the summer of 1919, prices continued to rise steadily to an index number of 193 in August and September of 1920 and then dropped to a low point with the index at 77 in May, 1922, and then slowly recovered. To contrast that with paper board prices, we find that from a low point in the summer of 1919 which is measured by the index number of 86, they moved sharply upward to an index number of 227 in September of 1920, and then declined to

a low point in August and September of 1921 of 70. That is they dropped to less than one third of their previous price, whereas book paper, which had dropped from 93 to 77, had dropped something less than one third. This situation of differences as between those industries which we have examined shows that some prices on some particular commodities of the same general industry move with much more amplitude than do others. There are some commodities which are highly responsive to the stimulus of the cycle and other very sluggish.

Q. Have you graphed those movements?

A. Yes.

Q. Are these the graphs (handing paper)?

A. Yes.

Q. On the opposite side——

A. On the opposit side those show the difference in the amplitude of the movements as between those different grades.

(Said Graphs marked Vanderblue Exhibit No. 1, November 22nd, 1923, R. W. P. and received in evidence.)

Q. Have you a similar study made of the prices of hides, skins and the principal varieties of leather for that same general period?

A. Yes, we have, and it shows the same general relationships. It also shows the relationship of the movements of the raw material [fol. 1319] in substantial timing with the movements of finished product; that is both for goat skins, kid upper, calf skins, calf upper, hides, side upper, oak sole leather and union sole leather. As between the two different kinds of sole leather for example, there was some difference in the amplitude; that is, union soles ran through a larger cycle."

(Said study marked Vanderblue Exhibit No. 2, November 22, 1923, R. W. P. and received in evidence.)

"Q. Now, Professor Vanderblue, would you expect to find a rather close relationship or dependence of the demand for the product of maple flooring upon the volume of new building construction in the United States?

A. The demand for maple flooring would come only from new building or for alterations in old buildings, and the great, important market would be for the increased demand in the construction industry.

Q. Would you consider it, therefore, a sound and desirable comparison to make, to compare the demand for maple flooring with the volume of new building construction in the United States?

A. That would measure the general movement of the demand, that is the demand would be expressed in orders, but the increase in building construction, the statistical series we have of both contracts awarded and permits granted, would indicate the direction in which you would expect the maple flooring business to find its demand appearing.

Q. Are you familiar with the figures compiled by the F. W. Dodge

Company on the value of new building contracts awarded in the [fol. 1320] United States?

A. Yes, we use those figures in our own studies of the building industry, both the F. W. Dodge figures and the figures for the values of building permits.

Q. And are those figures regarded generally as an authentic source of information on this subject?

A. They are.

Q. What is the source of the information as to the permits issued, which is generally used?

A. I am not sure whether there is any other source than Bradstreet's or not. Bradstreet's regularly publish those, and of course we use the Bradstreet figures to check with them.

Q. They are the ones generally used?

A. They are the ones generally used.

Q. That is, Bradstreet's figures are given for permits issued in various cities in the United States?

A. Yes, and that comes out weekly.

Q. If you will refer now, Prof. Vanderblue, to Gordon's Exhibit No. 12, which shows in chart form the relation of new orders booked by the members of the Maple Flooring Manufacturers Association to the volume of new building contracts awarded in the United States, corrected for seasonal variation, I will ask you first whether you are familiar with the making of such corrections for seasonal variation?

A. Yes.

Q. And whether you regard such corrections as being desirable?

A. In our own studies of the building industry and other industries where there is a seasonal movement apparent we always make [fol. 1321] such correction, because without it the essential economic relationships would be hidden by some essentially seasonal movement.

Q. And assuming then that this chart, Exhibit 12, correctly graphs the index figures which accompany the chart and that of course the index figures are accurate and that the correction for seasonal variation has been properly made, what would you say this chart, Exhibit 12, evidences to you as an economist as to the relationship between these two?

A. It substantiates that generalization I applied, namely, that there is a close correlation between the new building that is going to take place and the orders booked, that is the demand, and the evidence indicates that the demand which I assumed would appear actually did appear.

Q. In this industry?

A. Yes. In fact, the correlation is very marked.

Q. As close as you would naturally expect to find such a movement?

A. Yes, you would not expect that every very slight movement in one would be represented by a movement in the other, although there is—it is a very striking correlation; I mean the timing of the low point and of the high point is very close together.

Q. If you will refer back just for a moment to this chart, Gordon's Exhibit 6, you will note, Prof. Vanderblue, that during the period

beginning about the middle of 1919 and for the remaining period pictured upon the chart there is a reversal of the price level; that is to say, up to the middle of 1920 the price of the product was for [fol. 1322] the most part upon a considerably lower level than the price of all commodities, all building materials and lumber; whereas in 1920 and for the balance of the period the price of the product assumes a somewhat higher level than the other three price indices mentioned. Can you offer an explanation for that condition and has it a relationship to the volume of building construction in the United States?

A. In the first place you find that during the period, if you look at the exhibit which has to do with new orders and so on, you see that during the period from 1907 to 1918 the new orders booked fell off very sharply. That means that there was some reason for the demand being very small in that period. Now assuming the statement that in the period. May, 1917, to the winter of 1918-19 we had the control of the utilization of lumber necessarily in the hands of the United States Government on account of the war emergency, we can understand how the price for this commodity, which is highly specialized and for which there could be no possible demand except minor replacement demand, would not feel the stimulus of the inflation of prices which was shown sharply by other commodities and which is illustrated in an average way by the movement of the all-commodities index from a basis substantially the same as the product basis in 1918 to a level very considerably higher, although that is a highly inflexible series. I mean the all-commodities index of the Bureau of Labor Statistics is sluggish, it does not move up the cyclical movement is not wide and the amplitude is rather small.

[fol. 1323] Q. I take it because it embraces so many different commodities?

A. It embraces a large number of different commodities and the detail of the thing—we would simply have to have a list in front of us to check them off. It embraces a large number of commodities.

Q. And the effect therefore which you would expect to find from a retardation of demand resulting from building restrictions and other causes incident to the war would be a lower level of prices for the commodity during that period, would it not?

A. Yes, it would be.

Q. Would that naturally result in an accumulation of demand for the product due to an under-building production?

A. In general with the population increase in the United States, and particularly with movements into urban communities that we have had, there has been a persistent expansion in the line of growth and line of trend, as the statisticians call it, for new building, and if during a period of two years—it was substantially two years—you did no building or the building which you did do was in many instances of a temporacy nature, you would find that there would be stored up a demand which existed but which would not become effective in the market until restrictions were taken off. And that is the situation that one might almost say was a matter of common knowledge in the building industry. So we had stored up a building

shortage, and of course we have had in response to that building shortage a most extraordinary building boom which was recognized by—well, it was recognized last spring by the Secretary of Commerce suggesting to the President that the Government keep down its own [fol. 1324] construction to the minimum while this building shortage was being made up.

Q. And when this so-called accumulated demand found expression in new building construction in very large volume would you expect to find the price of a commodity which found its chief use in new building rising sharply to much higher levels?

A. You would expect under those circumstances that the commodity was going to feel, in addition to the stimulus of the business cycle and an accumulated trend of demand, you would expect that price to rise more sharply than the general average of prices.

Q. And looking at Gordon's Exhibit 6 and at the white line which indicates the price of the product of maple flooring, does that appear to have been the case with this product during the period when its accumulated demand was given expression by new orders?

A. Yes.

Q. Would you call, therefore, as you look at it, the movement of the line representing the price of the product, the white line, one which you would normally expect to find then under these conditions or one which indicated any abnormality?

A. Per se it indicates nothing. I mean it might very well be that this was a commodity which always moved with a wide cyclical movement. This historical record is too short. But leaving that question aside, in addition to that, this condition of stored-up demand would account for the rapid rise of this particular commodity and of these other commodities.

Q. And for an advancement of that price at a somewhat higher [fol. 1325] level than the more general prices evidenced by the all-commodities index?

A. Yes, which as I have said, is notoriously sluggish in its cyclical movement and in its response to an inflation. That does not mean, however, that because it is sluggish that it is not a good index of the general movement of prices.

Prof. Vandeblue, will you look at the chart which is headed Index of the Volume of Building in the United States Yearly, which is marked Gordon's Exhibit No. 14? There you will note that there has been platted a line of trend which purports to show the trend of building in the United States during the period from 1900 up to 1922; and on that same chart has been platted the actual volume of building in the United States yearly from 1900 to 1922. Assuming the accuracy of the figures which have been taken from the sources that you have yourself referred to and the accuracy of the platting of the line of trend, what does that Chart, Exhibit 14, show to you as an economist with respect to the product in question?

A. This line of trend, this slightly inclined upward movement of the line of trend indicates the response to the growth of the country, that is the growth in population and possibly the additional concentration in urban communities which has been noted. That is

the first thing. The second thing it shows it that during the period following 1913 it indicates that building has been very considerably below what would have been expected as a normal development during those years had there been no interception of the war, and therefore you would expect projected into the future a considerable ac- [fol. 1326] cumulated demand which would be made up in the additional period of time. That is, a building demand is not something which you can satisfy over night; it would take some period of time with the limited resources of the industry to fulfill such a demand.

Q. That there is an upward trend in the normal volume of building in the United States is well established, is it not?

A. Well, this sort of statistical evidence I would accept in other industries, say for example the iron and steel industry. We know that there is such a trend which corresponds with the growth of the country, and we know in the railroad business there has been such an expansion. The line of trend in this country for the production of commodities is upward corresponding generally to the general growth of the country. I should have expected such an upward line of trend and I have never—you are asking me to testify to something where I have to assume the accuracy of these figures——

Q. Yes, certainly.

A. But this time I am not assuming the accuracy of the figures, I mean I am giving you a general statement on the thing.

Q. Yes.

A. I should expect there would be an upward line of trend, a line of trend inclined upward to the right, in the case of building.

Q. And is this method of fitting a line of trend for the establishment of the normal growth or increase in either any given line or in this case in building in the United States, a method which is in common use by economists?

A. Mr. Gordon I believe testified that he did this by the method [fol. 1327] of least squares. That is the method that is utilized by the Committee on Economic Research, and which, following the work which was done by the Committee on Economic Research, has been very generally adopted by economists and statisticians.

Q. Now does a comparison of price levels generally indicate anything in connection with the study of the movement of the price of a given commodity such as maple flooring?

A. You mean to compare the movement of an individual commodity with some general average index number like Bradstreet's or the Bureau of Lobor Statistics?

Q. I mean a comparison of the height, the maximum to which the price has risen during a given period—I believe you have already covered that in a general way.

A. Per se it is conclusive of nothing. That is because the average figure, if you take an average of say 25 commodities, that is a fair assumption, if you assume 12 of them were an equal amount or range themselves equally above a line and 12 of them below the line and I was in the middle, you would get the average and that

average would show here. The top one might be spread away above and the lowest one away below, and likewise you could get a situation where they would be very closely compressed together and you would get the same average. So the fact that a commodity moves above or below an average figure is, per se, conclusive of nothing.

Q. And would not be at all conclusive of the question of whether or not a given price moved in accordance with the unobstructed law of supply and demand or whether it moved as the result of some arbitrary fixation of price?

[fol. 1328] A. The mere fact that a price moves in wide amplitude during a given period is not conclusive of the fact that that price is arbitrarily adjusted.

Q. But as you have said, the amplitude of the movement is one which varies very considerably with the different commodity?

A. It varies very considerably with the conditions of supply and demand of the individual commodity and the stimulus of the business cycle is differently felt by different industries. A very good illustration of that is that same leather industry. The two industries which are in the exhibits are industries which have felt the response of this business cycle relatively little, two industries that have lagged, that have not felt it. On the other hand, other commodities have moved upward pretty sharply.

Q. Now one of the things which you indicated would be of value in determining the question of whether or not the price of maple flooring had moved in response to the law of supply and demand rather than in response to any arbitrary fixation was the comparison of the price of that product with the price of its closest competitors, competing wood flooring. Will you turn to the chart which is marked Gordon's Exhibit No. 17 and is headed comparison of the prices of the product of the Maple Flooring Manufacturers Association with the prices of competing wood flooring.

A. Yes, I have that.

Q. Now, ordinarily if the price of this commodity, maple flooring, moved in response to the law of supply and demand unob-

[fol. 1329] structed or uninfluenced by any special agency which tended to stabilize or fix the price, what would you expect that movement to be in comparison with its close competitors?

A. You would expect that the movement would time substantially with that of the other competitors, that is the amplitude is not necessarily so significant as the timing. It would time substantially with the others.

Q. That is——

A. The higher the price at a turning point you probably would expect the price to freeze.

Q. That is by the timing, you mean what is expressed upon the charts as the slanting of the line?

A. Yes, the general movements.

Q. Now looking at this first chart referring to this subject, Exhibit 17, what would you say as an economist, assuming the accuracy of the platting of the figures and the accuracy of the figures platted, this chart shows?

A. That shows the response in the prices of all these commodities to the increase in demand which was represented by the accumulated demand in the building industry. It shows that for the higher grades the increase was greater, which one would expect in view of the fact that it was residential building primarily which was held down by the war, where the high grade floorings enter in. That is, maple and oak floorings are the ones which move to the higher levels and would be the sort of demand which you would expect to be held over greatly from the war accumulation.

Q. You said something about the higher priced commodities tending to lag slightly in their price movements.

A. Well, you get—some commodities respond rather quickly to the down turn of business, when business is set for a reversal of the [fol. 1330] cycle, and some businesses respond less quickly. You would expect businesses which were well financed to move much less quickly than where the industries were, a large number of them, less well financed or with a large number of small competitors. The reason for that would be that the man at the peak of the cycle has his inventory accumulated. He may have large orders on hand and there is no occasion for him to go out and bid for business, when he would figure that it would only break his prices, when he has a large current output taken care of. And if he is doing business on borrowed money, as a good many business men were in 1920, to their sorrow, and most business men were in 1920—the bankers with whom he is doing business will certainly advise him not to break his market in order to liquidate his inventory. Business men have to take losses, and so as a matter of fact all that happened in this particular case was that they just postponed the evil day, that is all. And you would expect it if the concerns were well financed and where the commodity represented more dollars per unit. That is, where it is less dollars per unit the thing is usually more flexible.

Q. That applies generally to business; it is not of course limited to the lumber industry or any branch of it?

A. No, the same situation is apparent on those other charts.

Q. Looking at the following chart, which is No. 18, which expresses the same facts as are expressed on chart 17 except where the comparison is made of index prices rather than actual prices, does that indicate the same movement?

A. Yes, it shows the same thing. The characteristic movement [fol. 1331] of this list that you call products, is that it lagged after the others; that is, it went up much more slowly and the demand was not felt as sharply and quickly; and on the other hand, it lagged a couple of months in going down, which one could very well understand on the basis I have just given; that is, it did not start to go up—well, it started up about the same time as the others, but it went up more slowly; and on the other hand it did not start up in 1921 until the others had been on their way up and there had been a pretty marked recovery in the case of Douglas fir and Southern yellow pine.

Q. You will note that on Exhibit 17 the data from which the

prices of the various competing wood floorings were taken was the same paper "Lumber" and possibly for a few of the prices one other trade paper. Is the use of such source for prices of commodities one which is generally recognized by economists?

A. You mean trade papers in general?

Q. Yes.

A. We utilize trade papers. Some of the series that were on those charts, both in the paper and leather business for example, were taken from trade journals, and in iron and steel studies for example, where we also make index numbers of prices and production, we have utilized very largely the Iron Age figures. That is, trade journalism in the United States recognizes as one of its functions the gathering together of figures of prices, and in most instances we find that they are about the only source that is available. And of course the Department of Commerce in publishing its survey of current business is building upon material which is gathered by these [fol. 1332] associations and by trade journals.

Q. And in the making of a price comparison such as is made upon Exhibits 17 and 18 would you consider it the proper practice from the standpoint of an economist to select those grades of competing floorings which, according to the testimony of those in the trade and familiar with the trade represent the most nearly competitive grades to the three grades which are combined into the index known as the product?

A. Well, I would have to be dependent upon the expert in the trade, and with that information I would gather my figures on commodities that are really one an alternate for the other; the thing runs pretty close together.

Q. And by averaging those figures either on arithmetic or weighted average, depending upon the data——

A. Depending upon the data available.

Q. Now the next comparison which I wish to call to your attention is one which you referred to in your answer to one of the earlier questions as being a comparison which you should want to see made, that of the price of the product with the prices of the raw material, rough maple lumber, and I call your attention to Exhibit 19.

A. Well, that is about what one would expect.

Q. Assuming that the figures are accurately platted upon that chart and the figures used are accurate, what would you say that chart shows to you as an economist?

A. That chart shows in the first place this same general history of the movement of prices from 1913 to 1923, the swing up, three rather flat years, and then the inflation during the war, and after the war the deflation and then the subsequent recovery. The move- [fol. 1333] ment or the price of the product, that is substantially the same index we saw before. It is flat between 1917 and 1918 and the raw material prices were somewhat above it during that period.

Q. And I take it that the movement shown upon this chart, Ex-

hibit 19, is such a movement as you would expect to find when there was a response to the law of supply and demand?

A. Yes, they generally move together where you have—that is, you would not expect that the thing would move exactly parallel and every time you would get a turning point in one you would get a turning point in the other, because that assumes a degree of lubrication in the economic system which does not exist.

Q. In Mr. Keehn's discussion of this chart in his testimony you will recall that he makes a statement substantially like this; that in March, 1919, when the demand for building was allowed expression the price of the raw material and the finished product began a sharp advance. In this advance the product temporarily outstripped the price of the rough lumber. This condition again was caused by the difference in the degree of specialization of the two products. The manufacturers of maple flooring were less prepared to meet the demand for their product because of their relatively low activity in the years 1916, 1917 and 1918.

A. Anybody that was in the situation in 1917 and 1918, with costs rising all about him and wages going up, anybody in the maple flooring business that had accumulated an inventory of maple flooring should have had a guardian appointed over him; that is, nobody would accumulate a big inventory of maple flooring during a period of rising costs and restricted market. He would probably keep his [fol. 1334] operations down. I suppose you have an index of production here, have you not?

Q. Yes, that will come later. And that statement which Mr Keehn makes, therefore, would seem to be justified?

A. Yes, I should expect there would be a quick sharp demand for finished product and then later that would be transmitted to the demand for the raw material, which in this case is the maple lumber.

Q. A comparison was also made by Mr. Keehn in his deposition of the price of the product with the average marketing and manufacturing costs as expressed on sheet, Exhibit 21, which follows. Assuming the accuracy of the figures and of the chart there what does that comparison indicate?

A. That comparison indicates that costs went up rather less rapidly perhaps than prices, but nevertheless they did respond. That is, wages did increase as most costs increased, and there is the same general rise to a peak in 1920 and then gradually the decline, and carried on into 1923.

Q. Would you expect to find some lag in the rise of these costs as compared with the rise of the product?

A. Economists who have studied relationship of movements of prices and wages over long periods of years have found that there is a lag between wages and the prices both on the down and on the upswing as a general thing.

Q. And why is that, in general?

A. Well, it is because of the fact that there is not a quick, sharp, open market for labor that can be made effective at once, that is all. It is a case of non-realization of what is ahead, although apparently

[fol. 1335] in a good many industries, when labor got organized, they have been a lot quicker on the trigger in the last five years than they were before.

Q. Do their prices tend to be fixed by contract over a period of time?

A. Well, yes, there is a certain amount of custom that attaches to it, and there is not any quick response, and nobody is going to bid for the labor that is in a particular place. Because, after all—it is one of the things that Adam Smith spoke of; he said of all kinds of luggage the human is about the hardest kind to transport.

Q. Mr. Keehn made a further comparison of the prices of the product with supply and demand and he took as his index of demand unfilled orders of the Maple Flooring Manufacturers Association members and his supply the manufactured product on hand. What can you say as to the justification for the use of those two sets of figures as representing supply and demand?

A. There would be no other statistical series that you would have that would show those conditions. That is, they represent the resultant of current operations and current increase in demand. At any one time they show what has happened.

Q. And you feel that that is justified?

A. Unfortunately we have all too few figures of unfilled orders and stocks on hand. If we had more of those figures we would be in a better position to avoid some of the disastrous figures of unemployment and the difficulties which appeared in the last movement.

Q. Mr. Keehn makes a statement on pages 43 to 47 of his deposi-
[fol. 1336] tion; probably just by glancing at it you will recall it, as to the law of supply and demand as it was generally understood by economists and as to the limitations which must be considered when applying that law of supply and demand to a given industry.

A. Well, in general as I read the statement I considered it accurate. The truth of the matter is that economists very frequently reason in terms of static conditions, and the business man never finds static conditions, and there is economic friction in instances of this phenomenon which affects business conditions, which economists call the business cycle, and which means alternating conditions of prosperity and depression.

Q. But his expression of the law of supply and demand and the limitations which apply to it you consider accurate?

A. I should consider that was sufficiently accurate for a general statement such as it purports to be.

Q. He further states, beginning at pages 47 to 67 the general movements in what are known as a business cycle. You have read that statement too, I believe?

A. Yes, I read that.

Q. What can you say about his statement there as to the general movements of the business cycle, as to its accuracy?

A. I think the statement as to the incidence of the business cycle upon the character of demand is a very satisfactory and interesting piece of analysis.

Q. Is the existence of the business cycle and its effect upon industry generally and upon industries in particular well recognized by economists today?

A. I think not only generally recognized by economists today, [fol. 1337] but it is pretty generally recognized by the more intelligent groups of bankers and business men. The fact that there have been phenomena in the business cycle has been recognized from time to time for over nearly a hundred years. Even the phrase has been utilized perhaps for sixty or seventy years, and although it has only been since the Committee on Economic Research began its investigations that we have had really accurate statistical demonstration of the fundamental relations *with* appear in the different phases of the cycle, it is a matter of, you might almost say, common knowledge that business in the United States, well, say beginning in 1837, 1857, 1873, 1884, 1893, 1903 and 1907 was at a period when we not only had a crisis but had a panic, and in between times there were some affecting conditions. There has just been made available a study by Prof. Silberling of the University of California showing the cyclical movements in British business from 1779 to 1850, which shows the same rythms of three and four years in existence; that a period of prosperity is followed by a period of crisis and despression, and the period of depression is followed by a period of recovery and that recovery moves into a period of prosperity and that general swing from the different phases constitutes the phenomenon economists call the business cycle and which the Committee on Economic Research are studying from time to time. The years from 1919 to the middle of 1921 represented a normal business cycle, short and intense but nevertheless in its essential economic relationships normal and typical. Since the beginning of 1922 we have had an upward movement of business such as normally has followed a period [fol. 1338] of depression such as existed in 1921. That is, the business cycle is not only an international phenomenon but it is one to the existence of which economists and bankers give a great deal of attention. Such organizations as the Federal Reserve Banks are making studies of the business cycle and the Federal Reserve Board as well as our own institution and some other organizations which are engaged in studying business conditions.

Q. You have noticed the application which Mr. Gordon and Mr. Keehn have made in their testimony and their exhibits of this business cycle to the facts as they have developed them in this case?

A. Yes.

Q. Do you think that application is justified?

A. I think it is justified.

Q. Turning for just a moment to these two charts, if you will, Exhibits 23 and 24 attached to the depositions of Grant Keehn——

A. What are they labeled?

Q. Relation of prices to demand and supply.

A. Demand and supply of the product?

Q. Yes, the first one being the relationship shown uncorrected for seasonal variation and the second chart, No. 24, attached to Grant

Keehn's deposition, being the relationship of the prices of the commodity to supply and demand after correcting for seasonal variation.

A. The significant one is the one with correction for seasonal variation.

Q. What does that chart, assuming the accuracy of the figures and the platting thereof, show to you as an economist with respect [fol. 1339] to this product and the supply and the demand thereof?

A. That shows—that started in 1919. We can go back and get the other things later on. Beginning in 1919, we find that at the beginning of the year that unfilled orders, which is shown by the red line, had dropped off; that is, at the beginning of 1919 general business was at a halting point; nobody knew just what was coming out of the post-war conditions, and there was a halt in general business such as appeared in other studies of general business conditions. With the beginning of the recognition of the fact that business was not going into a prolonged depression there was a rapid increase in this number of unfilled orders, partly due to the fact that very early in 1919 there had been this increase in the number of building permits issued and in the contracts issued. We find the unfilled orders rising quickly and eating very sharply into the stocks on hand which had been accumulated but which were not of great height. That is, during the period 1917 to 1918 men were not producing abnormally large stocks. In the winter of 1919-20 we find unfilled orders have been mounting very rapidly while the stocks are being eaten into, and that simply means that the people who were wanting the material were bidding for material and they were bidding in the only way that business men do bid, by offering higher prices, and we find therefore throughout 1919 into 1920 in response to this demand from the building industry a sharp rise in the price of maple flooring.

We also find that in the early part of 1920, when interest rates were very high, when the emergency part of the demand had been [fol. 1340] filled, and as production was increasing, the unfilled orders drop off and the industry starts to accumulate stocks, and during 1920 there is a very sharp drop in the unfilled orders, which means a drop in demand, in new business coming in, and a rise in stocks on hand. And as business men in the maple flooring business realized that they had to liquidiate their inventories a drop, a very precipitous drop in the price of the commodity. Then in 1921, when we find again that the demand for building, that is as expressed by contracts awarded and permits, is increasing, we find unfilled orders creeping up and that the shipments are eating into this volume of stocks on hand, and although it is substantially a year from the time that unfilled orders begin to pick up before prices rise, there is in response to the increase of demand and the cutting down of the stocks on hand to the level which is just about a level through the period, a belated but nevertheless a rise in the price of the finished product. That covers the period from 1919 to 1923 which in detail has been studied by the Committee on Economic Research in the relationships and in their figures for the building industry and their study of the building industry.

Q. This study is contained in the Harvard Economic Service dated July 21st, 1923, to which you refer?
A. Yes."

(Said study marked Vanderblue Exhibit No. 3, November 22d, 1923, R. W. P. and received in evidence.)

"The Witness: Did you want to cover the period prior to 1919? [fol. 1341] Q. Well, in a general way, yes.

A. If we look at the situation in the years prior to 1919 we find that in 1913 when we had another cyclical downturn of business as measured by the index chart of the Harvard Committee, that is the index of general business for the pre-war period, we find in that period, much less intense to be sure, but nevertheless quite real in the beginning of 1917 a downward movement of unfilled orders and the beginning of an accumulation of stocks and with the drop in prices that existed in that time. Then the only other significant thing we find when we get to 1915-16, we get some unfilled orders that eat into the stocks on hand in 1915 and 1916 and prices rise, showing the movement of the demand and supply. And then beginning in 1917, as the United States enters the war and the United States begins the wartime control of the industry, we see the unfilled orders drop off and some stocks accumulate, but the price weakens and as a practical matter the price moved within a range of about 10 per cent, it was very small for two years, although that was a period when wages and prices in general were rising very rapidly. And in that period we see that the demand side of the market which is represented by unfilled orders dropped down very low and that stocks are not accumulated on a large scale. If these fellows had been accumulating stocks in 1917 and 1918 we would find the price would probably drop more than it had, but that would be a period with no demand and no business man in command of his senses would accumulate an inventory when he was receiving no orders and had received no orders for two years.

Q. You may recall that Mr. Keehn makes the observation in [fol. 1342] his testimony upon the crisis during 1918 and the early half of 1919 when the demand was low and when the price of the product leveled out that because of the very low demand and the restriction upon building there was no incentive to the manufacturer to cut his prices in order to stimulate business and that that in a measure explains why during that period of time——

A. Well, that is another way of saying the same thing. We would not cut his prices in order to stimulate business and if he could not sell the stuff he would not build up stocks when the time he could get anything was very remotely in the future. The war had to be over and they had to be demobilized in control of industry before there was a possibility of an increase in the demand.

Q. And those peculiar conditions existing at that time are a reasonable explanation, are they not, for the leveling down of the price rather than any drastic action?

A. Yes. The stocks were pretty large and the orders did not disappear. They were getting new business. You see on the whole

in the range of stocks on hand there was not a very great accumulation, such as existed in 1921-2. They kept what was necessary to meet the demands that they were getting, and that is about all. It looks as though they were stopping, looking and listening, as far as the statistical average would show.

Q. After discussing this chart and the data pertaining thereto Mr. Keehn makes this observation in his deposition, that it is clear that the prices of the product of maple flooring have fluctuated in harmny with the forces of supply and demand and that with practically every increase in the excess of demand over supply with a natural lag came an increase in price and that with every increase in the [fol. 1343] excess of supply over demand with a natural lag came a decrease in the price of the product. Would you say that that conclusion is justified from your examination of the charts?

A. My examination of the chart shows exactly those facts, namely, that when unfilled orders rise sharply or after they have risen for a time and when stocks have been decreasing then we get a period when the prices rise, and similarly, when unfilled orders drop off and when stocks begin to accumulate men want to get liquid and liquidate some of those stocks and the price relaxes, and that therefore there is the lag which I referred to awhile ago, namely that a lot of this is done on borrowed money and there is not a perfect knowledge of what is going to come, and it is only the very fortunate and the very shrewd that get out of the market and call the turn."

(Pamphlet headed "Harvard Index of General Business Conditions in the first part of which the business cycle is explained in general terms, was marked Vanderblue Exhibit 4, November 22d, 1923, R. W. P. and was received in evidence.)

"Q. We were on the point of examining the last of the series of charts relating to the comparisons between the various elements entering into the price and demand and supply of the product maple flooring and the chart to which I now call your attention is Exhibit No. 27, being the chart expressing the relation of the production of the product to the demand and supply of the product, the chart which has been corrected for seasonal variation. Have you that chart before you?

A. I have it before me, yes.

[fol. 1344] Q. Assuming the accuracy of the figures which are platted upon the chart and the platting of the same what does that chart express to you as an economist?

A. The close correlation between the unfilled orders and the production curve shows that the supply of this commodity was increased with the appearance of an increased demand that it decreased as demand decreased.

Q. Mr. Keehn has pointed out in his deposition, in discussing Exhibit 27, that production appears to have lagged after changes in supply and demand. Is such a lag one which would naturally be expected?

A. During the period of active business the unfilled orders as is

shown by the graph, increase. This increase in the unfilled orders has given a volume of business on which manufacturers have drawn, and while they were operating on a high level they continued to operate in filling those orders, such orders as may not have been canceled subsequent to the downturn movement of unfilled orders. The correlation on the upturn, the timing, is much closer than it is on the downturn in any one of the points.

Q. It is quite true then that production does ordinarily lag after supply and demand, it does not adjust itself as rapidly?

A. Wherever you have a business with a large amount of unfilled orders you would expect that the production would continue on a high level until those orders are exhausted. As a matter of fact business men usually produce after that time and therefore accumulate stocks exactly as they did in this instance. If they had curtailed production earlier they would not have accumulated those big stocks [fol. 1345] which they accumulated which were afterwards sold on a declining market.

Q. The conclusion drawn by Mr. Keehn in this discussion of this chart, Exhibit 27, is stated on page 92 of his deposition as follows:

"Thus it is apparent that the production of maple flooring has fluctuated in accord with the factors of supply and demand. Increases in demand have been followed with a regular lag of one or two months by increases in production, and in like manner decreases in demand have been followed by decreases in the rate of production."

I take it that is substantially the statement you have made.

A. That is the statement that is shown here, yes.

Q. It appears from the studies made by Mr. Keehn and Mr. Gordon and from other evidence in the record that there has been at all times a substantial variation in the selling price which the various members of the association have asked, the asking price, for their commodity; that is for the same grade and size of the commodity. Does that fact, of such variation, assuming it to exist, have a bearing in your opinion upon the question of fixation of price? In other words, does it offer some evidence to you as an economist that there were substantial variations in the price asked at a given time for the same commodity?

A. F. O. B. the same market?

Q. F. O. B. the same point, yes, sir; either f. o. b. mill or f. o. b. delivered point, in the same market.

A. That evidence would not necessarily be conclusive. It would be indicative but not necessarily conclusive, depending upon the amount of the difference as between different mills.

[fol. 1346] Q. But it would be indicative of the existence to your mind of competition between those mills?

A. It would be indicative of a condition of competition.

Q. Have you found from the studies that you have made of various industries and industry as a whole a greater tendency today than perhaps existed in the past for a closer approximation of prices

quoted by different manufacturers in one industry for a given commodity in one market?

A. I should expect that such information as appeared in these publications from which these figures have been drawn, which on the whole have been accepted as authoritative, that the general presence of that sort of information would tend to have the differences between market very much cut down. That is, one would expect that the range between one mill's price and another mill's price would be pretty close together, particularly on a product which sold on an open, competitive market such as this one.

Q. The wider dissemination of information in the trade and the facts and knowledge as to conditions in the trade and costs of production and so forth, the less likelihood there is for a wide variation?

A. These products are not sold to amateurs; they are sold to people who know the business and we would expect in an open market there would be competition between the mills and competition between buyers and things would tend to approximate about the same price. That is the reason I said that the fact that it was fairly close in price would not be conclusive.

Q. Taking the data you have examined in the depositions of these two gentlemen, Mr. Keehn and Mr. Gordon, and the exhibits which [fol.1347] accompany their depositions, I will ask you whether or not you would agree with their conclusions that there is nothing which appears from this data to evidence an arbitary fixation of the price of this product.

A. On the contrary, the evidence that has been presented here indicates that this business, like other businesses, moves with the business cycle and that the response has been a response to the condition of demand which was in this particular instance intensified by the postponement of building during the period of the war.

Q. You have testified to having had considerable experience in considering and in taking part in studies of different industries much along the same general lines, I assume as this study. What can you say as to the study which Mr. Keehn and Mr. Gordon have made of this subject of the price of the product maple flooring and the comparisons they have made, as to whether you feel that is fairly complete and exhaustive?

A. I think looking at the matter solely from the sort of evidence that I would look for, they have presented the evidence that I would seek for if I had been doing the job on my own account to show that this industry moved in response to the conditions of the market. The evidence that has been produced of unfilled orders, stocks on hand, the evidence of the volume of manufacture in this particular product and the price movements would be that that any economist who is seeking to investigate the situation and to secure information concerning the movement of this industry in relationship to the general business cycle would make.

By Mr. Benton:

Q. That statement is predicated, is it not, upon the testimony and [fol. 1348] exhibits in the form of charts of Mr. Gordon and Mr. Keehn?

A. I am testifying that if I had been asked to supervise an investigation of the relationships of the prices of this product to the conditions of demand and supply that I would have asked my assistant to secure for me and to make the sort of charts that have been made by Mr. Gordon and Mr. Keehn and which have been presented by them with their depositions.

Q. I mean by that, that your conclusion is predicated upon the evidence submitted by Mr. Gordon and Mr.Keehn in the form of testimony, charts and exhibits.

A. Assuming——

Q. In other words, you have not gone any further than their testimony?

A. No, accepting as we have done in each time the statistical validity of these documents and concerning which I had no part in the preparation, and taking these on that basis I am simply testifying to the fact that this is the kind of evidence that any economist who is seeking to secure an estimate of the way he would expect prices to move in the future in this industry, if he had to make a forecast of them, would secure. Does that answer your question?

Q. Oh, yes, perfectly. I just wanted to make it clear, however, that your statements were all predicated upon the testimony of these two witnesses, Mr. Gordon and Mr. Keehn.

A. It is predicated entirely upon the statistical record that is in my hand, except in the general planning of which and directing [fol. 1349] their attention I had something to do, but that was all.

By Mr. Johnston:

Q. Of course all of your testimony where you have expressed an opinion is based upon the data that has been presented to you here coupled, of course, with your general knowledge of the subject?

A. Well, I think without exception we have tied up or made those statements perfectly clear. I have stated my own opinion and it has been stated as my opinion and the fact that it was my opinion I think is evident.

Mr. Johnston: I think that is all.

Cross-examination.

By Mr. Benton:

Q. I just want to ask one or two questions. One is to make a little clearer probably the long hypothetical question propounded to you by Mr. Johnston, or not to make it clearer but to give you another question based on different facts; assuming that the membership of the Maple Flooring Manufacturers Association produces ap-

proximately 70 per cent of all the maple, beech and birch flooring produced in the United States, what would be the possibility of a price control of that commodity by the association?

A. I should say that question cannot be answered yes or no. If you assume that that 70 per cent—that there is no flexibility in the other elements of the supply and that the other 30 per cent is not going to go aggressively after business, which ordinarily happens in a competitive market, the price that might be set by the 70 per cent might control the market. But that would not be likely to happen, [fol. 1350] and that is the reason I say that the question cannot be answered yes or no. That is, I do not believe there is enough of an element of 30 per cent of the market, assuming the other 70 per cent or something—which is what you asked me to assume?

Q. Exactly.

A. I believe that 30 per cent in the hands of capable business men in an industry where they could expand their operations and their plant would present no airtight combination—any situation of the price being set by the others at an unreasonably high level, at a level which would result in inordinately large profits over a period of time.

Q. What is the explanation of the extraordinarily high price of maple flooring during the year 1920, in view of the low volume of new orders received by the manufacturers during that period of time, as is shown by the charts submitted by Mr. Gordon, I believe.

(Discussion off the record, the witness explaining charts to Mr. Benton.)

A. This chart is the difference between new orders and production. Now in the first half of 1920 new orders—or the first quarter—dropped off and production in the first quarter of 1920 was about at its peak. The difference between those two is unfilled orders, of course, do you see?

Q. Yes, I see that.

A. So that when you are producing at a high level and are making deliveries and your men are not filling new orders, as a matter of fact we had a very bad condition of railroad congestion and there was no use placing new orders in that particular period. There was a [fol. 1351] railroad strike on. The result of that situation would be that your unfilled orders in the face of mounting production would drop off, when your new orders do not come along, or for two reasons; things are just about ready to bust in business, and the next thing is that you have a congestion. Now the fact that you are going to get your bust in business—let me say that on the building situation you will find that building permits and building contracts awarded both dropped off very sharply.

Q. In 1920?

A. In the early part of 1920, which shows that the demand which makes itself felt in new orders began todrop off at the very beginning of the year. I mean that is the explanation for the phenomenon you have in mind.

Q. If the demand dropped off before 1920 or at the beginning of

1920 what is the explanation for the very slow dropping of the price? The price was high during the major portion or all of 1920.

Mr. Johnston: No, the price started to fall.

Mr. Benton: The chart shows it.

A. The price starts to go down in the middle. Really the precipitate downward movement starts at the middle of the year.

Q. But it was away above ordinary for four fifths of the year. It is clear on the chart that it started down, but it did not get very far——

A. What you mean by ordinary is a very difficult phrase, when you are coming into a period of crisis. Right in between 1916 and 1920 we had a price revolution and deflation. That is, the general [fol. 1352] level of prices was about we will say 220 as measured by the Bureau of Labor Statistics, and dropped down as low as say 140, and in 1913 it had been 100. So you had a tremendous price revolution in all the general level of prices. Now as to why that price did not immediately drop, I mean just like that, quick on the trigger, the answer to that would be that among these people that were in business during this period, business men in general, any business man who was in business in the first half of 1920, there was not general recognition of the fact that we were in for a period of bad business until fall. Now during that period the unfilled orders are still high, although the production rate is high and under those circumstances there is no particular reason why men should drop their prices. After all, no business man is going to drop his prices if he has got his mill output taken care of at the existing level.

Q. That is true, but all of your answers have been based upon the working of the law of supply and demand, that price usually follows the demand, and in this instance in 1920 it did not follow demand.

A. No, there is a slight lag.

Q. But there is a considerable lag, I think.

A. It depends on what you mean. I am speaking of lags in terms of months.

Q. Well, it is eight or nine months, I take it, from that chart.

A. No, you see what happens is this. In a period of this kind when men have orders it is not until stocks are accumulated and cancellations come in that there is any motive, particularly if you [fol. 1353] are doing business on borrowed money, which may be borrowed as it was in 1920, pretty much up the hill, to liquidate an inventory. Price liquidation comes after people realize that they are in for trouble. Now you do not get—the working of the law of supply and demand as evidenced here, and of which these are significant figures—figures of unfilled orders represent two different elements. I mean production is going on to cut that down—nobody I should say would expect that so quick on the trigger, as you have implied. I should expect if that happened within six months, if we found unfilled orders started dropping off over a period of six months and inventories to accumulate it would be at least six months before prices would break. And this is not an abnormally long lag.

Q. But do not those charts show that the lag in 1920 was considerably slower than it was theretofore?

A. No, I should say if you look at the chart for 1913, at the last business cycle, you will find unfilled orders came down here and your stocks began to accumulate and it was about the same time, it was not a great deal of difference, before the price even made the turn, which is comparable to that. It is about the same in 1913. Over here in 1917 it is about the same, the same as it was over here. The unfilled orders come down. Now those are the only ones for which we have figures. I would say that the lag was not significantly longer, if it was any longer, if it was as long in 1920 as it was in the others. You see what I mean?

Q. Yes, I believe I do now.

A. The lag is from the 1st of February, 1913—well, to the early [fol. 1354] fall of 1913, you have about the same length of time. You have your stocks on hand moving up. Here you get a similar situation. Now of course this was a very minor cycle. This cycle in 1913 was not of great intensity. If one were to compare the movement of the Harvard business curve for that cycle with the movement in 1907, which was the last time when we had a general break in business comparable to that which came in 1920, you will see that there is a considerable difference between the cycle which culminated in the spring of 1913 and that which culminated in 1907 or that which is shown on chart 1 of Exhibt 3, where the Harvard business curve for the post-war period is shown. In 1920 when the break came we had a very sharp break, the timing of which shows very close correlation with the movements of the curve for maple flooring, although on the recovery the maple flooring price seems to have been much slower.

By Mr. Johnston:

Q. Is not this true, Prof. Vanderblue, which may have confused counsel in reading these charts, that these charts are comparisons only insofar as they indicate the movement of the lines; that is to say, the space indicated between the curved lines and the straight lines on the chart are of no significance in these comparisons?

A. We were just speaking of the question of lag, that is all we were speaking of, the question of the time lag.

Q. That is indicated by the point at which the price starts to recede or advance?

A. Yes.

Q. And the extent to which the white line indicating the price of the product is above the other lines on the chart is of no significance in this comparison?

[fol. 1355] A. We were simply comparing the time element and the question was whether or not the lag behind the drop in unfilled orders in 1920 was anything extraordinary. By referring to other situations which are in any sense analogous we see that it is not, and I supplemented my statement by the fact that the other pre-war cycle for which we have figures here shows a much less violent movement of prices than that which came in 1920-21.

Mr. Benton: That is all."

[fol. 1356] Thereupon the following testimony was taken and the following proceedings were had in open Court:

Mr. Johnston: I would like to offer in evidence and ask to have marked as Defendants' next Exhibit a statement which I submitted to counsel for the Government concerning the standardization of grades and sizes.

(Said statement was marked Defendants' Exhibit BB and was received in evidence by agreement of counsel that the person making such statement would testify to the facts set forth therein if called upon the stand.)

"I should also like to offer as the next exhibit a statement prepared by the J. W. Wells Lumber Company showing the average prices of rough maple lumber during the period from 1918 up to 1922 inclusive or the first two or three months in 1923. This statement was prepared from all sources available including the prices paid by the J. W. Wells Lumber Company, the prices paid by other lumber companies wherever that data was available and the data available from the trade publications. There also is in here the price of labor too. This is the market upon rough maple lumber of the three grades employed in the manufacture of maple flooring as prepared by the Wells Lumber Company monthly, showing the average price weekly would be too detailed.

Mr. Fowler: We will not object to that being filed, not as absolutely accurate but that Mr. Wells testified to it.

(Said statement was marked Defendants' Exhibit CC½ and was received in evidence by agreement of counsel that the person making such statement would testify to the facts set forth therein if called upon the stand.)

[fol. 1357] GEORGE W. KEEHN, recalled to the stand, testified as follows:

Direct examination.

By Mr. Johnston:

Dr. George W. Earl, who was the president of the Wisconsin Land & Lumber Company, never signed the Articles of Association of the present defendant Association and never became connected with said Association as a member. At the time the present Association was being organized in the spring of 1922, Dr. Earl's health was very poor and he was not able to come to the meetings. Later he went to the Pacific Coast so we could never get from him a final decision as to whether or not his company would join the Association. His company, the Wisconsin Land & Lumber Company, contributed data to the Association during the year 1922. His Company also contributed statistical data in January and February of 1923, which were included in our reports to Association members. About the middle of March, 1923, they ceased to send in data to the

Association. The Wisconsin Land & Lumber Company paid its share of the expenses of the Association during the first quarter I think of 1922. They contributed nothing to the expenses of the Association after the first quarter of 1922. The reason they paid a share of the expenses of the Association for the first quarter of 1922 was that an extensive advertising campaign had been planned during December, 1921, and Dr. Earl felt that his Company should bear its share of this expense because he was very much interested in the advertising work of the Association. The document you hand me is a financial statement of the Association from January to June, 1923. That is the last financial statement issued.

[fol. 1358] (Said document marked Defendants' Exhibit BB-1 and received in evidence.)

I have made a study of the production capacity of the members of the Maple Flooring Manufacturers' Association; also of the production capacity of manufacturers of maple, beech and birch flooring in the United States who are not members of said Association.

"We got a list of all the non-member manufacturers in the United States of Maple, Beech and Birch flooring, so far as we could ascertain their identity. We got some of the names out of the lumber trade-papers; some of them we obtained through members of the Association; some of them we obtained through their selling representatives—really through the members—located in the Eastern markets and in the southern markets; others we obtained the names of through non-members who wrote to us giving us the names of other non-members manufacturers of Maple, Beech and Birch flooring in their vicinity, and we have compiled a list of them arranged in alphabetical order, and also arranged by states, and according to the best information we could get from all sources there seemed to be about 73 of them, and about 31 of them gave us data regarding their manufacturing capacity per year, and we also asked them for their production, we thought it might be interesting to know what their production was."

We addressed communications to the 73 firms above mentioned, asking for their production and capacity. The following letter addressed to the Keystone Manufacturing Company, Elkins, West [fol. 1359] Virginia, dated September 14th, 1923, is a form that was used for the purposes above mentioned. Said letter reads as follows:

Keystone Mfg. Co., Elkins, W. Va.:

"As you probably know, the Government has commenced suit to dissolve our Association, and it alleges, among other things, that we represent approximately 70% of the total manufacturing capacity of Maple, Beech and Birch flooring in the United States.

In order to refute the allegation, we are collecting and compiling data regarding the annual output and manufacturing capacity of flooring mills which do not belong to our Association, and we would like very much to have the following data from you and hope it will be agreeable to you to give us the data:

Year	Annual production in M ft.				Manuf'g capacity per year in M ft.
	Maple flooring	Beech flooring	Birch flooring	Total	
1922.....	M	M	M	M	M
1921.....	"	"	"	"	"
1920.....	"	"	"	"	"
1919.....	"	"	"	"	"

After we get these data compiled, we shall be glad to exchange them with you as we feel certain that you will be interested in knowing the annual production of Maple, Beech and Birch flooring and the manufacturing capacity of the flooring plants.

Hoping to hear from you soon and thanking you in advance for your assistance, we are,

Yours very truly, George W. Keehn, Secretary

To the 73 letters sent out we received 31 answers. The data contained in said answers were tabulated. We arranged the manufacturers in alphabetical order and by states in order to show what their production was, and what their manufacturing capacity was. [fol. 1360] We also took the year 1920 and showed the production of maple, beech and birch lumber in the different states and territories.

"Mr. Fowler: As I understand we have an agreement; they have a number of replies and we have a number of replies also, and we agreed that they shall use their replies, and they agree that we may use ours."

The Witness: "This tabulation shows the names and addresses of the manufacturers of Maple, Beech or Birch flooring who were not members of the Maple Flooring Manufacturers Association, and the one that I have before me shows the Maple, Beech and Birch flooring capacity in M feet for the year 1920, and the production in M feet for the year 1920, and we have arranged them by states. For instance, New Hampshire, Vermont, Massachusetts, New York, Michigan, Wisconsin, Minnesota, Illinois, Ohio, Tennessee, West Virginia, Virginia, and Arkansas. Some of the mills that gave their capacity stated that their capacity was used principally in the manufacture of Oak flooring, but it has been brought out in the testimony that the machines that manufacture Oak flooring can also manufacture Maple, Beech or Birch flooring and we have prepared another statement showing the cut of Maple, Beech and Birch lumber by states during the calendar year 1920, taken from the Government's report of Forest Service Bulletin, No. 1119, by which we wish to show that there was plenty of raw material available for the manufacture of Maple, Beech and Birch flooring—Maple and Beech principally—Maple towards the Atlantic Coast and some Beech and Maple in the South, by transporting it a distance of say two hundred to two hundred and fifty miles, such as is done by our members in [fol. 1361] the manufacture of flooring; in other words, many of our members located in lower Michigan bring in lumber from upper Michigan and Wisconsin to manufacture into flooring.

According to the data given us by those manufacturers, thirty-one of them, they show a capacity in 1920 of 173,550,000. Twenty-nine of them reported their production for the year 1920. That shows a total production of 34,722,000 feet, and we have that sub-footed by states and territories, etc., to correspond with the cut by states and geographical groups."

(Said tabulation marked Defendants' Exhibit CC and was received in evidence.)

We have compiled statistics regarding the manufacturing capacity in M feet and production in M feet of the members of the Maple Flooring Manufacturers Association. These statistics are arranged by states.

"I wish to state, in advance, that at the request of the Department of Commerce, Bureau of the Census, we collected this data regarding the normal capacity of the plants of the members of the Maple Flooring Manufacturers Association some time in 1922, but we have considered this as their capacity for 1920, although as a matter of fact their capacity in 1922 might be larger than in 1920, because some of them have improved the equipment in their plants and installed other machinery. This shows the capacity of those members amounted to 154,800,000 feet, assuming that their capacity in 1920 would be about the same as it was in 1922. And their production in 1920 was 129,523,000 feet. That takes in the twenty-one members of the present Association, because the Oval Wood Dish Corporation [fol. 1362] were not then members of the Association and they were not then manufacturing flooring."

(Paper last referred to by the witness was marked Defendants' Exhibit CC-1 and was received in evidence.)

"The next table we have is Production Statistics of members of the Defendant, Maple Flooring Manufacturers Association, going back as far as we could compare like with like, where the statistics were continuous. I will illustrate that: in the year 1913, fifteen members produced 104,919,000 feet; in 1914, 104,231,000 feet; in 1916 they produced 100,677,000 feet; in 1917 they produced 92,376,000 feet.

"Now we come to the statistics of sixteen members. Pardon me, I can go right straight through and give the statistics of the fifteen and then you have the comparison.

"In 1918 the same fifteen members produced 62,474,000 feet; in 1919, 74,681,000 feet; in 1920, 83,464,000 feet; in 1921, 67,776,000 feet; in 1922, 99,709,000 feet.

"The Court: Those are the fifteen members who have been members of the Association from 1913?

"A. Yes, whose statistics are continuous without a break. Now we skip to 1919, we can get a comparison:

In 1919	twenty-one	members,	119,451,000	feet
In 1920	"	"	"	129,523,000	"
In 1921	"	"	"	106,329,000	"
In 1922	"	"	"	144,862,000	"

"Then we come to the Oval Wood Dish Corporation, 1,390,000 in 1921 3,451,000 in 1922. The Oval Wood Dish Corporation figures [fol. 1363] for 1921 cover five months of manufacture.

"So the total production of the twenty-two members of the Association which are organized in 1922 amounts to 148,313,000 feet.

"Also as additional information is shown on the side the number of matchers each plant has installed for the manufacture of Maple, Beech and Birch flooring."

(Paper last referred to was marked Defendants' Exhibit CC-2 and was received in evidence.)

I might say there have been many vicissitudes in the manufacture of maple, beech and birch flooring. Take as an illustration, the T. Wilce Flooring Company, who in 1912 produced 14,733,000 feet of maple, beech and birch flooring. That company is not included in this tabulation. In 1920 said Company produced only 330,000 feet of maple flooring; in 1921, 551,000 feet of flooring; in other words, there was a reduction of about 98 per cent in the amount of flooring produced in 1920 as compared with the amount produced in 1912. We have another tabulation here, the data contained in which were taken principally from the Forest Service Reports. This is for the purpose of comparing the available supply of rough maple, beech and birch lumber with the manufactured product during the year 1920. We have used the year 1920 because that is the last year for which figures as to rough lumber are available. In this statement we have taken the stands of maple, beech and birch timber in the United States by regions according to a report of the Forest Service on Senate Resolution 311, which is known as the Capper Resolution, I think. This statement appears on page 34 of the re-
[fol. 1364] port. The table "Timber Depletion; Lumber prices; Lumber export; Concentration of timber ownership; report on Senate resolution 311 by the Forest Service, U. S. Department of Agriculture, June 1, 1920, issued by the Government Printing Office at Washington, in 1920." On page 34 of said report is said. "Oak is easily the leading hardwood of the country with a total stand of 157 billion board feet, followed by three Northern hardwoods, Birch, Beech and Maple having together 91 billion board feet. See Table 7 and 8." The report gives the stand of birch, beech and maple as 90,784 million feet, which is distributed as follows:

New England	8,143,000,000
Middle Atlantic States	16,897,000,000
Lake States	36,076,000,000
Central States	20,505,000,000
South Atlantic	4,522,000,000
And the lower Mississippi	4,611,000,000
Making a total of	90,784,000,000

That, of course, does not allow for the timber cut of 1920, 1921 and 1922, as we obtained from our members data of their ownership

of Maple, Beech and Birch stumpage as of January first, 1923. We endeavored to find out by correspondence with the Forest Service what the estimated reduction would be in this stand so as to have a comparison as of January 1st, 1923, with the stumpage owned by our people, so on June 29, 1923, we wrote to Mr. R. V. Reynolds, Forest Examiner, and to Mr. Albert H. Pierson, Statistician in forest products, Forest Service, U. S. Department of Agriculture, Washington, D. C., as follows:

[fol. 1365] "We are gathering data regarding the stand of Maple, Beech and Birch timber in the United States, and it occurs to us that perhaps you can give us the approximate cut of Maple, Beech and Birch lumber, each species separately for the year 1921, and possibly for the year 1922. Approximate quantities would answer our purpose, if the data has not yet been compiled.

According to the Forest Service report on Senate Resolution 311, dated June 1, 1920, entitled 'Timber Depletion, Lumber Prices, Lumber Exports, and Concentration of Timber Ownership' on page 34, the stand of Maple, Beech and Birch timber was estimated at 91 billion board feet.

According to bulletin 1119, dated April 25, 1923, entitled 'Lumber Cut of the United States 1870-1920', the following was the reported production in 1920 of:

Maple Lumber	(page 46, table 13)	875	million	feet.
Birch "	(page 48, table 19)	405	"	"
Beech "	(page 49, table 22)	325	"	"
Total		1605		

Would it be reasonably accurate to estimate the cut in 1921 and 1922 at about the same rate as the cut of 1920, which would make the total cut for the three years about 5 billion feet, which deducted from the estimate stumpage of 91 billion in June 1920, would leave about 86 billion feet as the estimated stand of Maple, Beech and Birch timber at the beginning of 1923?

In your opinion would it be reasonably accurate to estimate the cut of each wood by States during the years 1921 and 1922 in about the same percentages as during the year 1920, as shown in Bulletin No. 1119?

We shall greatly appreciate any information or estimates you can give us bearing on this subject. If you have any data regarding average values of Maple, Beech and Birch, f. o. b. mill, for the years [fol. 1366] 1921 and 1922, such as is given in Bulletin No. 1119 for the year 1920, we shall be glad to have it.

Thanking you in advance and with best wishes, we are,

Yours very truly, George W. Keehn, Secretary."

To which they replied as follows:

"Washington, July 10, 1923.

Mr. George W. Keehn, Sec. Maple Flooring Mfrs. Assn., 1045 Stock Exchange Building, Chicago, Ill.:

"In reply to your letter of June 29th:

We shall not be able to furnish you any figures for the year 1922 as the census for that period is now in course of compilation. The following tabulation shows the national production of the hardwoods that interest you for 1921:

	Value f. o. b. mill
Beech, 190,387 M feet	$26.99
Birch, 319,192 M "	31.53
Maple, 609,852 M "	30.34

(The total of 1,119,431 M feet in pencil is my addition.)

"The method which you propose for finding the present stand of Beech, Birch and Maple sounds reasonable enough, but it does not take into consideration the growth which has taken place; and 1922 figures, as stated above, cannot be furnished.

The only line we have on 1922 production is a recent statement by the Bureau of the Census which prepared a table comparing the cut of 712 identical mills in 1921 and 1922. Some of these mills were undoubtedly hardwood mills. The results seem to indicate a cut of 25.6 per cent greater in 1922 than in 1921, and the increase apparently took place in all regions except the far northeastern states. Nevertheless, this basis would be difficult to figure upon as the hardwoods form only one-fifth of the total cut, and there is no [fol. 1367] means of knowing to what extent they were represented in this partial exhibit.

The lumber of large mills compared is one-half or more in each of the Lake States, and as you may wish to make an estimate of 1922 production on this basis, a copy of the statement is enclosed. You could get the best available forecast of the State production in this way, but it would not be better than an intelligent guess, and of course it would not give production by species.

Very truly yours, R. W. Reynolds, Forest Examiner."

We concluded to estimate the cut as about 5% of the stand during those three years; not knowing anything about the growth we could not of course estimate that. If we allowed for the growth, then the total stand would be that much greater; then the percentage of the stand owned by our members would be that much less.

The Court: To one at all acquainted with the situation, it will be known that the accuracy of these statistics, whether gathered by the Government or some one else, is only approximate.

A. Yes, sir.

The Court: For many reasons. In the first place, as stated there, the growth is not taken into consideration. In the next place, there has been a steady increase as the years have gone by in the closeness of the cut; in other words, timber which a few years ago would not have been cut at all, is now estimate and cut. In the next place, there are growing up in certain sections of the state of Michigan, on pretty nearly every square mile, little portable mills, cutting a few thousand feet. That has not been taken into consideration at all nor attempted to be segregated. Those are matters that all tend to show that only an approximate estimate can be made.

A. Of course the Government does not get complete statistics from [fol. 1368] all the different mills in the United States. They represent only a portion of the output, the same as in our case, we have no complete statistics of production of Maple, Beech and Birch in the United States, because we have no way of knowing what the non-members produce.

The Court: As the timber grows scarcer, it has been the history, and to residents of Michigan it is common knowledge—it has been the history that the number of little portable mills has increased and the number of the large mills has decreased, and pretty nearly every farmer has his wood lot, and in the Beech and Maple section he has a few trees which are not taken into consideration by anyone until a little portable mill is set up in the neighborhood and the lumber is produced.

Q. What is the result of that tabulation then, using the figures as you have explained them?

A. We have made a tabulation here showing the Maple, Beech and Birch cut in 1920, according to the U. S. Department of Agriculture, Bulletin No. 1119, quantities in M feet, arranged in geographical groups, by regions, according to the stand of the timber, and also sub-divided into states. Then opposite we set the manufacturing capacity of the manufacturers who are not members of the Association, so far as we have been able to ascertain it, and the amount of their production by geographical groups. Then on the other side, we have shown the production of the members, you know, of the present Association, all compared on the 1920 basis.

Now, for example, the production of Maple lumber in the New England states,—it is hardly worth while to name them, we all know which they are—was 33,729,000 feet of Maple; 14,012,000 feet — [fol. 1369] Beech; 45,866,000 feet of Birch, a total production of 93,607,000 feet.

And according to the data we have regarding manufacturing capacity, the non-member mills who reported to us and who are located in that territory, have a manufacturing capacity of 13,100,000 feet. Their production was 2,797,000 feet.

The Court: Now, you are talking about flooring?

A. Flooring, yes. I have, however, said that this does not take into account any saw-mill production of lumber.

The next group, the middle Atlantic States, being New York, Pennsylvania, New Jersey, Delaware, and Maryland. I might say

that opposite this we have that New England is so much, but we read that before and we won't do it again. The production of Maple lumber in that territory was 112,993,000; of Beech lumber it was 78,879,000 feet; of Birch lumber it was 39,800,000 feet, a total of 231,672,000 feet.

The only report we have of capacity in the manufacture of flooring, Maple, Beech or Birch flooring, from that territory in the year 1920, 7,750,000 feet of flooring capacity, and 3,846,000 feet of flooring produced.

Now, we come to the Lake States, Michigan, Wisconsin and Minnesota. The production of Maple lumber in those three states was 468,708,000 feet; Beech lumber 43,673,000 feet; Birch lumber 242,598,000 feet, a total of 754,979,000 feet.

Now, the manufacturing capacity of non-members of flooring in that group reported to us is 49,700,000 feet, and the production in 1920 was 21,681,000 feet.

Now, I will give the figures for the Central states. Some Maple grows in Illinois but it is not used commercially, but it is included. The Central States are Illinois, Iowa, Indiana, Ohio, Kentucky, Ten-
[fol. 1370] nessee, West Virginia, Missouri. The cut according to this same bulletin was 129,441,000 of Maple; 106,866,000 if Beech; and 13,839,000 of Birch, a total of 250,146,000.

The manufacturing capacity of non-members reported to us from that territory was 70,000,000 feet and the production was 4,178,000 feet.

Now Fowler: That is flooring?

A. Yes, flooring.

Now, the South Atlantic states Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama. The Maple lumber output 13,871,000; Beech 6,930,000; Birch 4,206,000; a total of 25,007,000. The manufacturing capacity reported to us was 25,000,000 feet from that territory of flooring, and the flooring produced was 2,072,000. I want to say this capacity embraced Oak."

Then we come down to the other states, Arkansas, Mississippi, etc. They show same comparisons, and what I wish to state is that in reporting this capacity to us, some of them included their Oak capacity. Now, when we get the whole thing added up it shows a production of Maple, Beech and Birch lumber, according to the Government report of 768,345,000 Maple; 264,572,000 Beech; 346,577,000 of Birch, a total of 1,379,494,000.

Now, the Government estimate on the total production in the United States at that time is 875,000,000 of Maple, 325,000,000 of Beech, 405,000,000 of Birch, a total of 1,605,000,000.

Now, the manufacturing capacity in flooring reported to us by these non-members showed 173,550,000 feet, and the amount that they produced as 34,722,000 feet in 1920.

Now, we have gone on and shown by 21 members, or 22, members of the M. F. M. A., Maple, Beech and Birch flooring, quantity in M feet of capacity and production in M feet.

Q. Just give us the total. They are shown in detail, are they not?

[fol. 1371] A. Yes, they are shown in detail. The capacity we have is 154,800,000 feet; the production we have is 129,523,000 feet.

Now, we have figured that out as to the amount of rough lumber, required, about as Mr. Hughes did the other day. Now, if we take the total production of Maple, Beech and Birch lumber in the three Lake states in 1920, it was 755,000,000 feet in round figures; the capacity was 154,800,000 feet and the production was 129,523,000 feet.

Now, if we compare the rough lumber required, according to the total production of flooring, we estimate that it would require 168,211,000 feet of rough lumber to produce 129,523,000 feet of flooring, allowing 23% waste in the manufacture of flooring; in other words, out of 1,000 feet of rough lumber we estimate we get as an average 770 feet of flooring. On that basis, assuming the entire product of Maple, Beech and Birch lumber is considered available in the manufacture of flooring—and it is a fact some of our members do manufacture the entire product of the lumber into flooring—it would require twenty-two per cent of the total cut in the manufacture of flooring, meaning the total cut of Maple, Beech and Birch lumber.

Now, if we segregate our Maple flooring from our Beech and Birch flooring, if we estimate that the output of Beech and Birch flooring is about 10% of the total flooring output, and thus endeavor to ascertain what proportion of the Maple lumber cut would be required for the manufacture of Maple flooring, estimating the waste at 20%, we estimate the total quantity of Maple lumber required would be 151,390,000 feet, or 32% of the Maple lumber cut, considered by itself, in three Lake states.

(Paper above referred to was marked Defendants' Exhibit CC-3 and was received in evidence.)

[fol. 1372] We have compiled statistics regarding the manufacturing capacity and production of maple, beech and birch flooring, which we have obtained from non-member manufacturers of the association for the years 1922, 1921, 1920 and 1919. In this chart the non-members are arranged in alphabetical order. We show on the next page how many replies were received. The figures on said tabulation are correct. They have been checked and double checked.

(Said compilation marked Defendants' Exhibit CC-4, and received in evidence.)

"Here is a letter we received from the Peytona Lumber Company, Inc., Huntington, W. Va., that might perhaps shed a little light on the conditions in the maple flooring industry. This is dated September 14, 1923, addressed to George W. Keehn, Secretary, 1045 Stock Exchange Building, Chicago, Ill.:

'DEAR SIR: We have your letter of the 12th and wish to advise that we have not manufactured any flooring for several years, except occasional orders which we have disposed of locally.

We have been using our planing mill equipment for other purposes, as we did not find the flooring business to be profitable.'

Then the letters from other people to whom we wrote stating that they had given up the manufacture of flooring. The Cherry River Boom and Lumber Company, Scranton, Pa., we haven't manufactured any flooring during the time mentioned in your letter, or something to that effect. 'We took out our flooring machines and have gone out of the maple flooring business.'

Another one from Christian Flierl Co., Inc., Buffalo, N. Y., we have discontinued special orders——

Q. I don't think we will go into these letters.

A. There are a number of them like that where they have discontinued.

[fol. 1373] Q. Does that complete this exhibit of manufacturing capacity of members and non-members which we have been discussing?

A. I think that does."

I have prepared tables showing the stumpage owned by members of the Association and compared it with the total stumpage in the United States. The data with respect to the ownership of stumpage owned by members of the Association were procured by said members. According to the estimate that we finally used, derived largely from the Forest Service correspondence, the estimated stand in 1923 of maple, beech and birch stumpage in the United States was 86,000,000 M feet. According to reports received from members of the Association, the maple, beech and birch stumpage owned by them was 1,476,086 M ft. or 1.72 per cent of the total stand.

(Said tables above mentioned were marked Defendants' Exhibit DD and DD-1 and received in evidence.)

I have an average freight rate charge to 30 different points.

(Said freight rate chart marked Defendants' Exhibit EE and was received in evidence.)

"Q. Has there been made by you and under your direction a tabulation showing the actual sales by months made by all of the members of the Association from whom you were able to secure the data of 13/16 by 2¼ inch face maple flooring delivered in the representative markets, the larger markets of the United States?

A. Yes, sir.

[fol. 1374] This sheet is inserted as the reminder that there were two exhibits in the course of Mr. Keehn's testimony that did not appear to be numbered or show where they were introduced.

[fol. 1375] Q. How was this made up, from what data?

A. We requested the members of the Association to send us a statement showing the delivered prices obtained during different months and during different years for clear, number one and factory, 13/16ths by 2¼ inch face maple flooring so that we could compare like with like, that is, if each member sent in a report of the selling prices he obtained. For example, in the Boston market or the Chicago market in the month of January, 1922, then we would make

a tabulation all the way down showing all the reports that the different members made on that fact. Then the work became so voluminous and such a vast amount of detail that we were finally able to concentrate only on the year 1922 because in order to make a substantial showing and substantiate our statistics by cold facts and not theories we requested the members to send us the original orders showing the date when they were taken and in many cases the duplicate invoices. So this has been worked out as complete as it was possible to do it with so many people and in a short time since we undertook this work, and we have at the hotel a very large bulk of original orders and invoices and things like that to substantiate these statements which we will be glad to produce if desired.

Q. Those invoices have been checked against this statement by the same men who have been working for you for a good many years and are experienced in the preparation of figures of this kind?

A. Yes.

Q. And we have all of those original invoices to support this statement?

A. Yes. Some of these representative markets there were so few [fol. 1376] sales made, for instance, we might say Atlanta, Ga. or some remote point where we couldn't make any comparison, so the ones we have selected here and the others are available if anybody wants them are Boston, Buffalo, N. Y., Chicago, Ill., Cleveland, Ohio, Detroit, Michigan, Los Angeles, Calif., Mineapolis, Minn., New York, N. Y., Philadelphia, Pa., Pittsburg, Pa., and then some scattering ones in other towns where there are not enough sales to afford a very good basis of comparison. I might say that the members sent this in some time ago, made up sheets and sent them in to us and we found out afterwards by correspondence with them that instead of giving the date of the order they gave the time of shipment, while some other member would give the date of the order without regard to the time of shipment. For example, one member would sell a very large quantity of flooring in January to be shipped during the year and when he invoiced that stuff out in December he would have the January price. On the other hand, another member would have his December price, so we couldn't make any comparison, for that reason we have gone over and corrected these sheets as well as we could on the basis of the original orders which the members have supplied. We have a little memorandum here in explanation of these entries which I will give to his Honor with the carbon.

Statement of delivered selling prices obtained in thirty representative markets by members of the Maple Flooring Manufacturers Association, year 1922; all prices checked have been verified by comparison with prices on original orders and invoices which will be submitted as supporting data.

[fol. 1377] 2. All prices circled are without supporting orders or invoices but they were included in members' reports of delivered selling prices obtained in the thirty representative markets.

3. Members No. 2, 4, 34, 47 and 50 did not find time to select from their records their orders and invoices supporting their statements of delivered selling prices obtained.

The Witness: Shall we separate and give eight or ten as typical markets or do you want them all?

Q. Just the large markets. I take it where you have the members reports you put in all of the sales, you have left none out?

A. Whatever they sent to us, we have entered here.

Q. These reports represent the delivered prices in the respective markets?

A. Statement of delivered selling prices obtained by members of M. F. M. A. for 13/16ths inch by 2¼ inch face clear, number one and factory maple flooring delivered f. o. b. cars in the following representative markets—how many more do you want?

Q. Have we got all of the large markets now?

A. There are not many sales to St. Louis or Salt Lake City or Des Moines, we might as well give them all if you want them.

Mr. Johnston: We offer this exhibit in evidence as the next exhibit number and ask that it be so marked.

(Marked Ex. FF to FF-9 inc.)

The Witness: Suppose we find out about this supporting data, does the Government want them or doesn't it, the invoices—there might be a trunkful of them.

[fol. 1378] Mr. Fowler: We would never take time to look them over.

The Court: I can assure you that the Court won't read it.

Mr. Johnston: We merely want to show that we have them, your Honor.

Q. Have you also made a tabulation taken from your records of all f. o. b. mill prices?

A. Yes, sir.

Q. Which have been reported to you by members of the Association from time to time?

A. I was just about to answer. We have here a statement of all f. o. b. mill sales during the year 1922 which were made by the members of the Maple Flooring Manufacturers Association and which were reported to us by them and which we in turn included in the weekly sales reports during the year 1922, complete files of which I think the Department of Justice has.

Q. Those have been introduced in evidence, have they not?

A. Some of them may have been, I am not sure whether all of them were introduced or not, I think likely. This statement which we have here starts out with the year 1922, shows every f. o. b. mill price where the flooring was sold f. o. b. flooring mills. During the months of January to December inclusive 13/16ths x 2¼ inch face clear, number one and factory maple flooring standard grades and lengths clear, number one and factory. In this report we have indicated the identity of the member of the Association who made the sale by recording his Association membership number in red ink above the price. During January, February and March, 1922, identifying numbers of members who reported their sales were not [fol. 1379] disclosed in our weekly record of completed transactions

from which all the f. o. b. mill selling prices given on this statement were compiled. During that period of time no identifying numbers appear upon the weekly sales reports. Now we come to the other months beyond that and if you would like to pick out any particular month we will read the prices as to clear, number one and factory.

Q. I will ask you generally whether that tabulation of all f. o. b. mill prices reported to you by members of the Association, shows that at any time during any of those months there was a practical uniformity in those f. o. b. prices?

A. It proves the contrary, there are wide variations at all times. In some cases some price appears but very frequently or in nearly all cases that sale was made by the same member of the Association, for instance, in listing of the sales you might find a certain price would appear four or five times, take for instance the factory flooring for the month of May, 1922. We have a price here of $20.00, $20.00, $20.00; those three sales were made by No. 47.

Q. That is sufficiently identified from the exhibit itself, is it not, by looking at the number?

A. Yes, and we also have to support this statement of the weekly sales reports for the year 1922—there might be one or two of them missing, I don't know.

Mr. Johnston: It isn't necessary to reintroduce this.

The Court: There seems to be a variation of from one to three dollars by the same member?

[fol. 1380] A. Yes, members frequently vary their own prices during the month.

Mr. Johnston: We offer this in evidence as the next exhibit of the defendants. It will not be necessary to put those ink sales reports in evidence, they have already gone in by the Government.

(Paper referred to marked Def. Ex. GG and received in evidence.)

The Witness: It is correct to the best of our knowledge and belief, it has been checked back twice, there might be clerical errors in it, if there are any clerical errors in it, they could be corrected on the basis of these reports.

Q. Did you in the preparation of the files of this case request the members of this Association to submit to you their statements showing their profit and loss in the operation of their flooring mill?

The Witness: Pardon me, here is another that really goes with this.

Q. What is that?

A. That is Range of selling prices f. o. b. mills, the high and low price obtained by months, each grade of 13/16ths by 2¼" face from the year 1913 to the year 1922 inclusive. These statements were compiled from the reports issued to the members of the Association of current net values we called it at one time, Average Prices realized, etc., which are compiled and sent out each month with our monthly statistical report.

Q. This statement shows the range, does it, by showing the high and low for each month?

[fol. 1381] A. Yes sir, it shows the range by giving the high and low for each month. It is an extra set, I thought they might like to have it. The high and low each month, each grade from 1913, September up to December 1922, the range clear, number one and factory, that is, the high and low eastern lower Michigan mills, western lower Michigan mills, upper Michigan and Wisconsin mills, then all Michigan and Wisconsin mills. That has been checked back very carefully and compared and we have the monthly reports to support it and of course the monthly report shows many variations in prices between the high and the low; in other words, it is really a statement of cold facts rather than theories.

Mr. Johnston: We don't need those monthly reports I believe.

A. If you would like to have them, this is what actually happened.

Mr. Johnston: They have been put in evidence.

A. We could take out any one particular month, we could take March, 1922, we could take March 1920 and explain the spreads in prices that occurred during those months, and we also have a chart but I think that is in the economic defense exhibit.

Mr. Johnston: I will make reference to that later. There is just one of these sets, it isn't necessary to introduce two.

A. Oh no, I just gave you two.

Mr. Johnston: We will offer this exhibit in evidence, ask that it be marked the next exhibit number.

(Said document marked defendants' Exhibit H H, and received in evidence.)

The Witness: For example, the chart I speak of has attached to it in my file here the record of average prices realized in February and March 1920 for clear, number one and factory maple flooring by the different members located geographically and the total and the same thing in March and February 1922 showing very wide variations in prices, the difference being as high as 65% from the [fol. 1382] low price to the high price.

Q. You are now making reference to the chart which we prepared from the March 1920, February 1920, March 1922, February 1922 and August 1922 figures?

A. Yes, with a write-up of what actually happened in reference to the spreads and also the supporting statements that give it, those two months, I take it you don't want these.

Mr. Johnston: No, we will not need the monthly reports unless counsel wants them. We offer this chart showing comparison of f. o. b. mill prices together with the explanatory statement attached thereto and the record of average prices realized and ask that it be marked the next exhibit number.

Q. Will you explain briefly the nature of that chart, just what it shows?

A. This is a comparison of f. o. b. mill prices realized by reporting members of the Maple Flooring Manufacturers Association show the lack of uniformity as we term it clear, number one and factory; the prices obtained in March 1920 for the clear, March 1920 for the number one and February 1920 for the factory. The reason we took February 1920 for the factory instead of March is because there was only one sale made in one group of factory flooring during the month of March and there was no way of comparing it. This scale is drawn on dollars and cents basis I would say, the prices obtained for clear, in March 1920 by the mills in eastern lower Michigan being members 2, 24, 33 and 49 are shown; then in western lower Michigan are shown; upper Michigan and Wisconsin, that appears all the way through, the same method of comparison is made for March 1922, February 1922, I don't know what that other date was, I think August 1922. I think this is an old chart which is incorrect, that you have in the economic defense. I think we afterwards took March 1922 all the way through you know instead [fol. 1383] of using March 1922, February 1922 and August 1922, so this ought not to go in.

Mr. Johnston: The correct chart appears then as one of the exhibits to Mr. Grant Keehn's and Mr. Gordon's deposition?

A. Yes, it does, the Barr chart they call it. We have the corrected chart here, may we withdraw that so as not to cumber up the record.

Mr. Johnston: That is Ex. No. 28, is it not?

A. Exhibit 28, yes.

Q. Attached to the deposition of Gordon and Keehn?

A. Yes.

Q. That shows that on the lower half of the chart March 1922 was used in each case.

A. Yes, March 1922 is used in all cases and the upper part of the chart March 1920 is used for the clear, number one and February 1920 is used for the factory.

Mr. Johnston: We will withdraw this chart and offer only the explanatory statement of it and make reference to exhibit No. 28 attached to the exhibit of Grant Keehn and Edward V. Gordon as being the correct chart.

The Witness: Then pardon me, do you wish to leave this in to go with the chart?

Mr. Johnston: Yes, they are explanatory with the rest of the exhibits here. Mark them the same exhibit number you have here.

(Papers marked Def. Ex. II-1 and II-2 and received in evidence.)

Q. Will you go to the subject that I started to inquire about, namely the profit and loss of the members of the Association in the operation of their flooring mills. Did you request members [fol. 1384] of the Association to submit that data to you?

A. Yes sir, we did. We sent a request to all members of the Association to give us a statement of their hardwood flooring profit and loss accounts beginning with 1913 and coming up to 1922 in-

clusive and we used as a sample of the form of questionnaire a statement of profit and loss account as used by the I. Stephenson Company Trustees but we told them to make it up according to their books and records, and to have it as accurate as possible but to contain whatever elements were recognized as a part of that business, so as a result of that——

Q. Just a moment. Were many of the members willing to submit their profit and loss statement?

A. I think most of them were willing to do it. Some were not willing to do it and some of them said it was impossible for them to segregate their hardwood flooring business from the rest of their business, that things were so interwoven and intermingled, it wasn't possible to do it, they didn't keep their books that way. So as a result of that——

Q. How many did you get?

A. As a result of that we got the following—pardon me, as a result of that we got reports from the following members of the Association and we have consolidated them into one statement thinking perhaps it would not be necessary to give the individual profits of any individual member.

Q. You have those however?

A. We have those however, yes.

Q. In your file and with you?

A. So their reports were consolidated. I, Stephenson Company Trustees 1913-1922 inclusive; Osgood and Blodgett Manufacturing Company 1913-1922 inclusive. I think that may include some of [fol. 1385] their oak flooring, I am not certain about that, but my recollection is that their oak flooring embraced about 25 or 30 per cent of their hardwood flooring company business. A man selling maple flooring could not of course separate where their profit was on any particular item. West Michigan Flooring Company 1913-1922; J. W. Wells Lumber Company 1913-1921; and January, August 1922, their fiscal year ending September 1st instead of the end of the year, they having changed it.

Northwestern Cooperage and Lumber Company, 1913-1922, Grand Rapids Trust Co., Receiver for Wm. Horner, for the year 1922 only. That embraces what we call two members who own their own stumpage, two members who purchase their raw material on the open market, three members who own their own stumpage, pardon me, all of them sometimes purchase on the open market; two of them purchase exclusively their rough maple lumber on the open market and one who does both. I think the Grand Rapids Trust Company Receiver for William Horner have stumpage, I think also buy a large amount on the open market.

Q. Did you consider those who have submitted the data to you as representative of the members of this Association?

A. I think they really represent the different elements and types of membership in the Association.

Q. You have tabulated all that you have received?

A. I have tabulated all that I have received. This is headed

Profit and Loss Statements covering a period of years submitted by six members of the defendant Maple Flooring Manufacturers Association. In the first column we have the year, beginning with 1913 and running down to 1922 inclusive. In the next column we have the net sales.

In the next column we have the net profit or loss, the loss being [fol. 1386] in red.

The next column we have the per cent of profit on the sales.

Here is the consolidation reading it crosswise:

1913 the sales are $1,223,050.92.
The net profit is -98,931.60.
Per cent 8.09.
1914 the sales are $1,146,916.32.
-65,257.03.
Percent of profit 5.69 per cent.
1915, $1,092,459.73.
Profit $71,267.40.
Per cent of profit 6.52 per cent.
1916, $1,126,502.50.
Profit $46,889.29.
Per cent 4.16 per cent.
1917, $1,000,912.43.
Profit $67,005.27.
Per cent 6.69.
1918, $717,010.28.
Loss $30,414.49.
Per cent of loss on the sales 4.24 per cent.
1919, $1,563,021.84.
Profit $61,379.36.
3.93 per cent.
1920, $1,989,419.01.
Profit -393,919.42.
19.81 per cent. That was a runaway market.
1921, $1,269.178.09.
[fol. 1387] Loss $39,687.62.
Per cent of loss to sales 3.13 per cent.
1922, $3,785,925.48.
Profit, $431,134.75.
Per cent of profit 11.39.
Totals $14,914,396.60 of sales.
Profit $1,165,682.01.
Per cent of profit on sales 7.82 per cent.

Q. That 7.82 in other words, is the average for that ten year period?

A. Yes.

Q. Have you here the individual profit and loss statements which you can submit to the Court which we prefer not to make a part of the record. We have no objection to counsel looking at them, they

are accessible to you and also to the court if you desire to look at the individual statements.

Mr. Johnston: I offer that as an exhibit.

(Marked Def. Ex. JJ and received in evidence.)

A. The names of the six companies are on this sheet. I might say in reference to one statement of profit and loss one of the larger companies, that for the years 1920, 1921 and 1922 they did not include administrative expense, selling expense nor interest because that was charged into their general business.

Q. Thy made up their profit and loss though including those as deductions?

A. From the hardwood flooring department.

Mr. Fowler: That tabulation doesn't show anything about the amount of capital these concerns had invested?

A. No sir, it does not. The amount of capital they have invested might not be applicable to the hardwood flooring business anyway.

[fol. 1388] Q. On or about April 1922 you testified the other day that you had some correspondence with the Department of Commerce, Bureau of Census, regarding the submission of the data and reports sent by your Association to its members to various public agencies?

A. Yes, sir.

Q. I will ask you now whether there is the slightest objection on your part of the members of this Association to the widest distribution of all of the data sent to members, to any source that is willing to receive it?

A. No objections whatever.

Q. Are you and have you been perfectly willing that the trade papers should publish every statistical report, weekly, monthly, quarterly, semi-annually, or annually or whatever it may be that your Association puts out?

A. We are willing to have them do so.

Q. You have furnished them with everything that they would publish, they were willing to publish as news?

A. We furnish them the same material that the Department of Commerce, Bureau of the Census elected to publish in the survey of current business and we have told them about this other statistical data but none of them have ever asked for it. We frequently send them quarterly reports and things like that every week now and have been for some time, the average prices realized.

Q. From the sales from the weekly sales reports?

A. From the weekly sales report.

Q. Have you and have you had any objection to the full publication of everything which your office sends out to the members in these weekly or monthly publications or in any other source that will provide distribution of that data?

[fol. 389] A. We have no objection so far as I know either on my part or on the part of any of the members of the Association, we have had this up several times at Association meetings. They have

always told me to give the Lumber Trade Papers whatever information they wanted, to give the Department of Commerce, Bureau of the Census whatever information they wanted. We have certainly filed volumes of this stuff with the Federal Trade Commission and the Department of Justice at different times.

Q. I am talking now particularly *to* the distribution of these statistics through publications which will reach the public generally or at least that portion of the public which subscribes to and reads the trade papers.

A. Yes, we would be willing to do that. As far as that is concerned, if it should be thought that more of our statistical data should be published we would be willing to have it published in any trade paper which the Court might select, like the American Lumberman, and we would pay for it as an advertisement if the publication is not willing to accept it as news items.

Q. In other words, the publications are not interested in a great deal of this data?

A. It is too voluminous, it is too inconsequential. For instance, see how much space it would take to publish our weekly sales reports and all of these statistical reports, it would take about as many pages of the American Lumberman, as our reports consist of, ten or twelve pages sometimes.

Q. But they do publish and have been for some time publishing or averaging those?

A. They publish the Barometer and they publish the stock conditions from time to itme. You will find that in the American Lumberman and other papers and they also publish the prices which [fol. 1390] we send them not only in the lumber trade papers, we also send them to the Chicago Journal of Commerce which is a financial paper published in Chicago.

Q. This letter of April 19, 1922, I think you read that before, did you not?

A. No, I think not. After my return from Washington, I wrote the Department of Commerce, Bureau of the Census, a letter on April 25, outlining what we proposed to do. I don't think it was read. Then they replied on May 5, 1922.

Mr. Johnston: We will put that in evidence if it has not been.

The Witness: There is one thing I would like to call attention to about our normal capacity, productive capacity.

Q. What have you to say on that subject?

A. On May 13, 192, this is simply an extract from the letter to the attention of Dr. Frank M. Surface, Special Agent of the Department of Commerce, Bureau of the Census, regarding the approximate percentage of the maple flooring industry which is covered by our reports, it is our impression that our Association represents about 70% of the output. We of course have no data regarding the output of non-member mills, so we have no means of knowing what the total production of maple flooring is in the United States, so our

estimate of approximately 70% is based upon general information only.

Then at his request we started out to collect data regarding the normal manufacturing capacity of the members of the Association and here is a questionnaire which we sent to all the members June 9, 1922, on that sbject, and here is a typical reply, like the I. Ste- [fol. 1391] phenson Company where they said they estimated their normal capacity 700,000 feet per month and 8 million 400 thousand feet per year for 25 days running per month, 300 days running per year and ten hours' run per day. Then we tabulated that in a letter of July 20th, 1922, addressed to Dr. Frank M. Surface, Special Agent and etc., where we gave them the data regarding 20 mills one million capacity per year, 146,400 M per month; 12,200 M; average days' run per year 281 days. Average working hours per day 9.8 hours; and then regarding the 22 members which was our total membership at that time, normal capacity per year 158,- 400 M; per month 13,200 M. Average days run per year 181 days. Average working hours per day 9.8 hours; so the other two members did not affect anything but the capacity.

Mr. Johnston: We will offer that group of correspondence in evidence and ask it be marked the next exhibit number.

(Def. Ex. KK, KK-1 to KK-5 and received in evidence.)

Q. Under your atricles of Association, taking the operation of your thereunder, is any manufacturer of maple, beech or birch flooring in the United States eligible to membership?

A. Every manufacturer of maple, beech or birch flooring in the United States is eligible to membership, no requirements as to capacity, volume or anything else.

Q. You have never attempted to exclude or refuse membership in this Association——

A. No, on the contrary, we have tried to get them in so as to have our statistics more complete.

Q. You have I believe an example taken from the files of the [fol. 1392] Oval Wood Dish Company which was given back to you by Mr. Thompson, of the practical application made by members of the average cost chart showing the average cost of the manufacturers of the product and the various elements of that cost?

A. Yes, sir.

Q. What are those papers which you have?

A. I might say in this connection that a number of the members of the Association have testified they have made a careful comparison of their own costs with the average costs submitted through our office of the manufacturing and marketing of maple, beech and birsh flooring, and it so happens that three test runs which were made in 1921 by the North Branch Flooring Company of Chicago and the average manufacturing and marketing cost for the first quarter of 1922, were used in those manufacturing and marketing costs for the first quarter of 1922, we itemized the averages of the replies received on the basis of the questionnaire which we will show.

Then the Oval Wood Dish Company apparently received that and they made a very careful analysis of their own costs by items compared with the averages reported by the Association. They have here you know later taking lumber off of docks, etc. and to dry kilns, that means also to car pile and etc., the average reported $1.16; their average 1.04.

Cost of manufacturing including supplies in our questionnaire, the warehouse expense is included in that, our total 92 cents, their total 10.71.

Insurance and taxes 1.07; theirs 61 cents.

Interest 1.92; theirs $1.86.

Selling expense and cash discount we have not separated in our [fol. 1393] statement. The total is 4.55; theirs was 6.05.

Depreciation, ours is calculated at 1.37; theirs at 1.60.

Then the total per M feet, our 19.31; theirs 21.87.

Q. That is they were several dollars higher?

A. Yes. Then less amount received for waste material, that is wood and other little stuff that you couldn't sell, had to get rid of, 1.32 and theirs 65 cents.

Net cost 17.99 by our tabulation, $21.22 by theirs.

Q. What did the Oval Wood Dish do then in its next quarter after having this basis of comparison?

A. They appeared to have made a study of it and they appear to have reduced their manufacturing and marketing cost as the result of this information. Without reading the items all over again, the first item is a dollar in their statement dated June 17th.

Q. That is three months later?

A. Three months later. The next item—pardon me, I might read theirs anyway.

Q. Yes.

A. Their previous 1.04, this time $1.00. The next item 10.71, June 10.33. The next item 61 cents, 68 cents.

The next item 1.86; 1.76.

The next item 6.05; 2.98.

The next item 1.60; June 17th 1.52.

Their first total 21.87, their second total 18.27. The wood the same in both cases, 65 cents, leaving the net cost the first time $21.22, the second time $17.62.

The Court: Nearly the whole of that is in the one item?

[fol. 1394] A. In the selling expense, yes, sir. $3.60 reduction.

Q. It shows an effort, does it not, on the part of this member taking it as an example, to use that data supplied by the Association as to the average marketing cost for the purpose of correcting his own cost and bringing down the high items in his cost of production?

A. Yes, to analyze the costs and increase the efficiency in some branch of manufacture where he apparently has been lame in his efficiency.

Mr. Johnston: We will offer this exhibit in evidence and ask that it be marked the next exhibit number.

(Said document marked Def. Ex. LL and received in evidence.)

Q. You have made reference in your examination for the Government on behalf of the Government to the basis upon which you originally determined the elements to be taken into consideration in the manufacturing cost of maple flooring?

A. Yes, sir.

Q. From what source did you obtain this information which formed the basis of your original estimation or determination of these cost items and of the divisions that were to be made to the cost of manufacture.

A. What we call our survey of costs, manufacturing and marketing costs was developed quite a number of years ago and later on it was substantiated as a practical foundation for those elements of cost by Prospectus which we received from the U. S. Forestry regarding the sale of timber in Priest River Valley, Idaho. We have a letter here dated March 10, 1913, addressed to the Maple Flooring Mfg. Association and signed by H. S. Graves.

Q. Who is Mr. Graves, do you know?

[fol. 1395] A. The forester, United States Forester. In which they endeavored to arrive at a basis for the sale of their stumpage. The letter is rather short, perhaps it wouldn't take very long to read it. It tells the whole story instead of extracts.

United States Department of Agriculture

Forest Service

Washington, March 10, 1913.

Secretary Maple Flooring Mfg. Ass'n, 807 Stock Exchange Building, Chicago, Ill.

DEAR SIR: Because of the proposed sale of 267,000,000 board feet of timber in the Priest River Valley, Kaniksu National Forest, Idaho, the inclosed prospectus has been prepared. It shows how the forest service furnishes information to lumbermen who might be interested in bidding on National forest timber.

An unusual feature of this sale is the fact that on part of the area the forest will be destroyed. The object will be to clear this part of the area for agriculture instead of providing for forest renewal. Provision 8 of the "Sample Timber Sale Contract" and the provision regarding "Agricultural Land" under the head "Rules for Marking and Brush Disposal" illustrates how this will be done.

When the area has been cleared of timber and the slash burned the land will be opened to homesteading under the provisions of the "Forest Homestead Law." If the Forest Service did not sell off the timber before opening the land to entry, the value of the present stand of timber would cause the land to be held speculatively instead of being cleared for farms. But the land will be better employed growing farm crops than growing timber: and hence the Forest [fol. 1396] Service is preparing to put it into the hands of bona

fide settlers, under a procedure which will insure agricultural development.

The Federal Government will receive about $659,000 for the timber, of which $225,000. will go to the benefit of the state for public schools and good roads.

The minimum stumpage price of $5 specified for the white pine on these logging chances is unusually high, because this western white pine is the most valuable stumpage on the National forests. The timber is easily worth the price, and no difficulty is anticipated in securing bids on the basis named.

The 12 per cent profit to the lumbermen allowed for in calculating the stumpage rates to be charged is exclusive of interest on the investment, which was figured at 6%.

The minimum prices allow, therefore, for a profit of 12% on every thousand feet of timber sold, over and above interest on capital and all overhead costs. It must be remembered that the manufacture of lumber is a business which, because of the risks involved, requires a high return in order to induce operators to undertake a logging enterprise.

Very truly yours, H. S. Graves, Forester.

Now on page 5 of this prospectus there are certain elements we will consider in the cost of logging and manufacturing, and etc. There is no use to read them all in detail, but among the ones which are similar fundamentally to what we use, the Association uses "Administration and Supervision, depreciation of equipment, interest charges, taxes and insurance." That is all summed up as to certain chances there.

[fol. 1397] Then we come to another one on page 6: "Administration, supervision, sealing excepted, and railway operation, maintenance of way, unloading at pond—those are just items again—interest charges, depreciation of equipment, insurance and taxes. Then they deduct for salvage and etc.

Then we come over to page 7: "The stumpage rates appraised in the notice of sale were determined by deducting the cost of logging, milling and other expenses, plus approximately 12 per cent profit, from the present average selling prices of lumber."

Then they go on and give the stumpage prices. In other words, they appear to have taken the market value of lumber as realized from sales on the market as the foundation for arriving at the selling price of the timber. In other words, they work from there back to the stump and with us we take the market value of the rough maple lumber as ascertained by sales on the open market and we work from that foundation to arrive at the average cost of the finished flooring. It is the same fundamental principle but it is reversed in its application.

Mr. Johnston: We offer this letter and prospectus in evidence and ask it to be marked the next exhibit.

(Marked Def. Ex. MM and received in evidence.)

There are one or two questions which I should have covered on cross examination that I want to ask you. One is this:

Q. Referring to a typical set of exhibits, I am taking now those which are marked Gov. Ex. 40, and having particular reference to the percentage items which are shown on those exhibits, in order that that may be cleared up for the record, we ask you on what basis you arrive at those percentages.

[fol. 1398] A. They are statistical reports of corresponding membership for certain years. It is very simple, we can explain *in* in a second, I was trying to analyze about percentages.

For example, the average stocks on hand during 1912 in this statement were 36 million 619 thousand. The average stocks on hand in 1913 were 32 million 746 thousand. That shows a decrease of 3 million 873 thousand or 10.6 per cent which is arrived at by dividing 36 million 619 thousand into 3873. In other words, the year 1912 is the base.

The same price to the unfilled orders. That shows the average in 1912 was 24 million 576 thousand, 1913, 25 million 023 thousand, an increase of 447 thousand or 1.8 per cent. The shipments the same way, 1912, 176 million 791. 1913, 172 million 889. The decrease is 3 million 902 thousand or 2.25 per cent.

The production 160 million 244 thousand, in 1912. It is the same principle all the way through.

Q. In other words, the principle upon which those percentages are prepared is sufficiently clear, is it, from each exhibit?

A. Just a mathematical calculation, that is all.

Q. Taken from the figures which are on the exhibit itself?

A. Yes.

Q. And where there are comparisons with prior years comparing them on a percentage basis?

A. Yes.

Q. Those percentages in other words don't have any meaning other than as they are comparison of the figures themselves as they are shown upon the exhibits?

A. That is the only significance they have, the only significance they could have.

[fol. 1399] Q. In order that there may be no confusion, in your answer to the last question preceding this, you said that your method was the reverse of that adopted by the Forestry Service. Of course your present method of ascertaining costs does not involve any element of profit?

A. No, it doesn't involve any element of profit.

Q. And no element of profit is added in. There was reference made in some of the exhibits introduced by the Government to the suggestion made by some members or some committee that efforts be made to ascertain the L. C. L.—I take it that means "less than carload" shipments of maple lumber?

A. Yes.

Q. Was anything ever done about making such a survey of costs?

A. No, nothing ever happened in that respect. Some of the mem-

bers, only a few of them—well, perhaps quite a number of them at times sell less than carload lots of flooring, we call it L. C. L. For example, might haul it from their factory to the freight house in the City in which they are located, then they load it into cars, some are just delivered to the freight house, and I think one or two of the members thought we ought to make a survey as to what the average cost of handling that kind of business was but nothing was ever done in regard to it.

Q. No such survey was ever made?

A. No such survey was ever made and no report was ever made by this Committee on cost surveys. Pardon me, coming back to this cost business again, we have had a very great correspondence with Mr. Edward N. Hurley when he was Chairman and Vive Chairman of the Federal Trade Commission about industry study and its costs, and etc. but stating how they should do that in order to have [fol. 1400] some foundation for their selling prices and etc. Some of it was a personal correspondence. For example, he made quite a lengthy address before the Boston Commercial Club in March 1916. We had it reprinted. Mr. Hurley was very much pleased with us for having done so, he wanted us to supply him with 80 copies which we did and we gave it quite wide circulation.

Q. That is relating to the ascertainment by industries of their costs of manufacture?

A. Yes and how disastrous it is not to keep any track of those things.

Q. There were references made by Mr. Fowler to the fact that statistics of weekly sales were not sent out prior to January 21, there were weekly reports of weekly sales during 1920?

A. I think my memory was at fault there, it wasn't very clear at the time. I think I said that according to my recollection weekly sales reports were made in 1920 and that was prior to the time of the celebrated Nebecker correspondence.

Q. All statistical data was suspended for a time in 1920?

A. Yes, all statistical data was suspended for four months I think between April and August.

The Court: That was immediately following the decision of the lower Court——

A. In the Memphis case, in 1920, and I think if we look at our reports we will find some of our statistical reports were made not out until August.

Q. You didn't make out any of the weekly reports at all?

A. No, we didn't pick those up again because that would be like buying old newspapers four or five months old.

Q. Is there anything else there that you have? In order that we [fol. 1401] may be sure that there is in the record one of these recent average cost charts based upon composite result in five test runs, we would like to offer this cost chart.

(Paper referred to marked Def. Ex. NN and received in evidence.)

Mr. Johnston: I think that is all.

Mr. Fowler: I wish the record to show that L. S. Morse of Jeff-

ersonville, Vermont, is on the list, but has not reported to either of the parties, either the Government or the defendants.

Billings Lumber Company, Belvedere Center, Vermont, was on the list of manufacturers, has not reported to either the Government or the defendants, but that C. R. Phillips Company, North Tonowando, N. Y. as manufacturers——

Mr. Johnston: Are they on our list?

Mr. Fowler: No, you said a while ago they were not on your list, the one that you prepared.

The Witness: I think his Honor said they were not on our list.

Mr. Fowler: I don't care to ask him any questions.

Mr. Johnston: The defendants now offer in evidence the publication entitled "Trade Association Activities, published by the United States Department of Commerce and printed by the Government Printing Office in 1923, being the Department of Commerce publication under the general heading of Elimination of Waste Series. I don't care to have the publication copied of course but I desire to read a few excerpts from it and have them in the record so that either counsel may refer to them if they desire.

The Court: I suggest that you specify the pages of the report to which you call particular attention."

Mr. Johnston thereupon called the court's attention to pages 2, 3, 4, 7, 13, 14, 21, 22, 23 and 24.

(Said document was marked Def. Ex. NN-1 and received in evidence.)

[fol. 1402] Mr. Fowler: We wish to have an objection noted on the ground it is wholly immaterial.

The Court: It will be received subject to the objection.

Mr. Johnston: I will just read a few portions from it. The first is from the Foreword on the first page (reading) Reads from page 2, 3, and 4, also summary at the end of this article, page 7. On page 13 under the heading of Production Statistics, and on page 14.

Mr. Fowler: I would like to inquire whether that is being read as evidence or an argument.

Mr. Johnston: It is being read as the production of a Department of the Government which has to do directly with trade Associations.

Mr. Fowler: But not with the enforcement of the law.

Mr. Johnston: Maybe not with the enforcement of the law, nevertheless, it is from the same Department in which a portion of the statistical data is presented by the Government. (Reading from page 21, "Special Statistics." also page 22, page 23 and page 24.)

The Court: Really, Mr. Johnston, can this be of very much value?

Mr. Johnston: I think so.

The Court: In a decision of a case of this kind if these matters are desirable the remedy lies with Congress and not with the Courts.

Mr. Johnston: I think when you are considering it was signed by Mr. Hoover——

Mr. Fowler: It wasn't written by Mr. Hoover.

Mr. Johnston: In fact I have some of his letters in here which I would like to read, there can't be much doubt about those.

The Court: There isn't any doubt in the world but what eminent men and men who are capable of forming opinions differ as to the [fol. 1403] wisdom of the Sherman Anti-Trust Act and differ also as to what is prohibited and what is not prohibited, but matters of that kind are not very valuable in the decision of a case like this one.

Mr. Johnston: Let me state to the Court why I think they are valuable, in what respect they are valuable. This Court is a chancellor, sitting in chancery, it is his discretion under this Act as I construe it, and I construe the authorities, to enter the sort of a decree which the facts in this case justify.

The Court: Governed entirely by the rules of law.

Mr. Johnston: Certainly, of course a chancellor doesn't in that respect sit in any different situation than he does sitting in a court of law, but when he is framing a decree to cover a situation of this kind, one of the things which he must of necessity take into consideration in determining whether or not a particular thing which is done by the defendant association is in violaton of the Act, is to determine the aspect of that thing in its relation to the industry as a whole because, unless that view is taken, it is impossible to get the proper perspective upon, let us say, the subject of the distribution of trade statistics.

The Court: Of course, if this were a matter addressed to the legislative branch of the Government, it would be highly important, but as addressed to the court for the decision of a particular case, involving specific matters, to my mind, it is of very little importance.

Mr. Johnston: It seems to me to be very important, your Honor.

Mr. Fowler: I wish to call the court's attention to one statement in it, which shows the source of this matter:

[fol. 1404] "This investigation, undertaken jointly by the Bureau of the Census, Bureau of Foreign and Domestic Commerce, and Bureau of Standards, was guided and supervised by the following committee, representing the many phases of trade association activity and allied interest:

F. M. Felker, Chairman, Department of Commerce.
Hugh P. Baker, American Paper and Pulp Association.
Carl Hunt, Associated Advertising Club of the World.
E. W. McCullough, Chamber of Commerce of the United States.
S. L. Nicholson, Electrical Manufacturers' Council.
James O'Shaughnessy, American Association of Advertising Agencies.
L. B. Palmer, American Newspaper Publishers Association.
Alfred Reeves, National Automobile Chamber of Commerce.
O. B. Towne, Waxed Paper Manufacturers Association (secretary American Trade Association, Executives).
Nathan B. Williams, National Association of Manufacturers.
L. E. Warford, Secretary to the Committee.

[fol. 1405] "A. We prepared an index of wages showing 1913 as one hundred per cent, extending from the year 1912 to a part of the year 1923, inclusive, and some of the members referred to

this in their testimony and their statements were handed into the court. In this particular case, you know, we have reports from thirteen members of the Association, and they have made a report of the daily wages of four classes of workmen:

Labor costs per M feet of flooring;
Labor costs per M feet of flooring;
Daily wages thirty-two classes of workmen;
Daily wages six classes of workmen;
Hourly wage—classes of workmen;
Labor cost per M feet of flooring;
Daily wage eight classes of workmen;
Daily wages sixteen classes of workmen;
Daily wages eleven classes of workmen;
Daily wages twenty-nine classes of workmen;
Daily wages seven classes of workmen;
Daily wages of ten classes of workmen.

In all cases the same basis was used by the same member in each year, and we have extended that across, and using thirteen as a base, we found that the average of the percentages, 1909 is 99%; 1913, 100%, 1914, 102%; 1915, 99%; 1916, 108%; 1917, 124%; 1918, 151%; 1919, 190%; 1920, 249%; 1921, 205%; 1922, 184%; a part of 1923 from some of them 154%, using the year nineteen thirteen as a base.

Mr. Johnston: We offer in evidence this index and ask that it be marked with the next letter.

(Paper referred to marked defendant's exhibit 00 and received in evidence.)

[fol. 1406] The Court: That is quite interesting in this, that the curve from 1920 to 1921 corresponds with the other reductions, but from 1921 to 1923 inclusive, it seems to be the reverse of the other curves.

A. Yes, sir.

The Court: In other words, the curve here is downward from 1921 to 1923 instead of upward.

A. (Continuing:) Then we requested the members of the Association who buy rough Maple flooring lumber on the open market to send us a statement of their purchases during the various years, and of the grades, etc., and we have put that on an index basis, using 1913 as a 100%, and in the first column it shows the rough Maple flooring lumber purchased, by grades, during certain years. Of course, the grading of Maple flooring has changed somewhat, as everyone knows who is familiar with the business, and other grades have been injected into it, and it has been more highly classified.

We found, using 1913 as the basis, the index per cent of the average price of the rough Maple flooring lumber purchased in 1912, and reported to us by these various members of the Association, stood at 92%. In 1913, it stood at 100%; in 1914, 97%; in

1915, 90%; 1916, 96%; 1917, 125%; 1918, 149%; 1919, 191%; 1920, 358%. You will observe in that column that in some cases for the grade of lumber used that year as compared with the 1913 base of 100%, one stands at 524, another at 368, another at 488, another at 375; the simple average is 358. 1921, 179%; 1922, 187%; 1923, so far as we were able to get data, 233%.

Mr. Johnston: We will offer this chart in evidence and ask that it be marked with the next exhibit letter.

(Paper referred to was marked defendant's exhibit PP and received in evidence.)

The Court: That curve is closely coincident with the other curves, [fol. 1407] as I remember it?

A. Yes, sir, as I remember it too.

Q. That data for both of these charts which we have just introduced—the tabulations rather, were obtained from the membership of the Association?

A. Yes, sir, and we have the supporting data in case the Government wants it. If we could get back one of those copies at some future time, we would like it, as we intend to have it charted in the same regular way.

Mr. Johnston: That is all, Mr. Keehn, there is one other portion of this Government report that I would like to refer to without reading; that is the historical data contained in the appendix, showing the names of trade associations and the dates of their origin, as showing the age of them, pages 301 to 307 inclusive. Some go way back to the time of the Civil War.

I think the defendant will rest, except that we will put in through Mr. Keehn, after he has consulted the data, the Government has, as to the average percentage of production represented by this Association of the total Maple, Beech and Birch flooring."

[fl. 1408] Thereupon the Government introduced the following evidence in rebuttal:

W. C. Hughes, a witness called by the Government in its case in chief, resumed the stand and testified as follows:

Direct examination.

By Mr. Thompson:

"Q. Have you prepared certain data with reference to the production of Maple flooring, or Maple, Beech and Birch flooring in the United States?

A. I have.

Q. How was that data secured?

A. In response to an inquiry sent out by the Bureau of Investigation of the Department of Justice, October 29th, 1923.

Q. Will you read that inquiry?
A. —

Department of Justice, Bureau of Investigation

Washington, D. C., October 29, 1923.

'Will you kindly compile for the information of this Bureau a list showing the total number of feet of Maple, Beech and Birch flooring manufactured by you each year from 1918 to 1922, both inclusive. If your records are not kept in such a manner as to enable you to state separately the number of feet of Maple, Beech and Birch floorin*f*, will you kindly report your total production, and state which of these kinds of flooring are included therein. Any action to expedite this list will be greatly appreciated. Enclosed is a form on which the desired information can be tabulated, and a franked [fol. 1409] envelope for its return to this bureau.

Very truly yours, W. J. Burns, Director.'

Q. To whom was that inquiry sent?
A. It was sent to the names of 106 concerns appearing on the list introduced in the deposition of Edward B. Gordon at Chicago, Illinois.
Q. Does that represent all three of the lists that were there introduced?
A. It does.
Q. How many answers were received to that inquiry?
A. 103.
Q. How many were received from the producers who appear on the list introduced by Mr. Keehn, that is the first list?
A. 70.
Q. How many were on that list?
A. 72.
Q. Have you all the answers received there in that exhibit?
A. I have.
Q. Have you segregated according to states?
A. I have.
Q. Have you on the chart taken off the figures from the answers and set them out in the chart?
A. I have.
Q. So that you have a short brief statement showing the name of each company, the location and the production of Maple, Beech and Birch flooring, if any, for each year from 1918 to 1922?
A. Yes.
Q. Have you taken data from any other source than answers received to those inquiries?
A. The testimony adduced in this court.
Q. The 102 answers represent both answers to those inquiries, and the evidence given in court?
A. It does.
[fol. 1410] Q. From all that data have you made a tabulation showing the production of flooring in the entire country, and compared

that with the percentage of—made a percentage comparison of the production of Maple flooring by the members of the Maple Flooring Manuafcturers Association?

A. I have.

Q. Where did you obtain the figures as to the Association production?

A. From the Association annual barometer reports.

Q. Will you just read into the record the percentage of total production for each year represented by the production of the Association members for that year?

A. 1918, 78.1; 1919, 78.9; 1920, 75.2; 1921, 71; 1922, 70.

Q. Have you made a similar tabulation covering the states of Michigan and Wisconsin?

A. I have, separately and jointly.

Q. Will you read the percentages represented by the Association production to the entire production in those states?

A. 1918, 91.6; 1919, 89.3; 1920, 85.6; 1921, 82.7; 1922, 82.8.

Q. How many of the answers received from concerns on those lists stated that they did not or do not now manufacture such flooring, Maple, Beech and Birch?

A. The list prepared by the Association, nine reported they do not manufacture Maple, Beech or Birch flooring, and of the other two lists. 24 reported that they do not manufacture Maple, Beech or Birch flooring.

Mr. Thompson: The Government offers this as an exhibit.

[fol. 1411] (Paper referred to marked Gov't Exhibit 68 and received in evidence.)

Cross-examination.

By Mr. Johnston:

Q. Mr. Hughes, how many non-members of the Association reported to you figures of production which have been included in the exhibit which you just offered?

A. Are you speaking of the entire United States?

Q. Yes, I want to know the number of non-members who—reporting non-members, who show figures of production that have been included in your tabulation?

A. Well, there were 106 names on these lists.

Q. Yes?

A. And none of them are members of the Association.

Q. But how many of that 106 reported production figures, that is what I want to know.

The Court: Perhaps, I do not understand you. I understood the witness to say, that upon one list, I don't know whether it is this list or not, there were 24 reporting no production.

A. Thirty-three on the three lists report no manufacture of Maple, Beech or Birch flooring.

Q. Then that is to be deducted from the hundred and——

A. One hundred and six.

Q. So your non-member production figures are made up then from reports of seventy-three non-member mills?

A. Yes.

The Court: Just so I may not make a mistake in that regard, you have included in your figures all production that has been reported?

A. Yes, sir.

[fol. 1412] The Court: And the thirty-three who were not inclu-ed are concerns who reported they did not produce?

A. Yes, sir.

Mr. Johnston: That is as I understand it, I just wanted to have the number.

The Court: I simply wanted to get it straight.

Q. As I understand it, there were 73 non-members who did report some figures of production?

A. Some production.

Q. All of those have been included?

A. Yes, sir.

Q. In taking the member group did you include in your member group, the production of the Wisconsin Land and Lumber Co.?

A. I did not.

Q. They are included in the non-member group?

A. No, they are included in the Association production for those five years.

Q. Is there included in the Association production the Reed City plant also of the Horner Company, or what was formerly the Horner Co.?

A. Yes, sir.

Q. That is included in the Association?

A. In the Association production.

The Court: I do not know that it has developed here—if not it ought to—that the Reed City plant was sold to the Indiana Flooring Association on June 4th, as I remember.

Mr. Johnston: Mr. Ralston, I think testified to that.

The Court: But the receiver of the Horner estate operated that mill for a little more than two months after that time, so it would bring it up to August, at the end of August I think, or perhaps the [fol. 1413] end of July, I am not certain about that, 1923.

Q. Now, you did not request, I take it, from the inquiry which you read, figures as to the production capacity?

A. No, sir.

Q. Of any of these mills?

A. No, sir.

Q. So that you have no data as to what the production of non-member mills is?

A. I have not.

Q. Did you make any effort to determine the number of unlisted mills that are producing Maple flooring, Beech or Birch flooring, or perhaps all three?

A. We confined our inquiry to the list submitted in that deposition, but we did learn of the production of a mill in West Virginia, the West Virginia Pulp and Paper Company, and their production is included in the table for that state.

Q. They were not on the list?
A. They were not on your list, no.
Q. But, I mean, you did not yourself or through any governmental department attempt to make any inquiry as to other mills?
A. I called at the Forestry Service and asked them if they had such a list of manufacturers, and they replied that they did not. I made the same inquiry of the Bureau of the Census, and of the Department of Justice and received the same reply.
Q. Your source was the same, practically, as Mr. Gordon's if you recall his testimony?
A. Yes, sir, practically."

[fol. 1414] "Mr. Thompson: I will introduce a "Survey of Costs for the quarter ended September 30, 1917, M. P. P. basis, October 22, 1917," and ask that it be marked Government Exhibit 69.

(Paper referred to was so marked and received in evidence.)

"A table of concessions and additions, table of values, January 6th, 1921, two sheets, being dated January 6th, 1921.

(Said documents marked Gov. Ex. 70, and received in evidence.)

Mr. Newman: We assume they all came from us.
Mr. Thompson: These are all documents that came from you."

[fol. 1415] JOHN KNOX ARNOLD, being duly sworn, testified as follows:

Direct examination.

By Mr. Thompson:

Q. Where do you live?
A. I live in Washington, D. C.
Q. What is your occupation?
A. I am a special agent with the Federal Trade Commission.
Q. What college training have you had?
A. I was one year at Central University of Richmond, Ky.; three and one half years at Washington and Lee University of Lexington, Va.; two years in the school of political science at the George Washington University at Washington, D. C.
Q. What degrees do you hold?
A. Bachelor and Master from the Geo. Washington University.
Q. How long have you been with the Federal Trade Commission?
A. I have been with the Federal Trade Commission about 12 years.
Q. What did you do before that?
A. I was in the Philippine Islands four years.
Q. Were you ever in the Bureau of Corporations?
A. The twelve years I mentioned embraced my service with the Bureau of Corporations and the Federal Trade Commission, the

Federal Trade Commission succeeding the Bureau of Corporations in 1915.

Q. What has been the nature of your work, both in the Bureau of Corporations and in the Federal Trade Commission?

A. Investigation of industries, usually under Congressional resolution.

Q. Will you state briefly some of the more important investigations of that nature with which you have been connected?

[fol. 1416] A. Well, I was on the "Steel" investigation, principally of the United States Steel Corporation in 1911; investigation of the National Harvester Company in 1912 or 1913; investigation of the News Print Paper industry, and the book paper industry 1915 and '16; investigation of the Farm Implement industry in 1919 and '20; investigation of California Petroleum in 1920 and '21; investigation of Grain and Cotton, both cash and futures in 1922 and '23; also the Tobacco investigation involving the resale price fixing by the four successors of the American Tobacco Corporation, this investigation being made in 1921.

Q. Have you ever been connected with any investigation of the lumber industry?

A. I wrote several chapters of the old lumber report of the Bureau of Corporations about 1913, particularly chapters relating to association activities of lumber manufacturers, and of retail lumber dealers' associations in New York, the Pacific Coast and elsewhere.

Q. Will you explain a little more fully what the general nature of your work has been in these various investigations?

A. In the investigation of the Steel corporation and the National Harvester Corporation, it was in connection with writing a review of the report. In connection with the book and news print paper industries it was in the tabulation and writing the text of the chapters on prices.

Q. What I want to bring out a little more, not so much of the time covered, but as to the nature of it? Did you go into the costs?

A. It has been a studying of the—well, I can state the detail of one of the reports which really explains it. The Farm Implement [fol. 1417] report was called "the causes of the high prices of farm implements." In that, the evidence sought was statistical evidence of prices, the causes that affected prices, not merely statistical but also any Association activities. That was true of the Tobacco report and of the California Petroleum report, and of the Grain and Cotton reports.

Q. In these investigations and their effect on prices, then, do you consider both the factors within the industry and without the industry?

A. Sometimes, we compare the movement of price in the industry with the price of all commodities, merely because many people look for that, just like some people want to count the steps that would be covered by this testimony if it was placed end to end. We use that figure merely to satisfy the curiosity of the people that want it, that is all—that is, in the study of the causes of high prices. That does not relate to the study of scientific trends; that is another matter.

Q. Have you made such studies of cyclical trends?

A. A study of business trends and cyclical trends is not within the purview of the Federal Trade Commission. Cyclical trends are long time movements, up and down, of prices in the nature of a business forecast and is yet in its infancy, comparable to the weather reports, perhaps. The weather reports twenty-five or thirty years ago were not worth much, but by experience they are reasonably accurate now. If they see a storm coming out of Alaska they send out signals "cold wave." If the conditions act as they have usually in the past, that storm will take a certain path. Sometimes, however, it is diverted by other causes which originate later. These price [fol. 1418] trends are the same way. We do not attempt to forecast the future, and the price trend does not explain the past, but the chief purpose is to find out what will happen in the future if the factors do not change.

Q. What is the essential purpose of the Federal Trade Commission's investigations, such as you have been connected with?

A. Most of the Congressional resolutions ask for the cause of the high price, or in some cases it may be the low price, and we endeavor to find out, as far as we can, all the causes, both statistical and psychological.

Q. Have you made a study of the depositions introduced in this case of Mr. Edward Gordon and Mr. Grant Keehn?

A. Yes, sir.

Q. And the exhibits submitted therewith?

A. I have made such study as I have been able to make.

Q. I call your attention to exhibit number six in Mr. Gordon's deposition. State what factors are represented and compared there?

A. Chart 6 is a comparison of index of the prices of the product of the M. F. M. A. with U. S. Bureau of Labor Statistics indices of All Commodity prices, all building materials prices, and lumber prices monthly 1913-1923. It is on the logarithmic scale, with vertical index in index numbers. That chart reduces all the prices shown thereon to the same figure, 100% in 1913, and then shows the rate of trend through the succeeding years down to 1923. It does not indicate the magnitude.

Q. What is that compared with, general commodities?

A. It is compared with what is indicated in the table that I just read, lumber, building materials and all commodities.

Q. Is Maple flooring represented on there?

A. Maple flooring is represented on the chart by a White line.

Q. From the depositions introduced and the statement therein as to the method of preparing these charts, will you state whether you [fol. 1419] consider the comparisons, the methods of dotting the lines exactly comparable?

A. The wholesale price indices of the Bureau of Labor statistics are based mostly on market prices, which is shown in Bulletin 320 of the U. S. Bureau of Labor Statistics, pages 59 to 61, and Maple flooring index prices are based upon actual prices realized at the mill, as is indicated in Mr. Gordon's deposition, pages 54 and 55, and in other places. Therefore, the indices of the Bureau of Labor Statis-

tics, and the index of Maple flooring are not strictly comparable, because it is generally known among statisticians that actual prices realized tend to lag behind the market prices or quotations, both on increases and decreases. The reason for this lag being that a price is quoted, the quotation is taken and averaged up to that time; when the average price realized is taken, however, prices quoted, the man accepts the offer and sends in his acceptance, and later it is accepted, and that is the date of sale, but the quotation may have changed in the meantime. Ordinarily, the term, which is really an accounting term, "the price realized" means the price on shipments, not on sales. I don't know exactly how this price has been made, but whether it has been made on sales or shipments, there would be a lag behind the market quotations, as is explained in the bulletin of the Bureau of Labor Statistics. It is impossible for them to get them to get the prices realized, which they say, would be the best, if they could get them all on the same basis. But, to compare the market quotations, or market prices, with the prices realized, there is this lag which must be taken into consideration in any comparison of the chart. An inspection of the White line will show it has the appearance of having been shoved to the left. If you shove it back two months, it corresponds with the other lines. Then, using the [fol. 1420] second lag, referred to by Mr. Vanderblue in speaking of a lag which came, where there was a cause and effect, for example, the price of Maple lumber and the prices of Maple flooring, that lag is caused by the effect of one price on the other. In this table, none of these prices have any effect on each other in that meaning at all. None of the prices are component parts, that is, the price of none of these things is made up of the price of any other on this chart.

The Court: Is that true of Maple flooring and Maple lumber?

A. Maple lumber is not on this chart. I say, that lag would be accounted for by the fact that Maple lumber is a component part of Maple flooring.

Mr. Johnston: It is included in the term "lumber."

The Court: I probably was mistaken. I understood, so far as this first chart is concerned, that the term "lumber" meant "hardwood lumber."

Mr. Johnston: No, it is all lumber.

The Witness: It is all lumber, includes southern pine and western pine. On the yellow line reading "lumber" it does have Maple, but the White, all Maple, in that appears as very small.

The Court: Perhaps I am mistaken in another regard, my understanding was that so far as what is termed the "product," Maple floorng that the chart represented sales and not shipments. Am I right about that?

Mr. Johnston: That is correct.

The Court: In other words, if a sale were made in January for delivery during the year, the chart would represent the January sale and not the subsequent shipment.

That was my understanding.

Mr. Johnston: Yes.

Mr. Thompson: I understood it, as testifying that the Maple floor-
[fol. 1421] ing prices were made up from the monthly report of average prices realized; that is my understanding.

Mr. Johnston: Monthly sales.

Mr. Thompson: Those are not monthly sales reports, as I understand it.

Mr. Thompson: Those are not monthly sales reports, as I understand it; they could not be without a report of average prices realized, because from all the testimony in this court, their method of quoting is all delivered prices, and what was realized could not be determined until the shipment had been made, and the buyer received the invoice and deducted the actual freight paid. I fail to see how these average prices realized could be reports of sales.

The Witness: I merely take the term used here. However, I made two comparisons.

The Court: I suppose I can dig it out, but that was my understanding. How is that, Mr. Keehn?

Mr. Keehn: It is the average prices realized on new orders booked during the month.

Mr. Johnson: Sales during that month.

Mr. Thompson: I object to that statement and move to strike it out.

The Witness: Accepting that explanation, there would still be a certain lag, due to the fact that quotations are sent out and accepted and must be filled, and the date of sale would show a certain lag.

Q. Turn to Exhibit 7. I understand that chart is practically a subsidiary one, not very important. Will you just inspect it and state whether you agree with the conclusion of that line represented [fol. 1422] on there, fluctuating in similar manner at all times?

A. This chart is to explain the reason for using the price of three grades of the product on chart six in one line, the white line. Chart six, the vertical scale used in the index numbers, all the products started close together. This chart is on the dollars per thousand feet. As a matter of abstract statistical practice there is no objection to such a scale; in fact, it is preferable where it is possible to use it. But using these two charts together, unless it is kept in mind that one is on percentage scale or index number scale, and the other on the dollar scale, the eye is misled as shown by the fact that Mr. Gordon was misled by this into stating the movement of those lines was practically the same.

An inspection of the chart, however, shows the blue line starts at about seventeen dollars and fifty cents and goes up to one hundred and seventy dollars, something over, no, one hunderd and fifty some dollars, which is an increase of between six and seven times. The yellow line, however, starts up close to forty dollars, and only goes to $180.00, showing only about four and one-half times the increase. The red line starts about $30.00 and goes up to around $160.00 or $170.00, showing about five times increased. The mere inspection

of the chart, however, shows that the blue line fluctuates much more sharply, and rapidly than do the other lines; in fact, so much so as to indicate it to be almost a by-product. The other two lines, the yellow and the red line, the fluctuations are close enough together to consider them on a comparable basis.

The Court: Isn't that borne out—if counsel will pardon me if I [fol. 1423] ask a question—the charts or figures or tables which were introduced this morning, I noticed in examining them while the witness was testifying, that there is a much greater variation in the price of Factory at different periods than there is in the price of No. 1 and the Clear. That is represented, not by the multiple of increase, but the actual dollar difference?

A. Both would be true.

The Court: And that at times, there was a very much greater spread between Factory and the two higher grades than at other times?

A. Yes, sir.

The Court: And that is indicated by this chart, is it not, number seven?

Q. What is the purpose of the chart number seven?

Mr. Fowler: Let him answer the court's question.

A. The purpose of the chart, as stated in the depositions, is to show that all three grades fluctuate in about the same way.

Mr. Johnston: In quantities?

A. I used percentage. The only point in that is that the blue line did not move, either of dollars or percentage, in any relation to the other two lines, that is all. It is a subsidiary matter, but unless you inspect the chart, carefully, that would not be apparent, because the lines start at the left so far apart; they come about together up here at the high point. If you carry in mind that they probably started close together, as on the preceding chart, they are misleading, that is all. If this chart had been put on a percentage basis, the blue line would have been up two or three inches within the yellow or red line.

The Court: The mercury would have gone out of sight?

[fol. 1424] A. Yes, gone off this chart entirely. There are so many charts in there, subsidiary charts, that are made on different bases from the main chart, that I merely call attention to that, perhaps, for some assistance to you. Perhaps you noted it yourself, however.

Q. What is the purpose for which that chart is used in the deposition?

A. This chart is merely put in to show that the three lumbers moved at the same rate of change according to the depositions, which it does not show.

The Court: Therefore, they use the single line to represent the product?

A. They have used the white line on chart six and all others.

The Court: This chart is to justify that?

A. To justify the white line; but certain statements are made in connection with the chart that I am calling attention to.

Q. Turn next to Exhibit 12?

A. All right.

Q. State what that chart shows?

A. Chart number 12 shows the relation of new orders booked by the M. F. M. A. to the volume of new building contracts awarded in the United States. Indices corrected for seasonal variation, monthly 1913 to 1923. Index numbers logarithmic scale.

Q. That chart compares trends or quantity?

A. That chart is in index number, compares the rate of movement and not magnitude.

Q. For that purpose for which these depositions were introduced, do you consider that quantitive comparison, or the comparison of the trends, would be the more important?

A. I consider a comparison of trends in prices as justifiable in an economic state to make a forecast of what conditions will probably [fol. 1425] be. I consider it absolutely useless as explaining what were the causes of price changes, because it has no quantitive relation to prices, nor do they have any exact quantitive relation to each other. You cannot say that a certain increase in price was due to this cause or that cause, unless you have a quantitive relation, not merely a trend. A trend shows the direction. A cause shows the extent or magnitude of the change. For example, if prices go up five dollars, the fact that building increased ten per cent, would not show any quantitive relation to that. Sometimes when building increased ten per cent, prices might go down two dollars; and other times they might go up ten dollars.

Q. You are speaking of prices. That chart compares the new building contracts and the volume of new orders?

A. Oh, yes, this chart hasn't the prices on it. Of course, the building contracts awarded is not an index to the orders for Maple lumber except in a very remote degree, for the simple reason that the building index shows all kinds of building irrespective of the kind of lumber.

Q. Would it be true, though, that normally as building increased there would be more orders placed for Maple flooring?

A. It would.

Q. But is there such a close relationship between the two, that that would be any evidence of control of prices?

A. Absolutely no quantitive relation that could be measured at all.

Q. I take it then, you would not consider that the mere similarity of trend would be indicative of any such thing as control of prices or lack of control?

A. I would not.

Q. As a matter of fact, you consider that the two trends are very [fol. 1426] closely similar on that chart.

A. This has been corrected by seasonal variation. In 1917, for

example, the volume of new building decreased at a very high rate. I don't know what the extent was, because it doesn't show on here; it shows somewhere else perhaps. The new orders decreased at a smaller rate, a less rapid rate. Another time, in 1920, the construction decreased almost perpendicularly and the new orders decreased at a slant. Of course, there is a natural lag in this proposition because there is a relation between the new building and the new orders, but one that cannot be measured on the figures available, cannot be measured quantitively.

I would like to state at this point a general proposition that might be of some value. These charts are of three general kinds, scattered through first one kind and then the other: one, where prices of Maple flooring are compared with the prices of other products. This is a thing that I would not do in trying to ascertain the causes of the changes in price, because the relation is too remote; they are not the cause of each other, but both of them are caused by the process of the various commodity changes in that way, caused by an infinitude of business practices and causes too numerous to analyze. That is one series of the charts, comparing the prices of the products with the prices of other commodities. That, as I say, is used in the charts not only by the Harvard School, but also by Mr. Babson, I think; perhaps he does not use it, but he uses the figures to show the probable business trend, that sweep that goes on, disregarding the minor changes. They are of some value in that, perhaps.

The Court: I don't think I understand that, Mr. Arnold, your statement as to this chart number 12. Do you understand the line [fol. 1427] representing "new orders booked" is a price line or a volume line?

A. That is a volume line on this chart. The price line is on another chart, 14 I think.

The Court: And the volume of new building certainly is a volume line?

A. Yes sir.

The Court: You are comparing the two volume lines or a volume and trend?

A. Yes. But, in the index numbers you see, as an actual fact, the volume of building might have changed to any extent, and this line would not reveal the quantity at all; it only reveals the percentage of change in the volume.

Mr. Johnston: The rate of change?

A. The rate of change.

Mr. Johnston: That is all the chart tries to do?

A. All I said about this chart was that the lines show in themselves that there is no quantitive relation between the two factors. Even if you had them both in dollars there would not be.

The Court: If you start with a certain basis, and then represent the trend in percentages, why are you not getting a quantitive?

A. Not a quantitive cause and effect proposition. Of course, this is supplementary to chart 14, I think it is, which does show the price. The lines themselves, show that there is no exact relation

between the volume of new orders booked and the volume of new building, because the rate changes at varying slants. You see there are two propositions, What made the price change—or take this, what made the new orders change, or what made the volume of [fol. 1428] building change? And the other is, what are those factors?

The Court: Suppose the volume of new building increased fifty per cent within a given time, steadily increasing, for an illustration, and you find that the volume of new orders increased fifty per cent and steadily, isn't it fair to infer that there is a relation between two two?

A. Yes, sir; but as I said, this chart does not show that?

Mr. Fowler: The lines should run parallel.

Mr. Johnston: The slant of the line would be the same; it would not necessarily run parallel if they were both fifty per cent.

A. On a logarithmic chart when the change is the same, the slant is the same; you can turn the paper anyway you wish, you don't need this cross line; if the slant is the same the change is the same.

Mr. Johnston: It doesn't matter how long the slant is compared with the other?

A. But you must compare them for the same month; not a slant in this month and a slant in another month.

Mr. Johnston: Each one of those checks represents the month?

A. Yes, and I say this chart does not show that, because you can see how the line slants differently, like in 1920, the white line drops perpendicularly and the yellow line goes off this way. I do not say there is no quantitive relation; there is no exact quantitive relation on this chart.

Mr. Johnston: It isn't intended to express that. It expresses the rate of change just as you stated, not quantities.

A. All right; the rate of change is shown to be not the same on that chart by very casual inspection.

[fol. 1429] Mr. Johnston: Of course, I differ with you on that.

The Court: Very well.

A. The second charts included in here, besides price comparisons, are the comparisons of the price with its component parts, such as the price of Maple lumber and the manufacturing and selling cost.

Now, I may state that in our study of the causes of high prices, that is one of the main things, because it is the component parts which have an exact quantitive relation to price. In other words, the price of the hard lumber, the manufacturing and selling cost, and the profit, show the price. You can draw a chart and show them down to one millionth of one per cent. Those are the things we pay more attention to. The other statistics are of subsidiary importance.

In this study, charts 19 & 21 take up that particular phase of it in a very incomplete fashion.

The other class of charts is the one we have been just talking

about, the supply and demand comparisons, and in there even though there were an exact quantitive relation between supply and demand, I would still in my investigation attempt to find out what had affected supply and demand before it was put on that chart; in other words, supply and demand might run apparently all right, but if one of them, supply, has been affected first, I would want to know it. In other words, I would go behind the figures and find out the cause. Those are the three general types of charts. All of them, except 2 are on the comparison of prices which I call type one, interesting for your cyclical trend, but not of much importance when you are looking for the causes why the prices were there.

The third type, supply and demand, is very valuable in your [fol. 1430] business forecast, in forecasting what will probably happen within the next two or three months, or five or six months, if some other factor does not come in and change it; but it does not explain what the factors are.

The second type I mentioned, comparison of prices with the component parts, that is, the raw materials, manufacturing and selling expenses, and profit is the critical and important comparison.

In these charts, I have been able to find nothing on profits, which may be introduced somewhere else in the case, but I have not examined anything but these depositions of Messrs. Gordon, Keehn, Vanderblue and Hettinger.

Q. With reference to those charts on cost of product, what factors are covered?

A. Chart 19 and 21 are component charts; 20 is merely an explanation of 19, it is of no importance, but exhibits 19 and 21 are component charts. They should have been on the same chart, and profit also should have been included.

Exhibit 19 is a chart showing comparison of indices of the prices of the product of the M. F. M. A. and of the Michigan mill prices of raw material, rough Maple lumber, 1913-1923. It is index numbers on the logarithmic scale.

The chart 21 is a chart of the same nature, showing average manufacturing and marketing costs, but not including the raw material.

Q. What do you consider the effect of showing in that manner merely showing the two factors of average manufacturing and selling cost and the price of the raw material?

[fol. 1431] A. Both of those charts, 19 and 21, are on index number basis. Charts 19 and 21 show two of the three component parts of the prices of Maple flooring; chart 19 showing the price of the raw material, Maple lumber, and chart 21 showing the manufacturing and selling expense. The third component, which is not shown, is profits. If all three were shown there would be an exact quantitive measurement of the three factors of prices. The component parts in such comparison as this should be in dollars and all the component parts should be included, otherwise such charts are excessively misleading. For example, suppose in

chart 21 that Maple flooring prices averaged $72 per thousand; that Maple lumber cost averaged $48.00 per thousand feet, allowing for waste in sawing and manufacturing, and selling cost averaged $20 per thousand feet; suppose in 1922 the corresponding figures were $75, $45 and $19; then the percentage changes in Maple flooring prices, Maple lumber prices, and manufacturing and selling costs, would hardly be noticeable, especially if each were on a separate ten-year logarithmic chart, as there would be changes of only four per cent of Maple flooring prices, six per cent in Maple lumber prices, and five per cent in manufacturing and selling expenses. But, the effect on profits would be that in 1921 the average profit was $4.00 per thousand; that in 1922 the average profit was $11 per thousand feet, or an increase in net profits of 175%. It should be noted also that the mere fact that the price line, or Maple lumber on chart 19 is sometimes above the price of the product; also that the average manufacturing and selling cost line, which is on another chart, is sometimes above Maple flooring prices, does not necessarily indicate a loss. These lines are based on index numbers and not [fol. 1432] dollars; therefore, they do not show fully the levels, but only rates of change, although Mr. Keehn has apparently been misled in this regard. On page 39 he said, regarding chart 21, that practically through the whole of 1921, the two indices were upon approximately the same level, and both declined at the same rate. Nevertheless, for all the chart shows, the Maple lumber, manufacturing and selling cost might have been forty five dollars per thousand, the price of flooring sixty dollars per thousand, a decrease in the same proportion—as the chart shows proportion only—thus leaving quite a sizeable profit. These two charts are quite misleading in the way they have been used.

Chart 20, which is not a component part, is put on a dollar basis. A chart which shows the comparison between the price, f. o. b. mill price of Michigan and Wisconsin, and rough Maple lumber today is of no importance as a chart.

Mr. Johnston: That is for a special purpose, isn't it?

The Court: For practical purposes of this case, ought not charts 19 and 21 to be combined?

A. They ought to be combined.

The Court: In order to get any results?

A. Yes, sir.

The Court: That are valuable.

A. Yes, sir; for this reason, if I may use an illustration, these charts by reducing everything to the index number basis, of course reduces them all to a hundred, you are familiar with that. That means, in addition, what the magnitude of the number is for comparison of prices, and supply and demand factors as used in the [fol. 1433] other charts; there is no harm in that, because we don't care what the magnitude is, but for a comparison, to show whether or not there is control of price of what the causes of the price changes are, you want the component parts, which are of course—there are three main ones; they show two and the other is of course profits,

which is derived from adding these two together and subtracting it from the prices.

Now, Maple lumber is started here at a hundred; Maple flooring is started at a hundred. Even if they change exactly, if the red line and white line coincided, and on the other chart the two lines coincided for the other costs, the increase in actual profits would be about 400%, because rough lumber started on a lower basis, and there wasn't much per cent of change at a smaller amount of money. If all costs increased a hundred per cent and prices increased a hundred per cent, profits also increased a hundred per cent. The example that I have used may not be very clarifying, but it is short.

Mr. Johnston: Do you understand the purpose of those charts is to show profits?

A. I read the testimony on these charts and I am stating what the charts should show if they are to explain the cause of the change in prices, and also how these charts are deceiving, as they have been used in the testimony, to show not only rate of change, but they have sought to use a level of prices, frequently when they should have referred to only rate of change.

I may say in this particular connection that logarithmic charts were first used by engineers who deal with quantities having exact [fol. 1434] relations. For example, the beam in a bridge or building, the stress on it is proportionate to its length, breadth and the weight to be put on it. They were used for a long time by engineers and they expressed exact quantative relations. They were adopted some years back by economists and statisticians for the purpose of showing price comparisons, and in that respect they are all right, although the arithmetic chart in most cases is just as good. However, in using a chart of this kind, especially with a vertical range and index numbers, and trying to explain the causes of the change in prices where there are component parts, is not good practice. Such charts should show the actua price, or you can reduce the price to a dollar, if you want to, and say all component parts cost fifty dollars, profit was twenty-five dollars and price was a hundred dollars. Then in the next period, cost was thirty dollars, profit twenty dollars—manufacturing cost twenty dollars and profits fifty dollars, making a hundred dollars, and I want to call your attention particuarly to the fact that these two charts, 19 and 21, are made on that index, which is not correct. The vertical line is the index number. I want to call your especial attention to the fact that that is quite misleading to use a chart in that form and fashion.

Q. Some evidence was introduced this morning as to per cent of profits on yearly sales, would that supply any element that you think should be shown in order to have importance?

A. That was a very common business practice and also was used by the Government to certain extent prior to the war when prices did not change much and comparison between rate of profit on prices was a very fair comparison but the war increased prices so much that it became a comparison that was not only useless but misleading. The only fair comparison when you are trying to find out what are [fol. 1435] the causes of increase in prices is to take a yard stick that

does not change with the price, that is the capital invested, the rate of return on capital invested is the figure we use, and I may say in many investigations where a company or a series of companies make more than one product it is necessary to allocate the investment to that particular product as well as the costs and the prices as was done here this morning.

Q. Will you refer now to exhibit 15, table of commodities of relatively higher peaks?

A. Yes, sir, commodities which at a higher relative price peak than the product.

Q. How many commodities are shown in the tables from which those were taken at lower price peaks than maple flooring?

A. The commodities in this table were taken from the wholesale price bulletin of the United States Bureau of Labor Statistics. Now that volume has in it *to* series of commodities, it is 450 commodities for which it shows prices. It is 404 commodities which it combines to show the average index, the commodities selected in this table having been taken from the 450 commodities, except the last item, shoes, leather glazed kid, top grade from Brazilian skin. That is not in the Bureau of Labor Statistics Publication and so far as I could read in the carbon copy of Exhibit 8, in this Gordon-Keehn exhibits, it is not in there. Those are the 404 commodities which are combined into the index number. In making up this table he has used a table of 450 commodities for which detailed prices are shown, and another thing, quinine increased less than product and yet he includes it in table of ommitting quinine, therefore I think it is shoes which don't agree, that would leave 19 articles here with a [fol. 1436] higher peak which would be about 431 with lower peak.

Q. What can you say as to the comparative importance of some of these commodities having the higher peak price?

A. Some of the commodities in here are insignificant, one inch augers, door locks, iron steel butts, muriate of potash, potash caustic, bleaching powder, formaldehyde, quinine, which ought not to be in, and bed ticking.

Q. Are those given weights in the table?

A. In the publication of the Bureau of Labor Statistics each article is weighted in proportion to the value of all the 404 articles included in that index. I compared these articles such as occurred in those 404 and found that some of them had these percentages, muriate of potash, less than .01 of 1%. Potash caustic less than .01 of 1%. Bleaching powder .01 of 15. Formaldehyde .01 of 1%. Quinine .01 of 1%. Hops (Pacific Coast) .02 of 1%. Bed ticking .02 of 1%.

As I stated before, the items one inch augers, iron steel butts and door locks are not included in the weights, they are apparently too insignificant to include in the weighted index.

Q. Which of the commodities on that list, those having a higher peak price has the highest weight in the table?

A. There is only one of these 20 commodities here shown that has a weight greater than one-half of one per cent and that is California crude petroleum.

Q. What can you from your personal knowledge state as to the causes controlling the prices of that product?

A. The Federal Trade Commission issued a report on the California oil industry in 1921 covering the causes of the prices, increase in prices in California crude petroleum and that report will show [fol. 1437] what the results of that of that investigation were.

Q. Is that the report to which you refer?

A. Yes, sir.

Mr. Thompson: I will just introduce that in evidence and not stop to read from it, refer to the pages which show the conclusions.

A. In the letter of submittal sent by the Commission to the President of the Senate and in the summary of the report certain paragraphs show the results of the investigation, the details being shown over in the back, that is shown on pages Roman numerals IX and X, and pages 2 and 3.

Mr. Thompson: We offer those pages in evidence.

(Pages marked Gov. Ex. 70½ and received in evidence.)

Q. Turn to Ex. No. 16, what does that table show?

A. This table shows some wholesale commodities whose prices had a higher average level than the level of maple flooring prices during the period 1913-1922 inclusive.

Q. Do you consider such a comparison as of any importance in determining the causes for the prices of maple flooring?

A. It has absolutely no bearing on the question as far as any investigation I have made would be concerned.

Q. What is the source of the commodities appearing on that table?

A. The source of the commodities in this table in the wholesale price bulletin of the Bureau of Labor Statistics of the Department of Labor, United States Government, the number is not given of the Bulletin.

Q. How many commodities listed in that bulletin show prices [fol. 1438] lower, average prices lower than the price of maple flooring?

A. Well, 146 from 450 would leave 404—no, 346.

Q. Does the table as set out in that exhibit give 146 separate articles?

A. The title is commodities but the thing actually shown are different articles under general commodity heads. An inspection of page one will show what is meant by this. It will show that furniture is counted five times—well, on the first page wheat is counted five times, flour is counted five times, furniture is counted five times, boots and shoes counted nine times, woolen good counted fourteen times, cotton goods are counted twenty times, iron and steel products are counted 18 times. This accounts for about 76 commodities of the 146, 76 articles which are listed as 146 commodities.

The Court: For instance, we have on the first page as you say, five, wheat is counted five times?

A. Yes sir.

The Court: Giving the market prices at——

A. Different grades and different marks.

The Court: At four different places, or different grades, Chicago, No. 1, Chicago No. 2, Kansas City No. 2, Minneapolis No.1 spring wheat and Portand, Oregon.

A. Most of the other commodities are grouped according to varieties and grades and sizes rather than geographically.

The Court: You would expect those different quotations to run in parallel lines or nearly so, wouldn't you?

A. Yes, sir.

The Court: In a commodity like wheat.

A. And the use by the Bureau of Labor Statistics to properly [fol. 1439] weight the article, it is all right to use them, but I called attention to the fact the way they are grouped, 20 articles in cotton goods, I believe it was, naturaly they all moved about the same.

Q. Turn next to Keehn exhibit No. 28. State what that purports to represent.

A. Table 28 is a chart showing comparison of f. o. b. mill prices realized by reporting members of M. F. M. A. showing lack of uniformity in March 1920, March 1922. The table is a bar chart, arithmetic, dollars.

Q. Comparing with the previous chart, do you consider that those were normal months that were selected for that comparison?

A. A reference to chart 29 which shows one mill having the highest cost marked high, and the one mill having the lowest cost marked low. It is apparent that throughout most of the period 1913 to 1923 the high and low were almost the same distance apart and this is a dollar chart except in 1920 when there was a spread of $50.00 between the high and low and in October 1921 when there was quite a little spread and again in March 1922 when the spread broadened out again. The three greatest spreads are 1920, March 1920, or April, I can't tell from this chart, close to March, October 1921 and March 1922. The other months except for about three or four months in 1920, October 1921, and March 1922, show the spread between the highest and lowest mill to be only a few dollars and about the same, so I would consider that March 1920 and March 1922 were not selected, could not be selected as representative months for that ten year period, especially March 1920.

Q. Turn next to Ex. No. 29 and state what that represents and compares.

[fol. 1440] A. Well, that is the one I just described, I am describing them both together.

Q. That was 28, was it not?

A. I was describing 29 in connection with it.

Q. My numbering is wrong, which is the one in reference to the cost and the price?

A. You finished with the bar chart?

Q. Yes, that is all you had on that, was it?

A. Why, only one thing, on chart 18 in March 1920 mills 3, 5, 14 and 30 are the middle group of clear, show a variation of almost $25. from the high to low. If we take those same mills in March 1922, 3, 5, 14 and 30, omitting 26 which was not shown above, the

high can scarcely distinguish any difference in the height of 3, 5, 14 and 30, they are practically the same height, 26 was not shown in 1920.

By Mr. Johnston:

Q. You say that is true in March, 1922?

A. Yes.

The Court: That is to say, scarcely any difference between 3 and 5 and between 14 and 30 but as between 14 and 3 there is a distinct difference, is there not?

A. In the height?

The Court: Yes.

A. There is a slight difference, probably fifty cents, I can't tell on the chart exactly but it is very small. Maybe you haven't got the same chart I have.

The Court: Perhaps I am looking at the wrong chart.

A. The clear grade.

By Mr. Thompson:

Q. Of course, there is a difference in the heights, the principal [fol. 1441] thing there was the selection of the months?

A. Yes.

Q. In the other chart those months show greater differences than normal, 29 I think is the comparison of the average costs with the average prices realized.

A. I explained the white lines on 29. The red line is marked Average Cost.

Q. I will ask you whether the cost line on that chart shows any change in average cost corresponding to the statement of average cost put out by the Association under date of January 6, 1921, which is Gov. Ex. 34?

A. Table of values dated January 6, 1921, shows clear at $105. The chart has the red line on a continuous level from about February or March 1920 to about September 1921. There is no change in direction in January corresponding to this sheet you show me.

Q. I haven't the exhibit here, just before you took the stand there was produced an exhibit which gave a determination of average cost in November, 1920, is that shown on the cost line?

A. There is no change on the average cost line here in November, 1920.

Q. Or is there any change in the average cost line for the determination of average cost published by the Association under date of May 21, 1921, which is Gov. Ex. 34-A?

A. This shows the clear at $85.00. The chart shows it on the same date at $154. or $155. No change was made on the chart at that point.

Q. Turn to Ex. 18.

A. Yes, sir.

Q. Do you notice the difference in the trend of the several lines [fol. 1442] on that chart?

A. This chart compares the rate of change in the index numbers of oak, Arkansas soft pine, Southern yellow pine, Douglas fir and the products based on March 1919 to May 1923 as 100, in this case the basis has been changed from the basis ordinarily used heretofore for the 100, which was 1913 or the first year they used, and in this case the change of the base has a tendency to group the lines together from the middle of the chart to the end of the chart and to disperse them in the beginning of the chart from where the comparison starts to be made. One effect of that is to throw the white line down at a much lower point than the other four lines. Attention should be called to that so that it will be noted that the white line moves up much more rapidly than the other lines because it covers a greater space.

Q. Was there a lag in the movement of white line on that chart?

A. There is a distinct lag in the movement of white line as compared with the Arkansas soft pine and the Southern yellow pine and Douglas fir, the lag is not so apparent in regard to oak.

Q. To what might that lag be attributed?

A. That might be attributed to the same cause I stated before, because these are all prices not depending on each other, therefore it is not a cause of lag but apparently due to some difference in securing or tabulating the figures such as the product being average price realized and the Douglas fir, Southern Yellow pine and Arkansas soft pine perhaps being market quotations. I don't know, because it is not certain in the testimony what they are, although they are *set* to be taken from lumber publications which ordinarily show quotations.

[fol. 1443] Q. And the average price of sales for the manufacture being used for the white line you nevertheless consider that there would be a lag between the lines which were made from average quotations?

A. My experience in industries I have been in is that you must allow for that lag because of the fact that orders are accepted even if they are sent in a little late, if you have got a good customer at the prices you quote before the price changes.

Q. Turn to Ex. 24. One other question first on the previous exhibit in order to assume——

A. This is on chart 18?

Q. Yes, that is a comparison, is it not, with the other competing floorings in order to properly argue if it can be done at all with a similarity in the trends of those curves, proves that the price of maple flooring moved solely in response to the operation of law of supply and demand, what must be assumed with reference to the other commodities.

A. It must be assumed of course if that comparison is to be valid that the other commodities were not controlled.

Q. What can you state as to the control of the other commodities or any of them?

Mr. Johnston: That is objected to unless this witness is in position to state from actual knowledge as to the control of prices in

other commodities, I don't think that is a question upon which he could give opinion any more than he could express an opinion today that the price of maple flooring is controlled, clearly not a question for expert witnesses to testify upon.

Q. I will withdraw the question temporarily. Has investigation been made by the Federal Trade Commission which would cover that subject?

[fol. 1444] A. No investigation so far as I know has been made of flooring prices. The investigation was made of lumber prices of which the prices are shown in chart 6.

Q. Would flooring be included in the lumber prices shown?

A. Flooring is not included in the investigation so far as published, it was an investigation of lumber prices which are shown in chart 6 in this exhibit 6.

Q. What you said with reference to this exhibit also held true with reference to the comparison made in Exhibit 6?

A. Yes, it is perhaps a platitude to state that when one thing is to be compared with another to show that a certain thing does not exist, it must be assumed that that particular factor does not exist in the other commodity compared.

Q. Have you that report that you referred to here?

A. Well, this is a report of the Federal Trade Commission on lumber manufacturers, trade associations published in 1922 and covers the National Lumber Manufacturers Association, Southern Pine Association, Manufacturers of Southern yellow pine lumber; West Coast Lumbermens Association, Manufacturers of Douglas fir lumber; Western Pine Manufacturers Association, Manufacturers of Western White and Yellow Pine; Northern Hemlock and Hardwood Manufacturers Association, Manufacturers of Hemlock and Hardwoods in the lower peninsula of Michigan; Northern Pine Manufacturers Association, Manufacturers of Minnesota and Wisconsin Northern pine; North Carolina Association; Georgia-Florida Sawmill Association; Southern Cypress Manufacturers Association, manufacturers of cypress lumber; California Sugar and White Pine Manufacturers Association; Redwood Manufacturers Association, manufacturers of California redwood.

[fol. 1445] Mr. Thompson: I offer that in evidence.

Mr. Johnston: We object to it as incompetent, irrelevant and immaterial to any issues presented in this case.

The Court: It may be received subject to the objection.

(Marked Gov. Ex. 71 and 72, and received in evidence.)

Mr. Thompson: We objected to all of this so-called economic defense as being immaterial. One reason for that is in order to carry it out to arrive at any logical conclusion it would be necessary to try a multitude of law suits in the one lawsuit; the whole theory of that is based on the comparison and movements of the prices of this product with the movements and prices of other products, in order to combat that of course it is necessary to introduce evidence

showing that the prices of some of the other is perhaps or certainly were controlled also by combinations.

Q. Turn now to Ex. 24.

A. Yes, sir.

Q. State briefly what that chart shows and what effect should be given to it in your opinion.

A. Exhibit 24 is a chart showing the relation of the prices to the demand and supply of the products of M. F. M. A. indices of unfilled orders and stocks on hand, of identical 15 members of M. F. M. A. Corrected for seasonal variations and index of the prices of the product of the M. F. M. A., corrected for decrease in the value of the dollar. Monthly 1912-1923. Index numbers. Logarithmic scale.

Q. What is the effect of this deflating of the value of the dollar?

A. Deflating the value of the dollar is permissible in comparison of volumes where you want to measure the volume of sales of the product, the quantity of the sales of the product and you have only [fol. 1446] the sales in dollars, but this is the first time that I have ever seen it done, that is a commodity under examination reduced on any such basis and it is not necessary statistically speaking that it should be done, if anything is to be deflated the other two items on here could be changed because the price is what is being examined, not necessary to change that, if you want to put the other two items on the same basis you can inflate or deflate the supply and the unfilled orders, when you can inflate or deflate a thousand feet just as well as you can inflate or deflate a dollar.

Q. What does that deflation of the value of a dollar presuppose in such a charge?

A. That presupposes that if the price of the product under consideration increases or decreases in proportion to the general index number, that that commodity is justified in being sold at those prices irrespective of conditions in that particular industry. In other words, tires at the present time, automobile tires and automobiles are selling at much less price both relatively and absolutely than they did in 1913 and 1914 in some cases or at least in 1915 and 1916. Now if they were to combine and increase the price of tires to the price of all commodities index number then the same argument would prove that those prices were not controlled because they were the old commodity or at least that it was justifiable to control them to that extent, it was reasonable to control them to that extent. Deflating value of the dollar of a commodity under examination is a dangerous practice, especially when the chart could have been made by deflating or inflating the other items and main- [fol. 1447] taining the absolute comparison of the price of the product.

Q. State briefly whether you think any argument can be adduced from the similarity of the lines in this chart.

A. Now this says, the relation of prices to demand and supply, and I want to point out again that that of course is only a relation, where there is any relation, is a relation of rapidity of movement and

not a quantitative relation that would have any exact effect on price, however, it is apparent that the lines don't always move in conformity to the relation in any case. For example, usually prices went up when unfilled orders exceeded the stocks, but they didn't always come down in any proportion certainly when stocks exceeded unfilled orders, for example, during the last half of 1918.

Q. I think that covers the charts now. Is there any that I have omitted?

A. I have them listed here, that is all that I have of any importance on these charts and on Messrs. Gordon and Keehn's testimony.

Q. By way of summary of this matter, will you state briefly your ideas as to the factors that should be considered in such an investigation as this and those which have been considered and covered by these charts and other exhibits and your opinion as to the validity of any arguments based on them.

A. The information that has been used in general in these charts to ascertain whether or not there was any control of price have been price relations with other commodities and two of the factors and [fol. 1448] two of component parts of the price of maple flooring, and then also certain supply and demand factors such as building construction, new orders, stocks and supplies on hand and production. No study in this deposition apparently was made as to the production costs and profits of the individual mills, or even an average cost for all mills, although an average for all mills is of little importance; nor has any study been made as to whether or not any price agreements, curtailment of production agreements, division of customers' agreements and so forth have been made, and yet all these things are essential to any study of the causes of the movement of prices. Supply and demand are merely the trail that has been left by these causes and do not explain what the causes were.

Q. With reference to these price charts in general, what do they show and what can they not show?

A. With the exception of 1921, which were a stab in the right direction but were not made on the right basis nor did not include the right figures, the other charts are such charts as are used in general study of business trend over long periods of time, as I said before, to forecast, such as the Harvard Business School and Mr. Babson and others in the country get out, you see the charts in the papers sometimes.

The Court: Let me ask you this question: From your experience in research work is it not true that unless there is an absolute monopoly and thus an absolute control, will not the general trend of prices of any commodity be in accordance with the law of supply and demand—now I mean by that the trend?

A. The trend will be, yes, sir. Do you want me to state the reason?

[fol. 1449] The Court: Yes; I have in mind my own reason.

A. Perhaps it is not necessary.

The Court: I will ask you to state it.

A. The reason as I see it is the impossibility of making a quanti-

tative measurement of the effects of the various causes. In some industries, as sales go up, that is, the demand goes up, the price goes up the price goes down, Henry Ford's automobiles, for example. In others it goes up. You can't measure it by a mere study of the figures on the same proposition, if the price goes up ten dollars the day after a price agreement was made to put it up ten dollars, you can't prove that all the ten dollars was due to the price agreement, because it might have gone up some anyway, it might have gone up all of it anyway, it might have gone up more anyway. You can't tell quantitatively and it is a psychological factor that cannot be measured with mere figures. There is a psychological proposition both on the demand and on the supply of different factors connected. I have somewhat of an answer to that here, do you want me to put it in?

Q. You might just read that into the record.

A. First I will say that it has been taken as granted all through these charts in argument that if you show supply and demand moved in the same direction and at somewhat the same rate of prices, that shows there could be no control. There has been a sufficient attempt to analyze the forces behind supply and demand. Price charts are merely maps to find your way about or to pick out where the roads lead, will show the course, prices and so forth have taken, but they do not show the proportion, the various causes bear to each other, [fol. 1450] or to the prices. The one task is to analyze the various causes for the prices, taking that particular course that they did take, and to ascertain how much effect each cause had on that force, that is the price charts. Now supply demand charts do indicate why prices change at particular times, but they do not show the reason for the extent of the change due to particular factors of supply and demand. In other words, the phrase, "Supply and demand" means nothing until analyzed. It is merely a convenient phrase to describe the algebraic equation of business where in the long run supply X plus price Y always equals demand Z, and makes it so because sales and purchases in the long run must equal. On analyzing supply it is found that it may contain both natural and artificial factors. The more important factors of supply are available, quantities of raw material, prices of raw material purchased, wages, expenses, freight and competition. The more important artificial factors are concerted price agreements, agreements to curtail production, agreements to apportion sales, agreement not to sell to price cutters, agreements to pool profits, and unfair methods of competition of various and numerous kinds. In other words, to restrict or prevent the natural factor of free competition. If any of these artificial factors be present, supply and demand may still function according to the economic theory of cyclic trend, but the supply has first been artific-ally affected, and the result of this artificial factor runs into and becomes mingled with the natural factors of supply and cannot be disentangled or unscrambled any more than a bad egg in an omelet can be separated, especially after the omelet has not only been stirred but has also been cooked.

[fol. 1451] It has been my experience in the Bureau of Corporations and the Federal Trade Commission, that it is impossible as a practical matter to show by statistics alone whether certain price changes have or have not resulted from combinations or price agreements.

The important thing because supply and demand can be affected by artificial forces of course in conspiracy as well as by natural forces in competition and of course in an opposite direction; in regard to using index numbers it cannot be too strongly urged that using these charts to illustrate the effect of supply and demand upon prices. It must be kept constantly in mind that such charts merely show the direction and rate of the change and not the extent or magnitude of the change.

An attempt has been made by means of various charts indicated as exhibits in the testimony of Messrs. Gordon and Keehn to show that other causes than concerted action or control, have been responsible for the extent or magnitude of changes that have occurred in the prices, production and stocks of maple flooring. To do this it would of course be necessary to account for one hundred per cent of all changes in prices, production and stocks as being due to other causes so as to leave nothing for the control cause to effect, but this has not been done, no such exact quantitative effect is shown by any of the charts, only trends and especially cyclical trends are shown which is attempted to disprove control by ignoring it, by the same method it could be shown that costs of production have no effect upon prices of maple flooring. Merely omit costs and state that the other factors show the same trend of movement as the prices show, [fol. 1452] which would probably be true, and it would be proven that cost don't affect prices. The only statistical statement that would be of much value in regard to whether prices of maple flooring are controlled or not, would be a comparison of the actual net profits of each individual member of the Association under consideration and of course even this would not be absolutely conclusive one way or the other, but would be indicative of the probable effectiveness or noneffectiveness of such control. Of course in securing such figures for profits and investments and the costs upon which they are based, it would be necessary to have them audited by independent accountants, otherwise they would be of little value, as the mills keep their books doubtless in different forms and many of them not corresponding to the best accounting practices, it appearing that certain elements which are ordinarily considered profits are included as costs in many cases.

Q. Just one other question——

A. I have just one more paragraph to read and then I am through. I read the one about Jack Dempsey, didn't I?

These charts used in these exhibits do show roughly that stocks and production and unfilled orders at somewhat the same trend of movement, but as so often stated, no exact quantitative relation is shown between them. Supply and demand must be equal of course in the long run, which merely means that if supply is curtailed in

any manner, demand will also be curtailed eventually by reason of increasing prices, or if prices are increased through artificial means, then demand will eventually be curtailed also because of the high prices. Supply and demand could be equal in the long run in an [fol. 1453] industry controlled by an absolute monopoly. It is inconceivable that an absolute monopoly would not vary production from time to time to correspond with prospective demand, especially where there was a wide fluctuation in business conditions as between 1916 and 1920, and that their stocks, production, and shipments would not trend in the same direction as the various elements on these charts trend. This of course is elementary. The important question, to reiterate, is whether prices, production and stocks, or any of them, are controlled by artificial means, and this cannot be proved or disproved by the general trend or movements of index number or percentage charts, or even by quantity charts which do not show the component parts. In connection with the use of the index chart and the logarithmic charts, I might say that in connection with the example I gave before about engineers having used these charts first for exact quantitative relations when economists and statisticians produce unequal masses—no, cut that out. Unequal masses moving at the same speed don't have the same momentum, and these index number charts compare unequal masses by their speed, the trend, and not by their momentum, quantitative relation, by reducing every factor to the same mass index number 100 there is produced the illusion of exact quantitative relation but not the reality. By reducing Jack Dempsey and the fast featherweight champion to the basis of 100 index numbers and counting the rate of the number of blows struck but not the power behind them, it could be proved that the featherweight could whip Dempsey, if you show merely the rate of increase of the number of blows and not the quantitative relation, which would be the speed of the blow multiplied by the weight behind it.

[fol. 1454] In connection with what you have just stated, your Honor, I might add this, that in describing these charts and these trends, and so forth, I have not been criticising their use in connection with this so-called cyclical trend which merely is a guess, and something that is necessary, however, in the business, because it is a little better guess than a guess based on nothing. It has not been perfected up to this time, however, to any considerable extent. What I am basing my remarks on is solely whether these charts and the comment on them, prove that there was not control. I do not argue on the other side that the charts prove there was control, because you cannot prove that by charts, you can't prove it either way. I wanted to bring out the point that I was not criticising the use of these charts for the general move and forecast of business in this cyclical trend. Neither am I proving it. I am just leaving that to one side because I think it has no bearing on the question of control to which I am testifying.

The Court: There is one more question: Is it true or is it not true that price levels may be lifted by artificial control and at the same time the general trend not be affected? Perhaps I don't make my-

self plain. That price levels may be lifted over a considerable period of time by artificial means and at the same time the trend remain the same, the general trend?

A. The rate of trend?

The Court: Yes.

A. Yes, sir; the rate may be due either to the control, partly to control, partly to natural factors, or entirely to control, if that is what you had in mind.

[fol. 1455] The Court: In a number of these charts that have been introduced as Exhibits, the lifting of prices under such circumstances as I have stated, would not appear would it?

A. It would not cause a change in the line necessarily, no, if that is what you mean.

The Court: That is what I mean.

A. It would not cause a bend, that would mean if that control had not come in the line would have bent down or would have bent the other direction.

The Court: No, if control were removed there would be a bend in the line?

A. Yes.

The Court: But if the control is maintained, there wouldn't be any bent in the line, would there?

A. No, it would continue, the law of physics, I believe, is that it would continue in the same direction indefinitely, until operated upon by new forces it would not change the direction.

The Court: That does not quite answer my question because I have not quite made myself plain. If the same force artifically applied——

A. You mean the control is continuous?

The Court: When the control is continuous then the line would bend according to natural laws, would it not, natural economic laws?

A. There would be one constant factor and the movement would then respond entirely to the other changing factors.

The Court: And thus, there would not be any change in the trend line, would there?

[fol. 1456] A. There would not. Also I might state that for the period taken as the base, 1913, if there were control in that period, and it starts on an artificial basis, of course then the line could move in response to the other factors without showing any effect of this control. If the control was about as effective in one period as the other, if one force didn't change, the direction would be changed entirely by the other forces. I don't know whether I get your point exactly on that or not.

The Court: I think you do.

The Witness: But I have been through a good many of these things and have been bumped on the head by a good many of those things cropping up.

The Court: In other words, this would be true, would it not, the price level is raised and the same artificial force is applied continuously, you would expect then that that line of price trend would be influenced by the other causes, natural causes and not——

A. Exactly, and in an exact quantitative relation which, however, could not be proved. You can only show the effect of the total causes in figures. The other must be estimated. However, if the control element were constant, it wouldn't show at all, either in the increases or decreases or the rapidity of the trend of the line. Of course in projecting these lines for the study of business cycles, they assume that the factors remain constant, that is not true, but when they unite many commodities or lack of competition in one overbalance—or balance the combination in the other, speaking of any one commodity, however, of course that is not true. I think I have [fol. 1457] something here on that control.

The Court: I think the question has been answered.

Mr. Johnston: Shall I proceed, your Honor?

The Court: If Mr. Thompson is through.

Mr. Thompson: Yes.

Cross-examination.

By Mr. Johnston:

Q. Just what is your connection with the Federal Trade Commission?

A. My title is special agent.

Q. That work, I assume, involves investigations of various corporations and associations or individuals who are under investigation by the Federal Trade Commission?

A. It covers that, yes.

Q. That is the major portion of your work, is it not?

A. It covers, of course, investigations into published sources, we use the figures of other government departments that are applicable to the case rather than collecting them all independently. Such general figures as are available we use. Then we go and get the figures and the other information which is not available, elsewhere.

Q. In other words, you make, do you, a personal examination of these different corporations or associations that you are inquiring into, examine the witnesses as well examine the documentary evidence?

A. In regard to the investigations, made by the commission there is no examination of witnesses.

Q. I mean your investigation, just what do you do?

A. My work has been of three kinds, you might say, one is the [fol. 1458] study and preparation of statistical data, the other is the preparation and writing of reports, the other is the collection in the offices of associations and companies of various kinds of data.

Q. In other words, you are engaged in just such work as would be involved in an examination of a concern such as the Maple Flooring Association, by your department?

A. Yes, sir.

Q. You have been doing that for about twelve years?

A. Yes.

Q. I suppose when you have an investigation of this kind, you quite normally start off expecting to find some evidence of control of prices?

A. No, I found cases where there was no control.

Q. You are looking for that, of course?

A. We are looking for whether or not there is control, yes.

Q. You are shaping, in other words, your investigation along those lines?

A. Congress calls on us to report to them whether prices of oil, for example, have been increased by reason of combination, and naturally we attempt to answer that resolution.

Q. You attempt to find a combination?

A. We attempt to find whether prices were raised by a combination.

Q. You say that you prepare these price indices, such as the price indices which are used in Mr. Gordon and Mr. Keehn's report?

A. I said nothing of the kind. I might explain there that the [fol. 1459] Federal Trade Commission, the division of labor is carried out to some extent; I do not do the computations.

Q. You have seen them prepared?

A. All I do is to superintend the work and give instructions as to how it is to be done.

Q. Do you personally prepare any of these charts, or logarithmic scales, which are used by your department and the Department of Labor?

A. I may say, the Federal Trade Commission, so far as I know, up to the present, has not used logarithmic charts.

Q. You are aware other departments of the Government have in their statistical work?

A. The Federal Trade Commission may have used them. I say I am not ware of it up to this time. I will say this, that we make logarithmic charts, I have made them myself, in order to study the material; but when it comes to making a report, our reports are not intended for statisical experts, so we usually use tables, and perhaps some small charts.

Q. The Bureau of Labor Statistics have used those charts to a considerable extent?

A. The logarithmic chart is perfectly all right.

Q. Answer my question if you will.

A. All right. They use the logarithmic chart.

Q. You say the comparisons which you make between the prices of commodities, the all commodity index, lumber indices, is just to satisfy the curiosity of people, is that it?

A. I had reference to the fact that our reports are not mere economic trend development reports, but are specific.

Q. Whose curiosity are you attempting to satisfy in the whole report?

A. We are attempting to answer the resolution which Congress has passed.

[fol. 1460] Q. Then do you make these comparisons of price trends in various groups of commodities for Congress' information?

A. I think they have been made and put in reports, but not by me.

Q. Is it your view that these comparisons of price trends which are made to form a part of your reports, mean nothing?

A. If they are in a report in answer to a resolution asking for the causes of the increase of high prices, in a particular commodity, they have little value.

Q. They do show this, do they not, that one group of commodities has not decreased in its prices more rapidly than another group?

A. Yes, it shows—

Q. Or, where there have been advances in the price, I will say, of commodities which in this instance embraced four hundred and four different commodities, that if a single commodity moved along the same general line, it would show that the price of that commodity, so far as its advances and retirements were concerned, moved along the same line of trend, wouldn't it?

A. Yes.

Q. It would not show the quan-tative advance of that commodity, or any other commodity?

A. Nor the causes.

Q. The quan-tative advance would be of no significance?

A. The fact that——

Q. Just answer that; that quan-tative advance would be of no significance in determining anything about the fixation of price, in itself?

A. Yes, it is.

Q. Does the fact that the price of Maple flooring is higher in quantity per thousand feet than the price of a dozen shoes mean [fol. 1461] anything?

A. Not in comparison with shoes, but in comparison with costs.

Q. We are talking now about commodity comparisons; we haven't got to the question of costs. Does the quan-tative comparison of the prices of commodities have any significance? Would that amount to anything?

A. Personally, I like to see both the table showing the quan-tative and the chart showing the percentage, where you must have a percentage.

Q. Of what value is it to compare shoes and Maple flooring so far as the quan-tative advance is concerned?

A. I would not compare shoes and Maple Flooring so far as the quan-tative advance is concerned; I would not compare them in percentage.

Q. You would not compare them in percentages? Would you admit that the evidence shows in the specific instance the commodity which in this instance is Maple flooring, moved in the general line, upward or downward movement of all commodities?

A. It shows that; yes, sir.

Q. Whether that means anything or not, in the ultimate determination of the question of price fixation, it does show that relationship, doesn't it?

A. Perhaps I can shorten this some, if you wish, by making this statement:

Q. No, just answer my question, and do not enter into a speech.

A. I am not criticizing the use of the percentage chart.

Q. I don't care what you criticise; just answer my question, and we will get through.

A. All right.

Q. That is true of chart 6, then, which is the first chart that [fol. 1462] you considered, that that chart shows the movement of the price of Maple flooring in emparison with all commodity movements and is a correct comparison so far as showing the rate of change?

A. I think I claimed it was not correct, due to the fact that the prices were made on a different basis.

Q. You are assuming that the prices are different, upon a different basis. Did you prepare or secure the prices which go to make up the prices of the four hundred and four articles in the commodity index?

A. No.

Q. Those prices were taken from market prices, were they not?

A. I said most of them were.

Q. Those market prices were taken from trade publications showing actual sales,—that is to say, they were the sales during the preceding week of the given commodity on that market, to wit; lumber, isn't that so?

A. They were not average sales.

Q. Do you mean to say trade publications which show the quoted prices being received for various commodities do not represent actual sales?

A. It represents what the reporter considers the market price in many cases.

Q. Are you in a position to say that those trade publications do not publish the record of actual sales?

A. I base my remarks on monthly bulletins of the Bureau of Labor statistics, which has been put in, and the average market which discusses that particular question.

Q. Does it state where these prices are obtained?

A. It states in a certain place that if it could secure the average prices realized, that would be a better figure to use.

[fol. 1463] Q. Yes? But does that publication at the page which you have marked, purport to say that the prices which it has secured from the trade publications are mere guesses, or estimates as to the market, rather than market prices?

A. The comparison I made was this: irrespective of whether the average prices received or the quotations is the base figure to use, a comparison of them will show a lag.

Q. I understand perfectly what you said.

A. All right.

Q. What I am trying to get at is, how you know that the all-commodities index prices are made up of quotations and not of the records from trade publications of actual sales, as, for instance, the prices received by the Maple Flooring Association will be published

in a trade paper. That will not represent what you term a quotation, but it will represent a sale, will it not?

A. I used the expression "most"; I did not say all, because I had in mind that they do use the average net prices for a few commodities where they can get them.

Q. How many of those 404 commodities are represented by prices which are taken from actual quotations of sales, and how many from so-called quotations or offers?

A. The monthly bulletin does not contain that information.

Q. You are guessing at it then, that the proportion of them are taken from quotations, and not from records?

A. I didn't name any proportion.

Q. I understood you name no proportion, but you said that a few of them were taken from actual sales. How do you arrive at the conclusion that only a few of these prices were taken from actual sales?

A. From the description of the process given in the monthly [fol. 1464] bulletin.

Q. That process is described in the monthly bulletin, and is that they have taken these prices from various trade publications?

A. They have secured them not only from the trade publications, but also from the Board of trade, also business institutions, associations.

Q. Board of Trade, as you understand it, publish their actual sales?

A. They do not; they publish quotations.

Q. The grain exchange, for instance, do they not publish a record of actual sales?

A. They publish quotations.

Q. Do you call it a quotation when they record so many thousands of bushels of May wheat sold at so much?

A. They do not so record them.

Q. They do not?

A. They do not. I was down on the Board of Trade—

Q. I have had a good deal of experience with that, and I understand they do publish them?

A. The prices quoted, but not the quantity. I was down on the Board of Trade several months last year.

Q. In other words, what you are doing here, is to say that without any knowledge of the subject, except as you have read it from the bulletin, and except as you have read the general statement from the price bulletin referred to, that the majority of the prices embraced in the all-commodity index are prices which are taken from quotations and not from actual sales, that is my conclusion.

Q. Your guess. With respect to the lumber items, the Bureau of Labor statistics obtained most of their data as to lumber prices, from [fol. 1465] the lumber trade Associations, doesn't it? Isn't that so, that that is the source? In other words, the principal source of their prices for lumber which they use in their lumber price index is obtained from the Associations themselves?

A. Are you speaking about chart 6 now?

Q. Yes, about the item which is taken from the Bureau of Labor statistics, and entitled "Lumber."

A. I have no detailed knowledge as to how it is made up.

Q. Then you don't know whether those lumber prices are prices which represent just exactly the same thing which the product represents, namely, the prices realized for the month or not, do you?

A. No, I don't know what the prices realized represent.

Q. So, for aught you know the comparison between the product and the line representing lumber, which is lumber prices as they are taken from that price bulletin, may be upon exactly the same comparison, and if they are obtained from trade associations, they probably are, because that is the usual way to make them up?

A. If you put the word "if" in, I would answer yes.

Q. You don't know anything to the contrary, do you?

A. No.

Q. When you make an assumption that a converse state of facts exists, you are merely assuming that without any information to base your assumption upon?

A. No, I had such information as is contained in this wholesale price bulletin.

Q. Yes, but if doesn't say anything with respect to lumber there, which indicates that those lumber prices are not obtained from the [fol. 1466] trade associations, showing their average delivered prices during the month, does it?

A. Not that I recollect.

Q. Now, how long have you spent, how much time have you spent in the study of this particular subject of the movement of prices of Maple flooring?

A. Since November 22nd.

Q. November 22nd, 1923?

A. Thirteen days, I think it is.

Q. Have you spent all of your time on this subject since November 22nd, or have you been doing other things?

A. I think I have spent my time pretty much on this one subject.

Q. Have you ever heard of Professor Hettinger, know his work at all?

A. No.

Q. You don't know him as a statistician?

A. No.

Q. Have you ever heard of Professor Homer Vanderblue?

A. No, sir.

Q. Have you ever read any of his books on Economic subjects?

A. No, sir.

Q. Ever hear of his work on railroads—you have had something to do with them? Did you have anything to do with the investigation of railroad costs, or is that with the Interstate Commerce Commission?

A. That is with the Inter-state Commerce Commission; we have nothing to do with that.

[fol. 1467] Q. You have never had any occasion to investigate any of his books on general economics?

A. No.

Q. Or, railroad transportation?

A. No.

Q. Do you know any of the economists connected with the Harvard school of business—school of administration?

A. I know some Harvard economists, whether they are connected with that particular school or not, I could not say.

Q. I gathered from your remarks that you do not think much of the economists connected with that school, so far as their ascertainment of existing facts are concerned? You rather look upon them as prognosticators of future movements?

A. I made a careful distinction there.

Q. In other words, you are rather of the opinion, that the economists connected with Harvard University, particularly with the school of business administration, that their opinions are not worth very much on the question of economics and statistics economics generally?

A. I distinguished very clearly that I made no criticism of their economic studies of price trend. True, I said, I have very little opinion of their ability to investigate and report on an industry to ascertain whether there has been price control or not.

Q. Or to make comparisons between price trends and price movements?

A. I noted in the testimony of Mr. Gordon and Mr. Keehn a very careless discussion of the charts.

[fol. 1468] Q. Did you notice their discussion of the question of the law of supply and demand, or did you read that?

A. I read it.

Q. Did you agree with that, or did you find fault with their statement of the economic principles involved?

A. I found no fault with it.

Q. That is about correct?

A. No, I don't say that. I found no fault with it.

Q. What do you mean when you say you find no fault with it?

A. It does not apply to the subject under discussion?

Q. That is, the question of supply and demand have nothing to do with the question in this case?

A. The mere bald question of supply and demand does not amount to anything unless you analyze the factors of supply and demand; that is what I mean, and the correct factors.

Q. None of these charts which compare price indices are charts which tend to show differences in fixed relationships are they, or volume?

A. The ones in dollars it is easy to ascertain approximately.

Q. They are used for that purpose?

A. There is at least one arithmetic chart.

Q. I am not talking about the arithmetic chart; I am talking about the logarithmic?

A. Logarithmic charts are intended to show rapidity of movement.

Q. And similarity of movement?

A. If it is similar.

Q. By similarity of movement is meant, so far as these charts are concerned, the slant of the line, does it not?

[fol. 1469] A. Yes.

Q. The heighth of the line or the length to which the line goes down has nothing to do with the question of the movement,—that is, of similarity of the movement?

A. Of course, if it goes up high, while the other does not, it makes a difference. If the slant is the same, then it makes no difference.

Q. Where you are comparing things that may have an entirely different price level, the fact that one of these lines moves upon a higher range than the other, has no significance in a logarithmic chart, does it?

A. Except it shows that since the starting point, if they started together, it has risen at a more rapid rate.

Q. That is principally due to a greater percentage of rise, although it may not be more rapid at any given point?

A. Oh, at any given point?

Q. At some point in the comparison of those two price movements, one line has moved more rapidly, that is, its upward or downward movement has been more rapid than the other?

A. Yes, unless they are parallel all the time.

Q. Would you expect to find in the comparison—when any such comparisons are made as made in these logarithmic charts, would there be an absolute movement of the lines directly parallel?

A. If all the causes were the same, they would move parallel.

Q. Have you ever found a situation where that exists?

A. No, because I have never found all the causes the same.

Q. In other words, the coordination which is shown upon these charts, is for the most part a very close coordination, is it not?

[fol. 1470] A. It is not. In many cases there is a very remarkable difference which has been slurred over on this chart 6, where there are five lines; there is a possibility of hundreds of variations. You can compare each month with each succeeding month and each line with the other.

Q. Take these months, if you take the months upon that chart and the years?

A. Of course, the movement with the month is very infinitesimal; it does not show on here.

Q. Nothing in it when you cover a ten year period?

A. It is a month chart, so it wouldn't show.

Q. Each month has been platted upon that chart when the chart is drawn, isn't that so?

A. Yes.

Q. That is the way it is drawn?

A. Yes, sir.

Q. In other words, there are twelve lines between each major

line, and upon each line is indicated by means of a dot, the months' movement, is it not?

A. Yes.

Q. Or haven't you read the testimony?

A. Yes.

Q. That is the way they prepare them?

A. That is the way it is said to have been prepared?

Q. Can you see anything about these charts to indicate they were not so prepared?

A. No, I think they look all right from that point of view.

Q. You haven't found that the figures indicated on these tables are not correctly platted upon these tables?

A. I haven't had occasion to make that comparison except in one case.

[fol. 1471] Q. Have you found they were not correctly platted?

A. I found on chart 29 there seemed to be one line not platted according to the facts.

Q. Have you checked up any of the others?

A. No, I—had no time to do that.

Q. Have you any reason to believe the figures are not platted on there according to the facts?

A. No, I must accept those without comparison, because I haven't the time.

Q. Now, taking chart number six, what is meant by coordination in the movement of lines, showing price trend, or any other trend movement, is that the lines move in the same general direction at about the same time, is that not true?

A. I think that time is considered important in that respect.

Q. In other words, one of the important things to consider, is whether or not at about the same time the lines all tend upwards, or at about the same time the lines all tend upward?

A. Did you say whether that is important?

Q. Yes.

A. All depends upon the purpose for which you are to use the chart.

Q. If the purpose is to show whether or not price movements were of a similar nature, so far as trend was concerned, and that is what we are interested in here, now do you mean to say, without looking at that chart, you would not say that there was a general movement during those periods of time of all those lines in the same general direction, and at about the same time?

A. If you look at the chart, covering over 120 months, at a glance [fol. 1472] you see the lines go up and down and swing around over each other in the same general line.

Q. You understand that this is an attempt to show the minute fluctuations between the prices of these commodities during a given month? You could not do that with a chart of this kind, could you?

A. That would not be possible to do except on a very much more detailed chart. Even if you did it would not make any difference in the trend.

Q. Now, when you came to this chart 12, which has to do with the

comparison of new orders booked, by members of the Association to the volume of new building contracts awarded, you made some criticism of the use, I believe, of new orders booked as data for the preparation of such an index, did you not? Do you know of any other data that is available over a period of from 1913 to 1923?

A. For what purpose?

Q. For the purpose of showing the volume of building construction. Is there any other data than the data that was used in this case, of new orders booked, I mean, statistical data?

A. I know of none.

Q. In other words, these gentlemen have used for the purpose of making this comparison the only statistical data that is available, is that not so?

A. On this particular chart.

Q. I mean, to represent the volume of building construction?

A. All right.

Q. They have. Now, you agree, I believe, that the volume of new building construction has something to do with the demand, or lack of demand for Maple flooring?

A. Yes.

[fol. 1473] Q. You know the uses to which Maple flooring is put, do you?

A. Some of them.

Q. You know that Maple flooring is used almost exclusively in buildings, either factory, commercial or residence—that is, that is its exclusive use? It has no use in manufacture or in the making of any other products, but is confined solely to use in floors in buildings, commercial, factory or residence. Now that being so, would you expect to find the demand for that product quite closely connected with the volume or extent of building construction?

A. Why, I would expect it to follow generally that direction, of course, but not exactly.

Q. Not exactly?

A. No.

Q. Looking at chart 12, is not that movement as portrayed upon that chart of comparison of volumes—the indices of volume just about the sort of a movement that you would expect to find when you are comparing new business with the volume of building construction, by "new business" I mean in this product?

A. It seems to be the exact response, yes, that is what would happen.

Q. Now, we come over to the chart 19 and 21, which will be a comparison of the prices of the product with the rough lumber. Now, I believe you said that you thought such comparison was of con-
[fol. 1474] siderable significance, that is, the comparison of a product with its factors of production?

A. Yes.

Q. Of course, if you had been making this comparison, you would have compared the profit, if you had it, wouldn't you?

A. Yes.

Q. Of course it is very evident Mr. Keehn and Mr. Gordon did not have the profits, and that they were not available and are not

available except in a very limited degree. Do you find that individuals and firms very gladly give up their information as to profits to you?

A. They never refused me yet.

Q. Never refused you?

A. Just have to request them and they hand them in. That has been my experience. There have been some other experiences that I could not speak for.

Q. You don't take their statements, of course, when they hand them in. You send an order out from your department to go to each factory and check up and see whether they keep the books the way your department thinks they ought to keep their books in order to correctly show their profits, is that correct?

A. Yes.

Q. Then you make up a new profit and loss statement for them after you audit their books and have corrected their method of keeping their accounts?

A. If it is found necessary their method of keeping the books is revised.

Q. Then when you have gone into that phase of the matter, you tabulate those profits, but you don't even believe that you can average [fol. 1475] them up and get anything?

A. Oh, we average them sometimes.

Q. The average don't express anything, as I understood you, of any importance?

A. It doesn't express as much as the individual figures. The reason for not publishing individual figures is the same as for not putting them in court. We do not want, if we can help it, to reveal individual transactions of particular companies. We have, however, used them with numbers where it would not reveal them, or we have grouped them.

Q. Just how do profits show anything more with reference to the fixation of prices than a comparison between the movement of the price of the raw materials, where there is only rough lumber, in this case, which is the only raw material, and the price of the product?

A. Because there is an exact quan-tative relation between profits and capital invested which can be measured down to the one millionths of one per cent, if you want to do it.

Q. Aren't there a great many other factors besides the price of the product that enter into the question of whether or not at the end of the year, the manufacturer has or has not a net profit?

A. A great many factors?

Q. Yes, a great many factors.

A. Yes.

Q. In other words, two manufacturers side by side in the same city, having approximately the same invested capital, and getting for their product identically the same amount of money, one may show a profit and one may show a loss. You find that situation very frequently, don't you?

[fol. 1476] A. Well, yes.

Q. Due to management, due to many of the other incidents of the operation of the business, the managerial end of it plays a large factor in the question of profits or lack of profits, does it not? Now, suppose you have that situation and you find "A", manufacturer made 10% and "B" manufacturer in the same situation lost 10%, would the fact of the profit by "A" and the loss by "B" show anything to you, as to whether or not "A" and "B" were selling at a fixed price or one which was not in response to the law of supply and demand?

A. I have answered before that I would not deduce such a conclusion from mere figures.

Q. That is what I want to know. Then the profits would not show anything to you under those circumstances?

A. Oh, yes, they might show a great deal.

Q. I mean they would not show anything to you as to whether or not "A" and "B" were selling their product at a fixed price, or at what the market dictated?

A. If I had the profit alone for one year, no.

Q. Now, if you found "A" and "B" and "C" and "D" all manufacturers of the same product, all selling their product at identically the same price, that would mean something to you, wouldn't it? I mean, over a period of time, let us take a year?

A. It might mean something, but what do you mean—specify.

Q. I mean it would indicate and be a strong indication to you of a fixation of that price?

A. No, in some of the most competitive conditions is where there is the least fluctuation in price.

Q. I am talking about no fluctuation in price, a uniform price, doesn't that indicate anything to you at all, as to whether or not [fol. 1477] that price is regulated by agreement, or conspiracy, to use your language, or whether it is regulated by supply and demand.

A. I might think it was peculiar and I would look into the matter.

Q. I am not asking you what you would do; I ask you what effect it would have upon you?

A. It would have the affect to make me look further. I wouldn't come to any conclusion on inconclusive data.

Q. Wouldn't that be of much more significance to you in forming your judgment as to whether or not during a given period of time, one year or two years or any other period that you might take, the prices of those products by different manufacturers, had been the same; wouldn't that be a greater factor in determining in your mind that the price had been regulated or controlled by artificial means than any other factor?

A. If they had been the same over a considerable period of time, it would be a suspicious circumstance.

Q. A very strong factor in determining your judgment, is not that true?

A. Sure.

Q. And would cause a presumption in your mind which you would have to have rebutted by sufficient evidence that there had been no fixation?

A. No, we make no conclusions until the report is finished and

all the evidence is in, and then our conclusions are from all the testimony. I never have come to conclusions on these little isolated facts.

Q. You never start out in any of these cases with any preconceived ideas of what you are going to find?

[fol. 1478] A. No, I am greatly surprised sometimes at what I find one way or the other.

The Court: You would make an ideal judge.

A. Well, you understand I am assigned to this merely as a matter of course. It doesn't make much difference whether I am assigned to one or another.

Q. Quite an anomaly in my experience in the investigating department. I see that you refer here to the report of the Federal Trade Commission upon lumber and trade associations, I assume for the purpose of indicating that the prices of lumber as contained in the Bureau of Labor Statistics, represents the prices of an industry where there are a great many associations, and you named quite a number of them.

A. I named the ones it has covered there.

Q. All those associations you named, are still operating, aren't they?

A. That I couldn't tell you.

Q. So far as you know those associations are still all functioning in all these various lumber industries?

A. So far as I know they are.

Q. Whatever the recommendations were of your Bureau,—and I don't know because there are 150 pages, I suppose I would have to read all of that to find out, wouldn't I—these seven or eight or nine associations that are referred to in the title page of the investigation are still functioning as associations?

A. I don't know that they are not.

Q. Now, if you desire to compare the two charts 19 and 21, one which compares the price of the product with the rough lumber, the cost of the rough lumber, and one which compares the price of [fol. 1479] the product with the other marketing and manufacturing costs, that can be done by placing the two charts together?

A. No, because they are on percentage basis and start out one hundred, whereas they should be component part charts, they should show the parts. The Barr chart is what you want.

Q. You are talking about a chart which shows quantities for the purpose of showing what the difference is between the price of the product and the costs of manufacture in order to see what the margin is which represents profit, that is what you are talking about, isn't it?

A. Yes.

Q. These charts are not designed for the purpose of determining what the margin of profit is.

A. I understood they were designed to show that the price of Maple flooring was not controlled.

Q. Precisely, but they are not designed to show whether the margin of profit at sometimes existed and at other times did not exist?

A. They don't show any such thing.

Q. They are not intended to show that, are they?

A. No.

Q. That could only be shown by a quantitive chart which would show as to each manufacturer his cost of manufacture, including his cost of rough lumber, the price he received at a given time and the margin between those two?

A. It could be shown that way, or as the average.

Q. Or as the average of all compared with the average of all prices, and what would be left would be his profit over a given time, or over a period of months?

A. Yes.

[foy. 1480] Q. This chart 19, however, does show a very close co-relation between the amount of the price of the rough material and the price of the product, and that is what you would expect to find, isn't it?

A. If you mean by close co-relation——

Q. I mean that when the price of the product, when the price of the rough material went up, moved upwards, showing an advance to a higher percentage of price, that the price of the product moved upward?

A. That is generally true, the trend.

Q. The trend?

A. The direction.

Q. Now, you have criticized the chart upon which Mr. Gordon and Mr. Keehn have made an allowance for the purchasing price of the dollar, or the purchasing level of the dollar. It is true, isn't it, that a dollar today does not purchase what it purchased in 1913? That is recognized by everyone?

A. Yes.

Q. You don't have to be an economist to know that?

A. No.

Q. It is for the purpose of correcting these figures to represent that difference that this so-called correction for the purchasing power of the dollar or level, is made?

A. That is so stated.

Q. Now, there is, however, just preceding this chart another chart on which the same identical figures are platted?

A. What number is that?

Q. The chart which you were talking about is 24, but will you look at 23; there is the same chart without the correction for the purchasing power of the dollar, or the level of the purchasing power of the dollar, and I will ask you if you do not get exactly the same [fol. 1481] idea and the same co-relation from reading chart 23 that you do from reading chart 24?

A. Yes, you do for this reason: Chart 23 runs from one to five hundred for the space, and chart 24 runs from 1 to 300.

Q. That is the effect, in other words, of the correction?

A. Yes, as far as the space is concerned, you get the same effect.

Q. I am talking about the movement of the line, which is the

only thing we are interested in; we are not interested in anything else.

A. You mean the time they change?

Q. Yes.

A. Not the direction.

Q. Yes.

A. Do you mean the rapidity of movement?

Q. Yes.

A. They don't show the same rapidity.

Q. Where is there a substantial difference in the movement of the lines on those two charts?

A. No, that is right; they are substantially similar.

Q. So, you can disregard all this talk about the purchasing power of the dollar—I mean the correction for the purchasing power, and I mean you can disregard this statistical correction for the purchasing power of the dollar, and you can get the same result by reading chart 23 that you can by reading 24?

A. If you don't compare them with the other lines, the height or anything like that.

Q. We are talking about the movement?

A. The rapidity of trend?

Q. Yes, both rapidity and time?

A. Yes, I mean the exact time the change in direction occurred.

Q. You testified in looking at these exhibits 15 and 16, that exhibit 16 did not mean anything where you took a comparison of prices of the product, the index of the product price over a period [fol. 1482] of ten years; that the comparison of the index price of a large number of other commodities showed that the index price of the product was lower for the average of ten years than those other prices; that doesn't mean anything as you look at it?

A. As far as determining whether there is a fixed price or not—as far as determining whether there is control or not, it does not amount to anything.

Q. The same is true of 15?

A. Yes, sir.

Q. In other words, if one does not mean anything, the other does not?

A. Yes, sir.

Q. Isn't that exactly what Mr. Gordon and Mr. Keehn testified, that in their opinion it had no significance?

A. They did state it had no significance, but they were put in and so I commented on them.

Q. In other words, the price level of a given commodity as compared with the level of other commodities.—by that I mean the quantative difference between two commodities, where one is not the product of the other, can have no significance in determining the fixation of price, the quantative difference?

A. To me a chart of that description merely means where price changes occur in what direction they go, and we know where to look then to find out what made them.

Q. Yes, but where price changes occur and where they go is shown definitely by comparison of the index prices showing the trend?

A. Yes.

Q. Now you made some criticism of table eighteen because the comparison there, tables seventeen and eighteen, because the comparison was started at 1918. Mr. Gordon and Mr. Keehn explained, [fol. 1483] did they not, in their depositions, that it was impossible to start that comparison at an earlier date because the data was not available?

A. Which chart are you talking about?

Q. Seventeen and eighteen.

A. I made no criticism as to when they started out, no.

Q. You suggested that these charts differed from the others in that they did not start back to 1913?

A. Oh, no, what I said was they did not start at the same point in 1918. I might have said "1913" thinking that was the first year on this chart. If I did it was an inadvertance.

Q. That was because, as they explained in their depositions, the data was not available at the earlier period?

A. I am sure I did not make any criticism of the time.

Q. Of course you have got to have adequate data for two indices that you are going to compare, otherwise the comparison means nothing; you agree to that?

A. Yes.

Q. Now you indicated that taking chart 24 it did not show what Mr. Keehn and Mr. Gordon testified it showed, because during 1918, the latter half of 1918, the line indicating the price of the product levelled out instead of dropping, as it naturally had expected to do in response to a falling demand and increasing stocks. Do you recalled the explanation of that made in the testimony of Mr. Gordon and Mr. Keehn?

A. Oh, yes. Another reason is assigned, but that reason is not shown on the chart.

Q. Isn't it a fact that during the period in question there was a restriction upon building construction which practically eliminated during that period any substantial demand?

A. Are you speaking of 1918, 1919 or 1917?

Q. The latter part of 1918, yes, which eliminated practically all [fol. 1484] demand for a product such as Maple flooring. Are you familiar with that restriction?

A. Generally familiar with it, not the exact time it started.

Q. As an economist and statistician, what would you say the effect of such building restrictions would have upon the demand?

A. Decrease it.

Q. Decrease the demand. Now has it ever come to your notice as being a normal movement in business that where demand is very light, and there is practically, therefore, no movement of a given product, that there is no incentive to the manufacturer, particularly where that demand or lack of demand is caused by an artificial restriction such as a limitation upon building, which cannot be stimu-

lated, in other words, by new offerings at lower prices—is there or is there not a tendency for the price to level out and not to drop?

A. I recall no particular circumstances fitting all those descriptions.

Q. In other words, what causes ordinarily the manufacturer of a product, which is competitive, to lower his prices?

A. He needs the money.

Q. He wants to get the business, isn't that it?

A. There are a thousand reasons for lowering the prices.

Q. But the ordinary reason, I mean the reason which usually actuates a man in business, not special circumstances, such as financial distress or something, but we are assuming a normal business condition so far as the individual is concerned. He ordinarily lowers his price for the purpose of getting business, doesn't he, stimulating demand?

A. Are you speaking now of competition among a group of people, or are you speaking of them as one group?

Q. I am speaking about the ordinary situation.

A. I would say that as far as any one particular man is concerned, if there is more demand than the mills can supply, if he cuts the price he will get the demand. As a group it would be of no advantage to cut price, but to the individual it would.

[fol. 1485] Q. I am talking about the individual. If by cutting his price he sees he cannot stimulate the demand, his tendency is not to cut his price, is it?

A. He would take business away from the other mills if they did not cut their price.

Q. But if there is practically no business to be had by reason of artificial restriction?

A. Do you assume there was no business? Unfilled orders show quite a bit of business.

Q. I am assuming what is testified as being the fact, forty per cent against 100 per cent, when there was artificial restriction upon building, that the demand was at a low ebb and so shown upon the chart?

A. Yes.

Q. That coupled with the fact of this restriction, if in existence, would or would that not have the tendency to cause a man not to lower his prices in order to sell his product unless he was in need of money or for other special circumstances had to sell?

A. I really can't see any difference whether the supply was forty per cent or fifty per cent, as to whether he should lower his price, if he wants to sell his stock.

Q. In other words, you think it would make no difference in that situation that there was the artificial restriction upon building which cut off the major portion of the demand?

A. Why, I would expect the prices to fall under those conditions, certainly, not to keep a straight line.

Q. Have you prepared any charts to show how this product was affected, maple flooring, by the various elements which you feel enter into and are controlled in the determination of the fixation of the free movement of the price?

[fol. 1486] A. No.

Q. Or any tables?

A. No.

Q. In other words, as I sum up your testimony, it is practically to this effect: that the only way that you can determine whether or not prices have been fixed is to find out who fixed them and when they fixed and how they fixed them, is that it?

A. That is right.

Q. You have got to find the existence of that fixation agreement, either express or implied?

A. Well, I wouldn't like to go into the legal proof required, of course.

Q. I am getting at your ideas as an economist, as to how you would ascertain these things?

A. Yes, sir.

Q. That is your judgment?

A. Yes, sir.

Q. And that all of these other comparisons may be disregarded?

A. Now there is a peculiar twist in this, if I may state it.

Q. No, just answer that if you will.

A. State it again.

Q. All these other comparisons may be disregarded, so far as you are concerned, in ascertaining——

A. What comparisons do you refer to?

Q. I refer to the comparisons of the prices of the product with other prices, with different factors of production, with different costs of production, with production itself, with competing products?

A. No, I would not disregard them. As I stated before, I would investigate those, investigate the whole field, and at the end I would try to find out what had happened. I would not be a slave for these charts. These charts would merely be an indication.

[fol. 1487] Q. Sort of guide?

A. That is it, as to what to do—not what conclusion to come to.

Q. You wouldn't attach any conclusions to them?

A. I would not with these charts merely, no.

Q. Would you to any chart—that is, you are sort of against this sort of method of charting, and method of determining whether there has been an artificial price or not?

A. I think it has been greatly misused. I think it is permissible if correctly used, yes, and compares the correct elements in the correct way.

Q. Now, in answer to his Honor's question, you said that if there was an element of fixation which brought the price of a given product which was the subject of that fixation agreement or understanding to a higher level, that thereafter, other conditions being the same, you might expect that price to fluctuate in response to supply and demand, but upon this so-called higher level, as I understood it?

A. Well, I don't think that correctly represents what was said.

Q. That would assume, would it not, that there was a constant level of price which was above at all times what the price would be if it were controlled solely by the law of supply and demand?

A. His Honor asked that if it were constant. I answered that question.

Q. That is what I am getting at, your answer to that question of that constant advance or increase or increment above the level at which supply and demand would have otherwise fixed it. Now has such a situation come to your knowledge in the investigation of any of these industries, where any price at any time over a period of ten years was maintained at a constant level above supply and [fol. 1488] demand or the price which would be fixed by supply and demand?

A. I think I told you I never had been able to measure the exact part of the price due to different causes, and it would be impossible as a matter of fact.

Q. So that there was no such measure of constant advance, because it is impossible to measure in dollars and cents just the price which would be fixed by the law of supply and demand, is it not? I mean, looking back over the history of an industry you were not able to say at what price the product would have sold had it responded to the law of supply and demand?

A. Not in dollars and cents; we know whether it was higher or lower.

Q. Its relative position, but not its position in dollars and cents.

A. Oh, yes, measured in advance, whether you call it dollars and cents; I wouldn't name the exact——

Q. I mean, you couldn't look back over the prices charged in any given industry and say the price of fifty dollars per thousand contained in it, and all subsequent prices contained in it an element of ten dollars which was an artificial increment or advance in price, and that if the law of supply and demand had operated that price would have been forty dollars.

A. I will say we have never been able to do that.

Mr. Johnston: That is all.

Mr. Thompson: That is all.

Mr. Thompson: I thought these books had been marked but I see they were not.

Mr. Johnston: I took them away. Are you putting the whole books in evidence?

[fol. 1489] Mr. Thompson: No, certain pages; they have been given to the stenographer.

Mr. Johnston: You have the pages on there?

Mr. Thompson: It is marked in the back.

Mr. Johnston: Referring to the Barr chart may it be agreed without the necessity of putting anybody on the stand that number three and five are copies of Mitchell and Mitchell Brothers, who are the same concern, that is, owned by the same people and operated practically as one concern, the same sales manager.

Mr. Thompson: Yes. I offer in evidence next and ask to have marked as an exhibit, specimens of exchange of quotations reports of the Maple Flooring Manufacturers Association.

Mr. Johnston: Over what period?

Mr. Thompson: The first dated, September 16, 1914, and the last one May 17, 1916.

(Papers referred to were marked Government Exhibit 73 and received in evidence.)

Mr. Thompson: Also circular letter to members from the Secretary, dated July 13th, 1916, with reference to I. C. C., docket number 8131, and attached to that "Statement of the position of the Maple Flooring Manufacturers Association" in that matter pending before the Commission.

Also attached to it, transcripts of evidence given before the Interstate Commerce Commission in Re-I. C. C. number 8131, the evidence being that of Charles R. Abbott, and George Strable.

Mr. Darby: I think that was offered before and we objected to it. The statement made by Mr. Abbott would not be binding upon this Association, and is incompetent.

Mr. Thompson: I am offering these as having been circularized by the Association among the members.

Mr. Fowler: It is stated in the communication that it is from [fol. 1490] the secretary of the Association.

Mr. Thompson: It is sent out as a circular letter of the secretary.

Mr. Darby: It is wholly irrelevant and immaterial. If the secretary of the Association transmitted some portions of the testimony of someone to different members of the Association it would not be binding upon the Association or make it competent testimony or relevant here.

Mr. Fowler: I think that matter was presented before.

The Court: It may be received subject to the objection.

Mr. Darby: It says, "Enclosed please find copies of testimony of Mr. Abbott and Mr. Strable before the Interstate Commerce Commission at the hearing now in progress in Chicago regarding reclassification of lumber and lumber products," and was not adopted.

The Court: I understand. It will be received subject to the objection.

(Papers referred to were marked Government Exhibit 74 and received in evidence.)

Mr. Thompson: I offer a number of documents sent out from the office of the Association, documents and letters of various dates.

Mr. Darby: Are any documents in evidence merely because they were sent out by the secretary of the Association regardless of what they may be?

The Court: I don't know the materiality of these particular ones, of course, but it is true that the activities of this Association as represented by the distribution of literature and other matters may be important and may be material. Of course I know nothing about the substance of those.

Mr. Darby: These documents which range from 1916 to 1921 will be subject to the objection made in the earlier stages of the case.

[fols. 1491-1496] The Court: Certainly.

(Papers referred to were marked Government Exhibit 75 and received in evidence.)

Mr. Thompson: And a financial statement of the Association dated July 15, 1922.

(Paper referred to marked Government Exhibit 76 and received in evidence. Other letters were marked Gov. Ex. 76A, and were received in evidence.)

Mr. Thompson: The next exhibit is correspondence between the secretary of the Association and various members, and dates between September 1st, 1916 and July 16th, 1923.

Mr. Johnston: We object to that on the ground that it represents prior transactions between members of the Association and not in relation to the Association or its functions, and it is therefore incompetent, irrelevant and immaterial.

The Court: It will be received subject to the objection. The same ruling has been made before.

(Letters referred to were marked Government Exhibit 77 and received in evidence.)

Mr. Thompson: The next will be some correspondence between various members of the Association.

Mr. Johnston: That will be subject to the same objection that we have made before.

The Court: Very well.

(Letters referred to marked Government Exhibit 78 and received in evidence.)

[fol. 1497] "Mr. Thompson: I, by error yesterday included in the exhibits one statement which I had previously told counsel we would not include. It has matters in it that have no bearing in the case, which they did not want to have in the record. I will withdraw Ex. No. 76 and there are a couple of other-, one annual Secretary's report and one letter which had not been introduced previously. I will ask that they be marked Ex. 76 so as to keep the sequence.

Mr. Johnston: The letter will be subject to the same objection, that is, as passing between individuals.

(Papers referred to marked Ex. 76 and 76-A.")

Horace A. Lewis, being duly sworn testified on direct examination as follows:

Direct examination by Mr. Thompson:

I am a special agent of the Bureau of Investigation of the United States Department of Justice and have been since April, 1918. I have been connected with an investigation by the Department of the Maple Flooring Manufacturers Association and have been doing work recently in the preparation of data for presentation here. Here are tabulations that have been made from the weekly sales reports of the

Association which are entitled Completed Transactions, Record of Completed Transactions, from which I have taken off the date, the name of the mill, the quantity of the lumber shipped, the delivered price, the average freight rate from which I have figured the actual freight allowance showing the net price of flooring f. o. b. cars at mill. The tabulations also show the commission and the deduction [fol. 1498] of the commission or the net price of flooring at the cars, for 13/16th by 2¼ inch in the three grades, clear, number one and factory, standard lengths. In making the tabulations we have used all reports that were in our possession for 1920 with a few scattering dates at the latter end of the year; practically a complete set of 1921 reports, with possibly six or seven omissions and practically the entire year of 1922 and the first six months of 1923. For 1920 I tabulated the weeks ending February 28, March 13, April 17, August 7, August 28, September 25 and December 25. For 1921 there were omissions of May 15, October 15, December 24 and December 31. For 1922 there was missing the report of January the 7th. There was a complete set of reports for the first six months of 1923, namely, until and including the week*ing* ending June 30, 1923. In making these tabulations I made the freight deductions by taking the freight rate through, decoded by their freight rate code and checked up by a multiple of two thousand pounds to the thousand feet and thus arrived at the actual freight allowance. This method reduces the prices not to a strictly f. o. b. mill basis for the individual lumber but f. o. b. actual basis using the rates given in the Association rate book. For the year 1922 and one or two dates in 1921 and a few of the earlier dates in 1923 such records as were in possession of the Government prior to the Grand Rapids proceedings here were figured in the three grades, factory, number one and clear, and such records as have come into the possession of the Government since this trial we figured in the clear grade only because of lack of time. On all the records I have mentioned, we have made a reception tabulation [fol. 1499] on the grade of clear 13/16th by 2¼ showing the number of sales at each given price, the total number of feet above the base price as advertised by the Association to its members with amount at the base price or average cost and the total amount of feet above the average cost, above and below and at the cost. The base price—possibly I have used the wrong word—we have figured the price as that which has been at intervals through bulletin letters and notification of the Association forwarded to members as the average cost of certain quarters, having an average cost for the first quarter, second quarter, third quarter, fourth quarter and so on. I did not make all these tabulations myself, they were all made either by me or under my supervision. I have checked them over and am satisfied that they are as reasonably correct and as correct as it was possible to get them. You told me that I had made one error this morning. In addition to that, there is confusion between the price on some sales reports as a mill sale and some as an A. I had figured rate A or rather had interpreted rate A as one dollar actual freight rate for the reason that there was no interpretation in their code books of A; F decoded as being a dollar and a quarter actual freight, I rather

guessed at the A as one dollar. I have since found out that A means f. o. b. mill or Cadillac base and there are a very few cases, I should say not more than a dozen, where I have deducted a dollar where I shoud not have done so.

Mr. Thompson: We offer these in evidence.

Mr. Johnston: We object to them on the ground of their competency, materiality and relevancy, further upon the ground that they are not shown to be correct tabulations of the documents them-[fol. 1500] selves which are in evidence and which speak for themselves but are the computations of this witness after making what he conceived to be an allowance or proper allowance for the actual freight and not the actual freight as it was shown by any records.

The Court: As I understood the situation they will be received subject to the objection.

(Marked Gov. Ex. 79.)

Cross-examination.

By Mr. Johnston:

"Q. As I understand you, you have taken the weekly sales reports and do those weekly sales reports show the quantity sold by each member separately?

A. They show the individual sale.

Q. There were at times during the period that you made this investigation there was nothing to indicate the individual sales, was there, that is, the individual who made the sales?

A. Yes, there was, I think there were a few copies where they were made by maps, at such times I have grouped them as groups.

Q. The attaching of the index numbers did not occur during all of that period?

A. With very few exceptions.

The Court: Is that true, Mr. Johnston?

Mr. Johnston: Yes, your Honor.

The Court: I understood that the index numbers were attached up to July this year.

Mr. Johnston: No, not continuously, the index numbers were not put on until some time in 1921.

Mr. Keehn: They were omitted I think in January, February, [fol. 1501] and March, 1921 or '2, I forget which.

Mr. Johnston: There was a hiatus there?

A. I can give you the actual number if you care to that were not tabulated by the individual number."

All the weekly reports from which these tabulations were made are in evidence so that my tabulations can be checked as to accuracy.

"Q. We will take the first one that appears here, you have said dated March 23, quantity one thousand, delivered price $170, that is, you got that item of $170 from the weekly sales report?

A. Yes, sir.

Q. Then you say Average Freight Rate 31 cents?
A. Yes, sir.
Q. That is the Cadillac rate?
A. It was the rate that was published on the weekly report.
Q. Freight allowance $6.25?
A. Yes.
Q. That is figuring at the Cadillac rate?
A. Yes, sir.
Q. Have you heard the testimony here during the course of this examination?
A. No, sir.
Q. Did you know, as a matter of fact, that every member of this Association when he sells his product f. o. b. point of destination as most shipments are made in that way, receives from the customer only the amount of the price less the actual freight from point of shipment less the commissions, if any there be?
A. Yes, sir.
[fol. 1502] Q. So that the actual amount under those circumstances which the shipper would receive would be somewhat different from the amount which you have here, would it not?
A. You mean there would be a difference between what the shipper would receive or what the buyer would actually pay on that Michigan base, Cadillac base?
Q. I mean there would be a difference between the amount which the shipper, the owner of the flooring, would receive and the amount which you have here as his theoretical net receipt which as I understand with that rate as I figured it out there is practically f. o. b. Cadillac. Many times the rate of the actual shipment differs from the Cadillac rate.
A. I understand that.
Q. You have taken no account of that?
A. Not at all. I have given you f. o. b. Cadillac base price.
Q. Or of the price that the shipper under no circumstances would receive substantially less represented by the difference between the actual base rate and the actual freight rate?
A. Those figures refer to f. o. b. Cadillac base.
Q. Only to Cadillac base?
A. Yes, sir.
Q. In that respect they don't represent then what the shipper actually received unless the actual freight happened to be the Cadillac price?
A. That of course I have no knowledge of, I am simply going into freight rate books here and giving you f. o. b. Cadillac, Michigan price.
[fol. 1503] Q. That would be true if there is a variation in freight rate?
A. I should say that would be true.
Q. The commission that you have taken off is the commission that is shown upon the sale?
A. It is.

Q. That is the only basis you have of knowing whether commission was allowed or not?

A. Yes, sir.

Q. So under the last column you have put the heading, net f. o. b. cars at mill, that means the net price after deducting the so-called Cadillac base rate plus the commission?

A. Absolutely.

Q. And not the net price after deducting the actual freight plus the commission?

A. Cadillac base less the commission.

Q. Is the so-called summary which you have made, is that what appears at the bottom of each one of these sheets or is that on a separate sheet?

A. The recaption sheet shows on the top of each date.

The Court: When you say recaption, do you mean recapitulation?

A. Yes.

Q. I show you one of these sheets, to be sure we are talking about the same thing. That is one of the recaption sheets, is it?

A. Yes.

Q. For how many sales did you make these recaption sheets?

A. They were made—I can give you those that are eliminated or I can tell you in an abstract way.

Q. For what portion of the period that you have covered by your compilations taken from the sales report did you make these recaption sheets, the same period?

[fol. 1504] A. There were a few of the periods in the early part of 1921 where the figures were so few it didn't seem necessary to make the recaption sheet, that they were not made, but from June, 1921 to date they are complete and there are a few prior to that date, perhaps a half dozen all told.

Q. You say you have taken of course the clear?

A. The clear in all cases, factory and number one in others.

Q. I suppose you took that because you discovered that the variation in clear was not so good as the variation in number one and factory?

A. No, sir, that was not the reason.

Q. Did you just happen to take clear, was that just an accident?

A. No, that wasn't the reason, I took clear because I believed it to show greater percentage than the other two grades of maple and shows 13/16ths by 2¼ because I believed that to show the major part of the flooring manufacture.

Q. You didn't have in mind the fact that the clear grade varied less than the other grades?

A. Absolutely not.

Q. Or than the other sizes in clear?

A. Absolutely not.

Q. Taking one of these recaption sheets as an example, you say 13/16ths by 2¼ was 90 f. o. b. cars at flooring mills as shown by average cost chart dated 5/21/21. That price of 90 is the average

cost shown in the average cost chart, you took that from the rate book?

A. Yes, sir.

Q. Where the average cost chart then appeared? Then you compiled from the record of completed transactions report of sales [fol. 1505] made the week ending July 30th, 1921, you have attempted there to take each sale and the price, at what price the net f. o. b. delivered price as shown by the record of completed transactions issued by the Association weekly; this price which you put in here is not the net f. o. b.?

A. The first price as show on that tabulation there is the price as shown by the weekly transactions of the Association Bulletin.

Q. I am referring now to this recaption sheet.

A. I beg your pardon.

Q. We have passed that other, look at that again.

A. I thought you were talking from the second sheet. These prices here are f. o. b. Cadillac minus the freight rate, the actual freight paid or charged by the Association as shown by their freight rate of average.

Q. In other words, they are the net prices arrived at in the same way you have arrived at them in the other tabulation?

A. Absolutely.

Q. And is deducting the Cadillac base rate?

A. Yes.

Q. And deducting commission?

A. No.

Q. You haven't deducted the commission?

A. Those are not deducted.

Q. The commission is not deducted from the statement?

A. No.

Q. Then they are the price?

A. You turn to your second page you will see although we have deducted the commission it is after we arrived at the factory f. o. b. [fol. 1506] mill price, the price f. o. b. cars at mill, then the commission and the net prices f. o. b. mill is minus the commission.

Q. But on this first sheet of this recaption—I want to get this straight——

A. I am telling you where I derive those figures from.

Q. The first sheet of this recaption you have the delivered price less the Cadillac base rate?

A. Yes.

Q. That is all?

A. That is all.

Q. That is how that figure is arrived at?

A. Yes, sir.

Q. Then you have put the total footings out there?

A. Yes, sir.

Q. Then in the first group you have put those prices which were above?

A. Above the average.

Q. Above the average cost price?
A. That is less money.
Q. Which were below then?
A. Below? I put them on the sheet above, but the lower prices were above.
Q. The first group in the recap contains the prices which were below the base or the average cost price?
A. That is right.
Q. You called it base, it is called in the book the average cost price.
A. The average cost.
[fol. 1507] Q. That you expressed in a percentage?
A. Yes, sir, total number of feet and percentage.
Q. By total of feet you have taken the total number of feet in each week's report of sale and then the percentage that was above and the percentage that was below you carried that percentage out to the side, that is it?
A. Yes.
Q. And then you have shown on the lower group those prices which were above?
A. Yes, sir.
Q. So that you show on this group for instance which I picked up at randum for the week ending July 30, 1921, that the sales ranged in prices from $81.50 to $112.50 covering that week of July 30th, 1921?
A. Yes, sir.
Q. And on this particular sheet 25% of the sales, 25.6 of the actual sales were at prices below the cost?
A. Average cost.
Q. The average cost and 8 and 6 were above?
A. 65.8.
Q. You say you have personally checked over the accuracy of all of these percentages and all of these figures?
A. Yes, sir.
Q. How long have you been at it?
A. The making of these reports?
Q. Yes.
A. I started in the early part of November after the Grand Jury proceedings in this Court, I think the 6th of November, the Grand Jury proceeding here, was that on the 6th?
[fol. 1508] Q. Some time in November.
A. It was the early part of November.
Q. And you have been at work at that since?
A. Yes, sir.

Examination by Mr. Thomson:

Q. You made a tabulation from the 23 sales reports of the total amount of sales of the three grades?
A. I did, yes, sir.
Q. Up to October 5. Will you state what the amounts sold dur-

ing that period of each grade are respectively and the percentage to the total represented by each?

A. You want the individual sales or the total?

Q. No, just the total for the period, of the amount to each grade sold and the percentage that is of the total sales for this period?

A. There was 69,942,673 feet sold of flooring. Of this amount there was 52,667 thousand feet of 13/16ths; in the clear there were 28 thousand; in the number one 14 thousand and in the factory 9 thousand feet showing percentage of the clear of 54.6, of the number one of 27.2 and of the factory 18.2.

Q. Did you read those figures correctly?

A. Yes, sir.

Q. It should be millions instead of thousands?

A. Yes, 28 millions clear. I had them figures in thousands.

Q. Were your instructions to make these tabulations covering all three grades?

A. They were.

Q. Was there any other reason except the lack of time why you didn't make them for all?

[fol. 1509] A. None at all.

Recross by Mr. Johnston.

Q. Did you find from examining these weekly and monthly sales reports that the proportion between clear and number one and factory varied quite considerably during different periods and different years.

A. Their average was practically as I have given it although there were of course variations by weeks.

Q. There were periods of time during which the factory ran considerably more than at other times, number one ran considerably more than at other times?

A. They varied every single week.

Q. Did you make the compilation for other years as to those percentages?

A. No, sir.

The Court: I think that I noticed from the exhibits that were introduced yesterday that as the price rose the amount of factory sold increased.

Mr. Johnston: That is true.

The Court: The lower priced lumber was moving more readily than the higher price?

Mr. Johnston: That is only natural of course.

The Court: And as the prices decreased the opposite is true.

Q. You didn't make this calculation for other years than the first six months of 1923?

A. The first six months of 1923, that is all we had time for.

The Court: If you have copies of those, I wish you would let me [fol. 1510] have them and then I want the witness to just take a sample of each one and explain it so that I may understand it.

Mr. Fowler: Mr. Thompson was going to do that.

The Court: Very well, so that I am going to get it, that is all I want. Of course it is utterly impossible for me to comprehend it not having the figures before me.

Mr. Thompson: The method taken on the sheet was to take the sales report and do down, following each item, and as soon as an item was found of 13/16 x 2-¼ Clear that item was taken for transference onto the compilation sheet, and on the compilation sheet showed all of the data that appears on the sales report; that is, the date of the sale; the number of the mill making the sale; the quantity sold; and the delivered price and the freight rate, all being taken directly from the sales report. Then on the basis of the freight rate shown on the sales report and the freight rate books, the freight allowance Cadillac, the freight allowance was computed and was put in the column entitled "Freight charge." Then was shown the commission, which was taken directly from the sales report. Then it shows the Factory price, which was the delivered price, less the freight charge.

Mr. Johnston: And less the commission.

Mr. Thompson: No, I think the commission was deducted, but that was not the method desired with the great majority of them. What is shown as net factory price is the delivered price less only the freight allowance from Cadillac. That is what is shown under net factory price, but on most of these, it is the net.

The Court: Why is that?

[fol. 1511] Mr. Thompson: Because in all the Minimum Price Plans and basis, and in the freight rate books is shown that the commission could be allowed from the minimum price established; that is, if under the minimum price plan or basis there was an average cost or a minimum price of $100, f. o. b. Cadillac, if the sale was made say, at $104, and the delivered price to that point was $4.00, they could deduct the $4.00 freight, which would leave the $100. That would be in accordance with such minimum price plan.

Mr. Johnston: The commission would be allowed from that.

The Court: I understand.

Mr. Thompson: The purpose of this compilation is not, of course, to show——

The Court: That would be a proper computation if we were arriving at what the minimum price was, but in arriving at the price at which this commodity was sold, it would not be a correct computation, would it?

Mr. Thompson: Not the actual realization, of course.

The Court: If your purpose is to show whether or not there was a uniformity of price, or prices charged, by the members of this Association, your computation would not be correct, would it?

Mr. Thompson: I think it would, your Honor, as to the delivered prices charged.

Mr. Fowler: Let me explain our theory. Our contention is that this tends to prove that they had in mind all the time this supposed average cost valuation, they call it, or trend. Now, under their regu-

[fol. 1512] lations, that is, under that Minimum Price Plan, under

the minimum price basis, they were permitted to deduct the commission if they wanted to, that was optional with them. If they saw fit to allow a commission, that constituted the basis, and these estimates were made with reference to that basis, they were permitted to deduct the commission if they wanted to, that was optional with them. If they saw fit to allow a commission, they constituted the basis, and these estimates were made with reference to that basis, our contention being that that was the thing they had in mind, and tried to observe; some allowed a commission, some did not. That was a computation they made themselves. It is upon that theory that all these calculations are made.

The Court: Is not this the situation under the theory of the Government: that when the minimum price plan or minimum price basis was in operation and in force, competition was not eliminated, but was limited to prices above that minimum so fixed?

Mr. Fowler: Yes, and including also the commission if they saw fit to allow it.

The Court: I understand but you arrive at the minimum price which is allowed under either the minimum price plan or the minimum price basis by taking into consideration the commission which might be allowed, less that commission would be the actual minimum price.

Mr. Thompson: No, your Honor, that is not the way it is calculated.

Mr. Fowler: That was not the theory of the minimum price plan. The theory was to fix that as a minimum basis, theoretically, but they could even go two dollars below that, if they saw fit, but this [fol. 1513] was optional. The real basis they were looking for under that plan was the amount computed.

The Court: To illustrate, suppose at any given time it is found that a hundred dollars per thousand would be the minimum price,——

Mr. Fowler: The average cost as they call it.

The Court: I understand. I don't care what you call it—if a hundred dollars would be the minimum price at which the members of this Association were expected to sell their lumber, then any addition to that, or any deduction from that the members of this Association were permitted under that plan to pay a commission of $2.00 per thousand; that would make the minimum price which was allowed or permitted $98.00, wouldn't it?

Mr. Fowler: That is, it was optional.

The Court: Certainly. Any amount above that was unlimited at all times.

Mr. Fowler: That is correct.

Mr. Thompson: I think if your Honor will turn to the record for January 8th, 1921, you will see what we had in mind and why. Your Honor will remember three sales reports were introduced in evidence which showed, in addition to the other data, the minimum price basis, price, on these tabulations made from that, that is also included. You will notice the first sale, the delivered price was at $108.50. The Cadillac freight rate computed was $8.50, leaving as

the Cadillac price $100.00. Now, $100 is the minimum price established f. o. b. Cadillac, under that January 6th plan. We note also that $108.50 is the delivered minimum price. So, it appears [fol. 1514] clearly from that that the minimum price was established regardless of any allowance that might be made for the commission, so that it would not be proper to deduct the commission and say that $98.00 was the price for that sale under the Minimum Price Plan. The Minimum Price Plan was $100 irrespective of whether or not the commission was allowed.

The Court: I confess I can't follow you. If this plan allowed a minimum price of $100 per M feet, and in addition to that the member was permitted to sell and pay a commission of $2.00, which is set forth in the plan itself, I cannot see why then the net minimum price at which a member would be permitted to sell, would not be $98.00.

Mr. Fowler: I believe your Honor is absolutely correct about that, when you go to compute and determine whether or not they had in mind a special line, that ought not to be considered, because that was left entirely optional. It might apply to one fellow and would not apply to the next.

Mr. Thompson: As a matter of fact, it would make very little difference whether it was computed the other way or not, because practically all the sales allow commission, and practically all the commissions are uniform.

Mr. Darby: That is not the fact. There are some dollar and a half, some two dollars and some even three, I believe.

The Court: Take this first item upon this January 8th statement, and not taking into consideration the commission you find that the actual sale was made at a price lower than the minimum price permitted, but if you take into consideration the commission, it was a price realized above the minimum price.

Mr. Thompson: Is your Honor correct on that? I thought the [fol. 1515] first sale was just the minimum price.

The Court: I have it here, December 31st, mill number 24, 4 M feet, the delivered price $108.50; average freight rate 42¢; actual freight rate allowed $8.50, price f. o. b. car at the mill $100.

Mr. Thompson: That was f. o. b. that made the minimum price.

The Court: Then you follow the minimum price basis, $108.50 is figured the delivered price.

Mr. Thompson: It was just the same as the delivered price of the sale.

The Court: Sure. Then the commission allowed was $1.00, which reduced by $1.00 the amount received by this mill.

Mr. Fowler: According to your Honor's theory, the minimum would be $98.00, they were selling a dollar above it.

The Court: They were selling a dollar above the minimum. That is not my theory or anything of the kind, but what the actual figures show in this case, if they show anything along that theory. Taking the second item, where no commission was allowed you would have a sale at the minimum price, where as in fact the actual sale on the first item, was at a dollar below the minimum price.

Mr. Thompson: Well, it would be if the minimum price were computed that way, your Honor, but we have merely taken that method followed in the computation. As I say, it is my impression it would make very little difference in the record whether one method or the other were followed. We started out first deducting the com-
[fol. 1516] mission, and then showing the net factory price, less the commission. We found from these minimum price plan statements that that was not the method they followed, so we changed.

The Court: Very well. Mathematics is an exact science.

Mr. Fowler: I wish to call your Honor's attention to this Minimum Price Basis.

Mr. Johnston: Which one, The one in force about two weeks?

Mr. Fowler: Yes, reading from Article IV:

"The following Minimum Price Basis is hereby established, subject to change from time to time in accordance with Article II and III. "This specified under "Commissions:"

"A commission not exceeding two dollars may be allowed to your own registered special representative, or a commission not exceeding one dollar and fifty cents may be allowed to registered wholesalers and commission men. That is purely optional. Our idea is that what they really had in mind was the basis; every man making a sale had in mind first the basis, and then he determined whether he would allow the commission or not, and the only way we can compare it is to compare it with the basis.

Mr. Thompson: In other words, it seemed to us the theory was that the commission was practically absorbed as a part of the selling expense.

The Court: I don't know that it makes very much difference except in this: that in any event it is against the Government. This method of computation is against the Government.

Mr. Johnston: On one theory, but in their favor in another. It is against them on the theory of the Minimum Price, but it is in
[fol. 1517] their favor on the theory of variation, because the prices show greater variation if you take off the commission.

Mr. Fowler: We are not insisting on uniformity.

Mr. Johnston: Well, you couldn't on those figures.

The Court: Let us proceed.

Mr. Thompson: You wanted me to explain how the recap. sheet was made. I have one here of December 30, 1922. Now, at the top of each one of the recap. sheets, is a statement of the last termination of average cost put out by the Association for the 13/16 x 2¼ Clear Maple flooring. On this one, it was $95.00 f. o. b. cars at flooring mills, as shown by Association report dated October 25, 1922, captioned "Average Cost, Based upon three test runs of 1921." Then follows the computation made from the other computation. They merely went through and drew off the number of sales and the total feet of those sales at each price. So, this shows that during that week there was one sale of this time at $93.00 a total of 78,000 feet;

One sale at $94.00, a total of 15,000 feet;
One sale at $95.25, a total of 7,000 "

One sale at $94.50, a total of 14,000 " .

The total average cost established was $95.00. This constituted a total of 104,000 feet or 11.4% of feet sold that week—the total feetage of that item.

Then it appeared that there were 33 sales at $94.00, the average cost price; that represented 668,619 feet or 73.6% of total.

Then follows the tabulation of the sales above $95.00 costs:

[fol. 1518] One sale at $95.25.

Four sales at 95.50.

One sale at $95.75.

Two sales at $96.00.

One sale at $98.00.

One sale at $100.25.

One sale at $100.50.

One sale at 104.00.

The total feetage was 135,300 feet or 15%.

The Court: These sales, above and below have not been averaged as to price.

Mr. Thompson: No, sir.

The Court: As to the average price, either above or below.

Mr. Thompson: No, sir; that would require another computation; there are many elements entering in. For instance, many sales are shown as mill sales, which would be practically retail sales made at the mill, and those were all kept out of the tabulation. And no attempt was made to differentiate between the prices obtained by some of these mills, which the evidence shows normally obtained higher prices that others, because of superior quality. We merely took every price for those items appearing on the sales report and made a comparison on that basis without going into other controverted matters.

The Court: Now, if you had taken into account, commissions in arriving at the minimum price, which would be permitted, you would have probably on this sheet—I am simply stating probably,—on this sheet practically no sales, perhaps no sales below the minimum price.

Mr. Thompson: No, considering that all of those at $93.00 had the commission deducted, of course, all the sales would have been at least equal to the minimum price.

The Court: Every sale that was made which you have figured [fol. 1519] at $93.00, there was an allowance of $2.00 commission.

Mr. Johnston: The net receipt was $93.00, if it was $2.00. Of course it shows on this list that some were $1.50, some $2.00 and some only $1.00.

Mr. Thompson: Those where the commission was deducted, those would have all been $95.00.

Mr. Johnston: How can you tell whether they were or were not?

The Court: This sheet, as I understand it, the first page of this series of sheets, is the recapitulation, or the computation of the percentages?

Mr. Thompson: Yes, sir.

The Court: The subsequent sheets show the actual sales?

Mr. Thompson: Yes, your Honor, that is the one that is taken directly off the sales reports. That one you have in your hand contains tabulations from the sales reports in the No. 1 and the Factory also, but as I stated, on account of the lack of time—this was a greater task than anticipated—we were not able to complete that.

The Court: Have you any other recapitulation of the entire period?

Mr. Thompson: Merely in rough form, your Honor, merely of percentages.

The Court: Of course this is not of very much value unless you complete it; you have left the Keystone out of your arch.

Mr. Lewis: We did not have time for that, your Honor, as to No. 1 and Factory.

[fol. 1520] The Court: I mean the Clear. Have you a recapitulation of the entire period for Clear?

Mr. Lewis: Yes, sir.

Mr. Thompson: Perhaps we had better introduce this in evidence. That is a recapitulation of the percentages of percentages at, above and below.

Mr. Johnston: Over what period?

Mr. Thompson: The entire period.

Mr. Newman: What year?

Mr. Thompson: 1921 and 1923—only the first half of 1923.

Mr. Fowler: You better have that marked.

Mr. Johnston: I would like to know something about it.

Mr. Thompson: We will put on Mr. Harris and ask him about it.

A. P. Harris, being sworn on behalf of the Government testified as follows:

Direct examination.

By Mr. Thompson:

Q. What is your occupation?

A. Special Agent for the United States, Department of Justice.

Q. Have you taken part in the calculation and tabulation of this exhibit which has been introduced as Sales Reports?

A. Yes, sir, I have.

Q. I will ask you to state what that chart is, and what it shows and how it was prepared?

A. A table prepared from record of completed transactions of weekly sales reports reflecting Association's average cost chart f. o. b. [fol. 1521] flooring mills. Also table of weekly sales of 13/16 x 2¼ Clear Maple Flooring and the percentages of the total sales as sold below, at and above the average cost charts. This table shows the record beginning with January 1st, 1921, running through 1921, 1922 and the first six months of 1923, and it shows the base or

average cost chart numbers, and at the end of each week during this period it shows the percent of the feetage as sold below this average cost chart price, the percentage sold at, and the percentage sold above. It also shows the total feetage in thousand feet only of 13/16 x 2¼ Clear that was sold during that week. It gives that data for each week during that period.

Q. No average of those percentages has been made?

A. No, no average.

Q. It merely shows for each week?

A. It shows for each week. There are a few of the weeks during 1921 that we did not have time to complete in the average percentage—that is, the percentage at, above and below is not shown.

The Court: Then this is nothing more or less than what is shown here.

Mr. Thompson: Yes, your Honor, merely tabulated.

Mr. Fowler: A resume.

The Court: It does not seem to be even a resume; it is merely a tabulation of each week.

Mr. Johnston: A tabulated percent.

The Court: But it is all contained here, contained exactly as you [fol. 1522] have it there, except that this is all put on sheet.

The Witness: Yes, it is kind of a chart so you can get at it at one glance.

The Court: What I inquired was, whether you had made a computation or was this; whether you have then summarized these weekly tabulations so as to get the percentage of the whole during the entire period?

Mr. Thompson: No, your Honor, that has not been done. Then this does not cover what your Honor desired?

Mr. Fowler: We will put it in.

Mr. Thompson: I don't think it shows in full.

Mr. Fowler: That shows it in a moment instead of going through these things.

Mr. Thompson: I will offer it then.

The Court: Very well.

(Paper referred to was marked Gov't Exhibit 79.)

Mr. Thompson: The Government rests.

Mr. Johnston: I would like to recall Mr. Keehn for one or two questions that have been brought out in the rebuttal.

The Court: Very well.

Thereupon the defendants introduced the following testimony, and the following proceedings were had.

GEORGE W. KEEHN again on the stand.

Direct examination.

By Mr. Johnston:

Q. In one of the letters read this morning, written by you I think some time in 1921, reference was made to audits being made by one of the members of your office staff of the weekly sales reports, or the [fol. 1523] record of the members as to weekly sales reports at their various factories?

A. Yes, sir.

Q. Have any such audits been made, and are any such audits made under the present Articles of Association, those adopted January 1, 1922?

A. No, sir; no audits of any kind are made of the books of the members of the Association, or of their reports of weekly sales, shipments or any other data.

Q. Nothing of that kind has been done or is contemplated under the present organization, of January 1, 1922?

A. Nothing of that kind is done, or is contemplated to be done.

Mr. Johnston: I think that is all.

The Court: I take it there is nothing further on either side, if not, the proofs are closed.

Mr. Johnston: There are some exhibits, if the court please, that were introduced that do not seem to have been marked, I assume there will be no difficulty in having them marked.

The Court: They should be marked.

Mr. Johnston: One of our exhibits has evidently been misplaced, we cannot locate it. Mr. Keehn wants to compare those figures, I had forgotten that, with respect to production capacity, if the court will remember.

Mr. Fowler: Did he find some mistakes?

Mr. Johnston: Yes, he found some mistakes, several hundred thousand feet, two different weeks, in your calculation.

The Court: One offsetting the other?

Mr. Johnston: No, but they are not material, a couple of hundred thousand feet.

[fol. 1524] Further Examination of Mr. Keehn.

By Mr. Johnston:

Q. What have you found as a result of your compilation of the figures which you have and which the Government obtained as to the production of non-member mills?

A. We have made a complete statement of the production and manufacturing capacity of the members of the defendant Maple Flooring Manufacturers Association, and of the non-member manufacturers of Mable, Beech and Birch flooring, and the data regarding production has been compiled from the statements made by the De-

partment of Justice, and we have added to that one or two other reports which came in to us, which were not submitted to the Department of Justice, with a view of getting a complete tabulation of the whole thing. Then, we have a statement of the manufacturing capacity of the members and the non-members, which is compiled from data furnished to us by non-member manufacturers, because the Government's questionnaire did not go into the supplying of data regarding manufacturing capacity.

Q. How many non-members did you secure that data from?

A. I think, if I read that, it would be very simple.

Q. Very well.

A. The year 1922. We have columns of "Production, Members, Non-members." Twenty-two members produced of Maple, Beech and Birch flooring 148,313,000 feet; 58 non-members who reported produced 61,317,000 feet. The percentage produced by the members of the Association is 70.7%; by the non-members 29.3%, the total being 209,630,000 feet. The manufacturing capacity of the 22 members of the Association 158,400,000 feet; 38 non-members who re-
[fol. 1525] ported their manufacturing capacity 238,610,000 feet, making a total capacity of 397,010,000 feet, of which the Association represents 39.9% and the non-members 60.1%.

For the year 1921, our 22 members produced 107 million—

The Court: It is hardly necessary to repeat.

Mr. Johnson: No.

The Witness: We did not endeavor to compile data for the year 1918, because it was somewhat incomplete and we could not get a very careful analysis of it, but this manufacturing capacity is taken from the letters which the non-members wrote to us and which we have entered in our statement just as reported to us.

Mr. Johnston: We will offer these tables. They are comprised of three sheets and we will offer them as one exhibit. (Papers referred to were marked Defendant's exhibit QQ.)

The Witness: In Mr. Hughes' tabulation, we found one or two slight clerical errors, which would not of course affect the percentage.

Mr. Johnston: Is that all, Mr. Keehn?

Mr. Keehn: Yes, that is all.

The Court: Now, is that all, gentlemen?

Mr. Thompson: I believe so, your Honor.

Whereupon both plaintiff and the defendants rested, the evidence was closed, and the cause, after argument, was submitted to and taken under advisement by the court.

[fol. 1526] ORDER SETTLING STATEMENT OF EVIDENCE

Be it further remembered that the foregoing was all the evidence and testimony offered, admitted or excluded, and all the proceedings had on the hearing of said cause, which do not already appear of record herein, with the exception of those certain exhibits therein

mentioned but not incorporated therein; that the said exhibits mentioned but not incorporated in the foregoing were omitted pursuant to stipulation of the solicitors for the respective parties, and this court has, by order entered on the 10th day of March, A. D., 1924, directed that the exhibits mentioned but not incorporated in the foregoing be transmitted to the Supreme Court of the United States, along with the transcript of record herein.

Be it further remembered and certified that the foregoing statement of evidence was lodged in due time with the Clerk of this court, and that due and regular notice of such lodgment and of the time of the proposed settlement thereof was given to the solicitors for plaintiff; and it appearing that the said statement, supplemented by the exhibits which this court has ordered to be transmitted to the Supreme Court of the United States, is true, complete and properly prepared, it is hereby approved, settled and allowed as a true, complete and correct statement of the evidence introduced in said cause in narrative form, with the exception of parts of the testimony of certain witnesses and the entire testimony of other witnesses, which by agreement of the parties and the direction of this court, were reproduced in the exact words of said witnesses.

[fol. 1527] Inasmuch as the matters above set forth do not fully appear of record in this suit and the defendants pray that the same may be certified under the hand of the Judge of this court and thereby made a part of the record in said cause, it is certified accordingly this 10th day of March, A. D. 1924.

C. W. Sessions, Judge of the District Court of the United States for the Western District of Michigan, Southern Division.

[fol. 1528] District Court of the United States

[Title omitted]

Notice of Lodgment—Filed Mar. 10, 1924

Please take notice, that a copy of the statement of evidence prepared by the defendants to be used on the appeal in the above cause was duly lodged with the Clerk of the District Court of the United States for the Western District of Michigan, Southern Division, pursuant to Rule 75 of the Equity Rules of practice, on the 26th day of February, 1924, and that defendants will, on the 10th day of March, 1924, at 9:30 A. M. before his Honor Judge Sessions, at Grand Rapids, Michigan, ask the Court to approve the statement of evidence in order that it may be filed and become a part of the record for the purposes of the appeal.

Travis, Merrick, Warner & Johnson, Attorneys for Defendants.

Service of a copy of the above notice accepted and acknowledged this 27th day of February, 1924.

Edward J. Bowman, Attorney for Plaintiff.

[fol. 1529] IN UNITED STATES DISTRICT COURT

[Title omitted]

MOTION RE TESTIMONY—Filed Mar. 10, 1924

Come now the appellants in the above entitled cause, by their solicitors Travis, Merrick, Warner & Johnson, and Newman, Poppenhusen, Stern & Johnston, and present their motion to the court and show that in the preparation of the statement of the evidence and of the record in the appeal of this cause, counsel for appellants and appellee have agreed that certain portions of the testimony of various witnesses, and all the testimony of certain other witnesses should be reproduced in the exact words of the respective witnesses in order that a proper presentation of the case may be made to the Supreme Court of the United States. That accordingly the appellants have prepared, with the assistance and approval of the appellee, a statement of the evidence herein, wherein most of the testimony is set forth in narrative form, and those portions which counsel have [fol. 1530] deemed essential to set out in the exact words of the witnesses are so set forth in each case.

Therefore appellants pray the court to grant this motion and to direct that said testimony be set forth in the record as prepared by the appellants with the advice and approval of the appellee.

This the 10 day of March, A. D. 1924.

Travis, Merrick, Warner & Johnston, Newman, Poppenhusen, Stern & Johnston, Attorneys for Appellants.

[fol. 1531] IN UNITED STATES DISTRICT COURT

[Title omitted]

ORDER RE TESTIMONY—Filed Mar. 10, 1924

On motion of appellants made to this court and the consent of the appellee, it is hereby ordered that so much of the testimony as has been reproduced in the exact words of the witnesses in the statement of evidence prepared by appellants, with the advice and consent of the appellee, be reproduced in the record in the exact words of the witnesses—the court being satisfied that such request is reasonable, and that the reproduction of said testimony in the exact words of the witnesses is necessary to a correct and complete understanding of the record.

This the 10 day of March A. D. 1924.

C. W. Sessions, Judge of the United States District Court for the Western District of Michigan.

[fol. 1532] IN UNITED STATES DISTRICT COURT

[Title omitted]

MOTION THAT CERTAIN EXHIBITS BE SENT TO THE SUPREME COURT OF THE UNITED STATES—Filed Mar. 10, 1924

Come now the appellants in the above entitled cause by their solicitors, Travis, Merrick, Warner & Johnson, and Newman, Poppenhusen, Stern & Johnston, and present their motion to the court and show that during the hearing of said cause several hundred exhibits were introduced in evidence; that it will be necessary that some of these exhibits be inspected by the Supreme Court of the United States; that in the preparation of the statement of evidence it was impossible, in a great number of instances, and impracticable in others, to state the substance of said exhibits or otherwise describe or summarize them so as to give the Judges of the Supreme Court an adequate idea thereof; that owing to the nature, number, form and multiplicity of said exhibits, as well as their diversity of size and the length of some of them, counsel for appellants and appellees [fol. 1533] have agreed that certain exhibits should be incorporated in the statement of evidence, either by stating the substance thereof or by means of copies thereof, and that this agreement has been executed; that counsel for appellants and appellees have agreed that it would be more practicable if all the other exhibits should be transmitted by the Clerk of this court to the Supreme Court of the United States, and that said counsel should thereafter enter into a stipulation with respect to the printing thereof; that the exhibits which have not been incorporated in the statement of evidence as above described are as follows:

Government Exhibits Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 14A to 14 L inclusive, 15, 15A to 15-3F inclusive (with the exception of 15T, because through inadvertence of the Court Reporter there was no Gov. Ex. 15T), 17, 18, 18A to 18X inclusive, 19, 20, 20A, 21, 22, 23, 24, 24A to 24R inclusive, 25, 25A, 25B, 26, 27, 27A, 28, 28A, to 28T inclusive, 29, 29A, 29B, 29C, 30, 30A to 30F inclusive, 31, 31A to 31R inclusive, 32, 33, 34, 34A to 34P inclusive, 35, 36, 36A, 37, 38, 38A to 38K inclusive, 39 39A to 39D inclusive, 40, 40A to 40-5R inclusive, 41, 41A to 41-2Y inclusive, 42, 42A to 42C inclusive, extra 43 to extra 43F inclusive, 43A to 43-6 N inclusive, 44, 45, 46, 46A, 46B, 47, 48, 49, 50, 51, 51A to 51-2W inclusive, 52, 52A to 52-3G inclusive, 53, 53A, extra 54, 56, 56A to 56H inclusive, 57, 57A, 58, 58A, 59, 59A, 60 60A to 60P inclusive, 61, 61A, 62, 62A to 62N inclusive, 63, 63A to 63G inclusive, 64, 65, 65A to 65-3L inclusive, 66, 67, 68, 69, 70, 70½, 71, 72, 73, 74, 75, 76, 76A, 77, 78, 79, and Defendants' Ex- [fol. 1534] hibits A, B, B1, C to C11 inclusive (through inadvertence of the Court Reporter there was no Defendants' Exhibit D), E, F, F1, G, G1, H, H1, H2, I, J, K, L, P, Q, (through inadvert-

ence of the Court Reporter there was no Defendants' Exhibit S), T, T1, V4, V5, V6, V7, V24, W, Y, BB, BB1, CC½, CC, CC1, CC2, CC3, CC4, DD, DD1, EE, FF to FF9 inclusive, GG, HH, II1, II2, JJ, KK, KK1 to KK5 inclusive, LL, MM, NN, NN-1, OO, PP, QQ; Defendants' Keehn Exhibits Nos. 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, (through inadvertence of the Court Reporter there was no Defendants' Keehn Exhibit 16), 17, 18, 19, 20, 21 and 22; Defendants' Robertson Exhibits 1 to 31 inclusive; Defendants' Bacon Exhibit 1; Defendants' Brown Exhibit 4; Defendants' Gordon Exhibits Nos. 1 to 16 inclusive; Defendants' Grant Keehn Exhibits Nos. 17 to 30 inclusive; Defendants' Vanderblue Exhibits Nos. 1 to 4 inclusive.

Wherefore, the appellants pray that this court enter an order that the exhibits above mentioned be certified by the Clerk of this court and transmitted by him to the Supreme Court of the United States, along with the transcript of the record herein.

This the 10 day of March, A. D. 1924.

Travis, Merrick, Warner & Johnson, Newman, Poppenhusen, Stern & Johnson, Solicitors for Appellants.

[fol. 1535] IN UNITED STATES DISTRICT COURT

[Title omitted]

ORDER DIRECTING THAT CERTAIN EXHIBITS BE CERTIFIED BY THE CLERK AND TRANSMITTED BY HIM TO THE SUPREME COURT OF THE UNITED STATES

On motion of appellants made to this court and the consent of the appellee, It is hereby ordered that the following exhibits:

Government Exhibits Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 14A to 14L inclusive, 15, 15A, to 15-3F inclusive (with the exception of 15T, because through inadvertence of the Court Reporter there was no Gov. Ex. 15T), 17, 18, 18A to 18X inclusive, 19, 20, 20A, 21, 22, 23, 24, 24A to 24R inclusive, 25, 25A, 25B, 26, 27, 27A, 28, 28A to 28T inclusive, 29, 29A, 29B, 29C, 30, 30A to 30F inclusive, 31, 31A to 31R inclusive, 32, 33, 34, 34A to 34P inclusive, 35, 36, 36A, 37, 38, 38A to 38K inclusive, 39, 39A to 39D inclusive, 40, 40A to 40-5R inclusive, 41, 41A to 41-2Y inclusive, 42, [fol. 1536] 42A to 42C inclusive, extra 43 to extra 43F inclusive, 43A to 43-6N inclusive, 44, 45, 46, 46A, 46B, 47, 48, 49, 50, 51, 51A to 51-2W inclusive, 52, 52A to 52-3G inclusive, 53, 53A, extra 54, 56, 56A to 56H inclusive, 57, 57A, 58, 58A, 59, 59A, 60, 60A to 60P inclusive, 61, 61A, 62, 62A to 62N inclusive, 63, 63A to 63G inclusive, 64, 65, 65A to 65-3L inclusive, 66, 67, 68, 69, 70, 70½, 71, 72, 73, 74, 75, 76, 76A, 77, 78, 79, and Defendants' Exhibits A, B, B1, C to C11 inclusive (through inadvertence of the Court Reporter there was no Defendants' Exhibit D), E, F, F1, G, G1, H,

H1, H2, I, J, K, L, P, Q, (through inadvertence of the Court Reporter there was no Defendants' Exhibit S), T, T1, V4, V5, V6, V7, V24, W, Y, BB, BB1, CC½, CC, CC1, CC2, CC3, CC4, DD, DD1, EE, FF, to FF9 inclusive, GG, HH, II1, II2, JJ, KK, KK1 to KK5 inclusive, LL, MM, NN, NN1, OO, PP, QQ; Defendants' Keehn Exhibits Nos. 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, (through inadvertence of the Court Reporter there was no Defendants' Keehn Exhibit 16), 17, 18, 19, 20, 21 and 22; Defendants' Robertson Exhibits 1 to 31 inclusive; Defendants' Bacon Exhibit 1; Defendants' Brown Exhibit 4; Defendants' Gordon Exhibits Nos. 1 to 16 inclusive; Defendants' Grant Keehn Exhibits Nos. 17 to 30 inclusive; Defendants' Vanderblue Exhibits Nos. 1 to 4 inclusive, be certified by the Clerk of this Court and transmitted by him to the Supreme Court of the United States, this court being of opinion that said action is necessary for the due and proper presentation of the appeal herein to the Supreme Court of the United States and the expedition of said [fol. 1537] appeal.

This the 10 day of March, A. D. 1924.

—— ——, Judge.

[fol. 1538] IN UNITED STATES DISTRICT COURT

CLERK'S CERTIFICATE

I, Charles J. Potter, Clerk of the United States District Court for the Western District of Michigan, do hereby certify that the within and foregoing are true and compared copies of all those parts of the files and records in the within entitled cause which are specified in the stipulation of counsel for the respective parties and therein directed to be included in the transcript on the appeal taken in said cause, including the original citation issued and filed in said cause.

Witness my hand and the seal of the said District Court, at the City of Grand Rapids, in said District and Division, this 20th day of March, in the year of our Lord one thousand nine hundred and twenty-four.

Charles J. Potter, Clerk, by Chas. L. Fitch, Deputy Clerk.

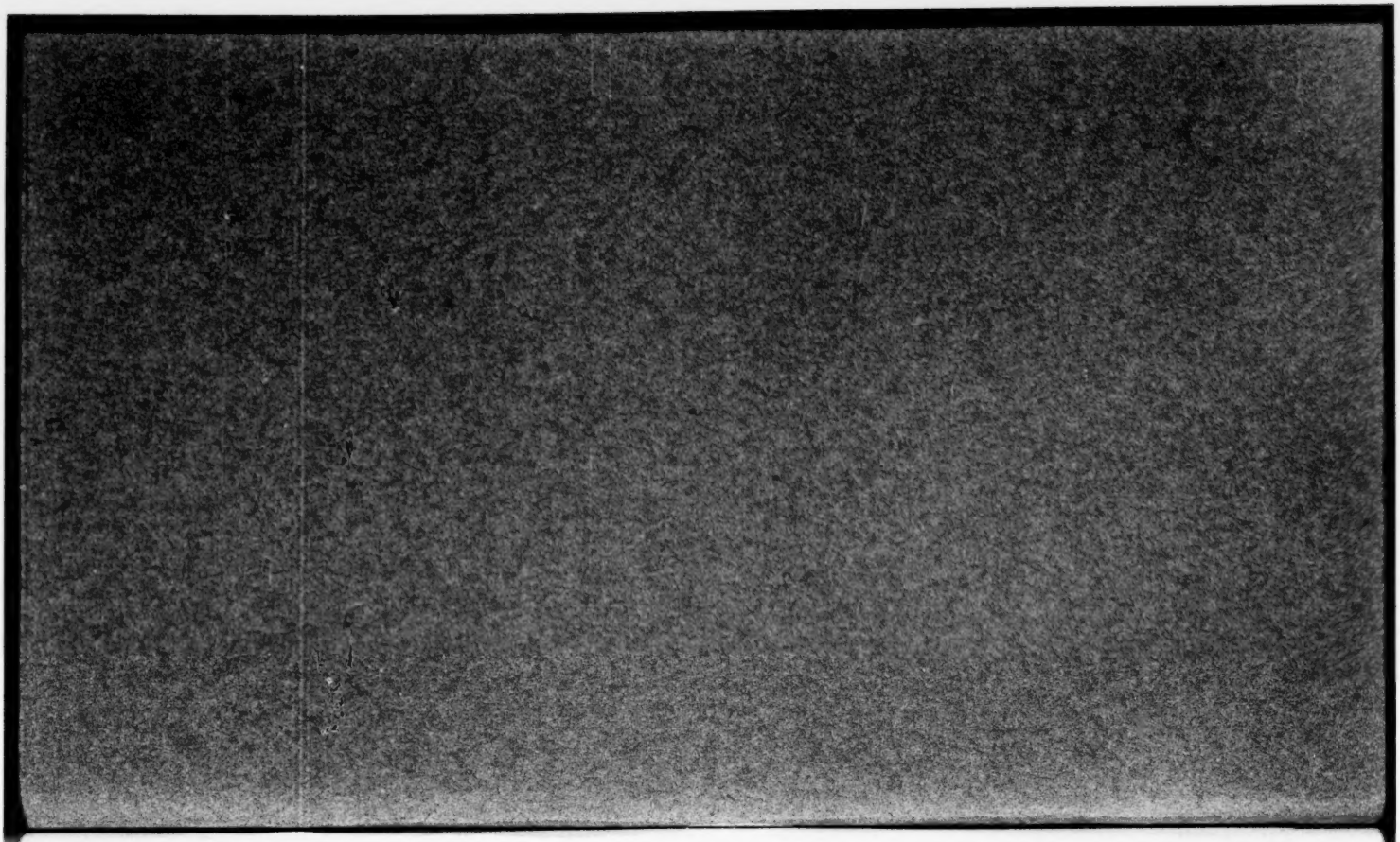
(Seal of the U. S. District Court, Western District of Mich., Southern Division.)

Proposed Statement of Evidence Lodged with me February 26, 1924.

Chas. L. Fitch, Deputy Clerk.

Endorsed on cover: File No. 30,230. W. Michigan D. C. U. S. Term No. 920. Maple Flooring Manufacturers Association, W. D. Young & Company, Mitchell Brothers Company, et al., appellants, vs. The United States of America. Filed March 28th, 1924. File No. 30,230.

[redacted]



(30,230)

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1924

No. 342

MAPLE FLOORING MANUFACTURERS ASSOCIATION, W. D. YOUNG & COMPANY, MITCHELL BROTHERS COMPANY, ET AL., APPELLANTS,

vs.

THE UNITED STATES OF AMERICA

APPEAL FROM THE DISTRICT COURT OF THE UNITED STATES FOR THE WESTERN DISTRICT OF MICHIGAN

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JUDD & DETWEILER (INC.), PRINTERS, WASHINGTON, D. C., MAY 23, 1924

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Defendants' Grant Keehn Exhibit 25—Table showing monthly ordinates of secular trend, etc., 1912-1923	6726	961
Defendants' Grant Keehn Exhibits 26 and 27—Graphs showing relation of production to demand and supply (accompanying tables omitted)	6728	965
Defendants' Grant Keehn Exhibit 28—Graph comparing F. O. B. mill prices realized by reporting members	6736	969
Defendants' Grant Keehn Exhibits 29, 29-A, and 29-B—Graphs comparing average cost with range of F. O. B. mill prices for clear No. 1 and factory floorings (accompanying tables omitted)	6738	971
Defendants' Grant Keehn Exhibit 30—Graph comparing index of prices and index of average costs with indices of prices of competing wood flooring, 1918-1923 (accompanying tables omitted)	6746	973
Clerk's certificate	6749	975
Stipulation as to parts of record to be printed	6750	975
Stipulation re defendant Grant Keehn's Exhibit 26	6755	978

[fol. 1] GOVERNMENT'S EXHIBIT No. 1

Maple Flooring Manufacturers' Association

Articles of Association

Jany. 1, 1913—Jany. 1, 1916

Extended from Jany. 1, 1916, to Jany. 1, 1919

[fol. 2] In consideration of the mutual agreements in the following Articles of Association contained, and the advantages and benefits to be derived therefrom, we, whose names are hereunto subscribed, do hereby make, enter into and bind ourselves and our respective successors and assigns by the following

Articles of Association

Article I

Name

The name of this Association shall be the Maple Flooring Manufacturers' Association, and its duration shall be for the period of three years from the 1st day of ——, 191- to the 1st day of ——, 191-

Article II

Objects

The objects of this Association shall be as follows: to promote the mutual interests of its members; to establish and maintain uniformity in trade usages; to encourage and increase the use of Maple, Beech and Birch Flooring in the United States and foreign countries; to adopt uniform standards of grading and manufacture; to exchange information; to collect and disseminate statistics concerning the flooring industry, and to adopt lawful plans for the general development and improvement of that industry.

But this Association shall not fix, regulate or control the price, output, purchase or sale of flooring.

[fol. 3] Article III

Headquarters

The headquarters of this Association shall be located at Chicago, Illinois.

Article IV

Membership

Any individual, firm or corporation regularly engaged in the manufacture of Maple, Beech, or Birch Flooring in the United States

may be a member of this Association. Each member shall be entitled to only one vote and shall have the right to sit in executive session. All applications for membership shall be made in writing to the Secretary, and approved by the Board of Trustees.

New members may be admitted to this Association at any regular or special meeting by a majority vote of the members present, but before being admitted to actual membership such candidate must sign these Articles and make the contribution hereinafter required.

Article V

Officers

The officers of this Association shall consist of a President, two Vice-Presidents, a Secretary, a Treasurer, and a Board of Trustees. The Board of Trustees shall consist of nine members, and the President, the two Vice-Presidents, and the Treasurer shall be members of the Board of Trustees by virtue of their office. The officers and the remaining five members of the Board of Trustees shall be elected by the members of the Association.

[fol. 4] The Board of Trustees shall elect the Secretary of the Association and fix his compensation. The Secretary need not be a member of the Association.

Article VI

Duties and Powers of Officers and Board of Trustees

President

The President shall preside at all meetings of the Association and shall be ex-officio Chairman of the Board of Trustees and ex-officio member of all standing Committees, and shall call meetings of the Board of Trustees whenever requested in writing to do so by a majority of the Board.

Vice-Presidents

In the absence of the President the first Vice-President shall perform the duties of the President, and in the absence of both President and first Vice-President, the second Vice-President shall perform the duties of the President.

Treasurer

The Treasurer shall keep account of all moneys received and expended for the use of the Association, and shall make disbursements only upon vouchers issued by the Secretary and approved by the President. When his term of office expires, he shall deliver to his successor all moneys, books, papers, and other property

belonging to the Association in his possession; and in the absence of such successor he shall deliver the same to the President.

Secretary

It shall be the duty of the Secretary to give notice of and attend [fol. 5] all meetings of the Association and of the Board of Trustees; to keep a record of all their doings; to keep a list of all the members of the Association; collect all assessments and pay them over to the Treasurer; to prepare under the direction of the Board of Trustees a semi-annual report of its transactions and the condition of the Association; and perform any and all duties which shall be required of him by the Board, and generally to devote his best efforts to forward the interests of the Association.

Board of Trustees

The Board of Trustees shall have the power to hold meetings at such times and places as it may deem proper; to appoint committees from the membership of the Board of Trustees, or of the Association; to print and circulate documents, raise funds and disburse the same, and to devise and carry into effect such measures not in conflict with these Articles, as it may deem proper and expedient to promote the objects of the Association, and the Secretary shall at all times be subject to its direction.

The Board of Trustees shall have power to make By-Laws and Regulations for the conduct of its own business and meetings; and for the conduct of the business and meetings of the Association, and for the furthering of the interests confided to its care.

The Board of Trustees shall act as a Board of Arbitration, to hear and determine any complaints and grievances arising between the members of the Association and its decision shall be final, conclusive and binding in each case, subject only to the right of appeal to the Association by written petition, if the amount involved be $250.00 or more, and such appeal shall be decided by the Association as speedily as possible.

[fol. 6]

Article VII

Election of Officers

The President, the two Vice-Presidents, the Treasurer and five members of the Board of Trustees shall be elected by ballot at the annual meeting of the Association, and they shall continue in office for the term of one year, and until their successors are elected and have qualified. A vote of the majority of the members of the Association shall be necessary to an election.

Article VIII

Vacancies

In case of a vacancy in the Board of Trustees or in any office, the same shall be filled by the Board of Trustees for the unexpired term of the trustee or officer whose vacancy is so filled.

Article IX

General Meetings

There shall be an annual meeting of the Association for the election of officers and members of the Board of Trustees and the transaction of other business on the fourth Wednesday in January of each year, and notice of such meeting shall be mailed to each member of the Association at least ten days prior to the holding thereof.

Regular meetings of the Association for the transaction of general business shall be held on the third Wednesday in March, May, July, September and November of each year, and notice of such meetings shall be given in the same manner as notice is given for the annual meeting of the Association.

[fol. 7]

Special

Special meetings of the Association may be called by the President or by a majority of the Board of Trustees and notice of such meeting shall be given ten days prior to the holding thereof.

Trustees.

There shall be at least two meetings of the Board of Trustees per annum, and time and place of such meetings shall be fixed by the Trustees.

Voting by Mail

When the President shall deem it inexpedient to call a special meeting of the Association, or when the Chairman shall deem it inexpedient to call a special meeting of the Trustees, the President, or Chairman, as the case may be, may request a vote by mail on any question on which an expression is deemed necessary, and the vote of each member of the Association or Trustee, as the case may be, so given by mail shall have the same force as if given at a regularly convened meeting.

Article X

Salaries and Expenses

All officers and trustees of the Association shall serve without compensation, except the Secretary, whose compensation shall be fixed by the Board of Trustees.

[fol. 8]

Article XI

Bureau of Inspection

The Board of Trustees may employ for the Association an Inspector, who shall be located centrally as regards the Flooring Market. No one shall be eligible to the position of Inspector who is directly or indirectly engaged in the profits of the Flooring Trade. The Inspector shall be under the general control of the Board of Trustees and immediately under the direction of the Secretary.

Article XII

Quorum

Five trustees shall constitute a quorum of the Board of Trustees for the transaction of any and all business. A majority of the members of the Association shall constitute a quorum for the transaction of the business of the Association.

Members of the Association not present at any meeting may be represented and vote by proxy given in writing to any other member of the Association, or to any employee of any individual, firm or corporation member of the Association, provided that no person shall vote more than one proxy.

Article XIII

Special Fund

A fund is hereby established, to be called the Special Fund, and shall consist of the contributions to be made to such Special Fund by the members of the Association, together with the increase and gains thereof. And the contribution of each member to said Special Fund shall be the amount set opposite the signature of such member [fol. 9] to these Articles of Association.

Said Special Fund shall be deposited with a Trust Company, to be chosen by the Association at the first meeting in the month of ——, 191—, and held by such Trust Company subject to the order of the Association. In case of the resignation or inability to act of such Trust Company, the Board of Trustees shall select another Trust Company to fill the unexpired term.

It is expressly agreed by each member of the Association that his share of the Special Fund is deposited as a guarantee that he will carry out all his obligations under these Articles of Association, and that if he shall fail, refuse or neglect to do so, or to pay any dues or assessments as provided in these Articles, then his share of the Special Fund and his interest in any and all other moneys owned or held by the Association, or held by anyone for the Association, shall be forfeited forever to the Association for the use and benefit of its members then in good standing.

Article XIV

General Fund

A fund is hereby established to be called the General Fund and all moneys received by the Association, except the moneys to be paid into the Special Fund, as provided for in Article XIII hereof, shall go into and become a part of the General Fund.

[For the purpose of securing moneys for the General Fund, an assessment of Three ($3.00) Dollars per thousand feet shall be levied each month on all shipments during that month in excess of the allotted percentage set opposite the signature of each member.

From this General Fund each member who has shipped during [fol. 10] that month less than his allotted percentage shall be paid Three ($3.00) Dollars per thousand feet on the quantity undershipped down to 75% of his allotment for that month.] If a member ship less than 75% of his allotment during any one month, he shall receive Three ($3.00) Dollars per thousand feet on only 25% of his allotment for that month, and the balance shall be held in abeyance until the end of the year, and if at the end of the year he shall have shipped 75% of his allotment for that year the amount so held in abeyance shall then be paid to him. For example, if a member's allotment for any given month is 400,000 feet and his shipments be 250.000 feet, he would have undersold 150,000 feet and his credit balance would be $450.00. Under this Article he would be expected to ship not less than 300,000 feet, or 75% of his allotment, and consequently he would be paid on only 100,000 feet of his undersales, or $300.00, and the remainder of his credit balance, $150.00, would be held in abeyance until the end of the year, and it would then be paid to him provided his shipments for the year equal 75% of his allotment for the year, but if his shipments for the year should fall below the required 75% of his allotment, then this $150.00, or any other amounts that may accrue under this Article, would belong to the entire Association. The term year as used in this Article shall mean the period between —— 1st of one year to —— 1st of the following year.

All assessments for the General Fund shall be paid to the Secretary within Five (5) days after such assessment has been made and due notice given. Should any member fail, neglect or refuse to pay the assessment so levied against him within thirty (30) days after such assessment is made, the Trustees shall then draw upon the share of such member in the Special Fund and remit the amount so drawn to the Secretary to pay such assessment and unless the share of such member in said Special Fund shall be restored by such member to its original amount within ten days after notice to [fol. 11] him by mail, he shall on the expiration of said ten days' notice cease to be a member of the Association and his share in all the funds, moneys and property of the Association shall be forfeited to the Association for the use and benefit of its members then in good standing, without any further or other notice or action whatever on the part of the Association, or any of its officers or members; provided, however, that such member of the Association may be

reinstated if the Board of Trustees in its sole and absolute discretion shall deem such reinstatement just and proper, and the Board of Trustees shall have the right to impose such terms and conditions in causing such reinstatement, as it may deem just and equitable.

Article XV

Daily Reports

Daily reports shall be made by each member of the Association to the Secretary at the close of business each day of all deliveries and shipments of all kinds of Maple, Beech and Birch Flooring, regardless of length, width, thickness or grade, for use within the United States, except Maple, Beech and Birch Flooring purchased from other members of this Association. These reports shall give the number of feet and the kind of wood, and shall be made upon blank forms to be provided by the Association, and, when furnished, shall be subject to verification by the Secretary, in such way and manner as the Board of Trustees may deem best. These daily reports shall include all Maple, Beech and Birch Flooring purchased by members from non-members of the Association, and also any Maple, Beech and Birch Flooring manufactured by members from rough lumber belonging to non-members, the same as if shipped or manufactured from the member's own stock. And the Secretary may and shall ascertain and determine whether such statements, so [fol. 12] furnished, are true, full and correct, and for that purpose may examine the books, papers and documents of the member furnishing such statements, and also examine and question the officers, members and employees of such member with respect to the matters and things in such statements contained, or the matters and things such statements should contain.

A record shall be kept of the daily reports, and a sworn statement showing the total deliveries and shipments for each month shall be rendered on or before the 5th of the following month.

Article XVI

Expense Fund

An Expense Fund to provide for the current running expenses of the Association shall be established and maintained by the payment, as often as required by the Board of Trustees, of assessments levied upon the members of the Association of Twenty-Five ($25.00) Dollars for each one (1%) per cent allotted to each member.

Article XVII

Fire

In the event of loss or damage by fire or other interference of any kind in the operation of the mill or business of any member of the Association, the question of the continuance or discontinuance

of his allotment in the Association during that time shall be determined by the Board of Trustees, and its decision shall be final, conclusive and binding upon each and every member of the Association, subject to the right of appeal, as provided in Article VI of these Articles of Association.

[fol. 13] Article XVIII

Discontinuance of Manufacture

Should any member of the Association cease manufacturing Maple, Beech and Birch Flooring during the life of these Articles of Association his allotment shall thereupon terminate and be at an end, and his portion of the moneys of the Association shall be returned to him six (6) months thereafter, less any unpaid dues or assessments, and his proportion of the expenses of the Association shall terminate at the time he ceases the manufacture of such Flooring.

Article XIX

Final Settlement

Immediately after the expiration of these Articles of Association on the 1st day of ——, 191—, the Special Fund, with the increase and gains thereof, and all other moneys and funds of the Association, shall be divided among the members of the Association then in good standing in the ratio of their respective allotments.

It is expressly understood and agreed that the statistics heretofore furnished to the Association, which have been used in arriving at these allotments, are subject to verification and to revision to include all shipments of flooring as classified in Article XV hereof, and that proportionate adjustment shall be made to cover any differences which may be found.

[fol. 14] MEMBERS	Percentage allotted	Special fund

[fol. 15] MEMBERS	Percentage allotted	Special fund

[fol. 16] MEMBERS	Percentage allotted	Special fund

[fol. 17] MEMBERS	Percentage allotted	Special fund

[fol. 18] MEMBERS	Percentage allotted	Special fund

[fol. 19] GOVERNMENT EXHIBIT No. 2

Maple Flooring Manufacturers' Association

Articles of Association

Continued for 6 Months from Jan., 1919 according to Mr. Keehn

[fol. 20] Maple Flooring Manufacturers Association, 801 Stock Exchange Bldg., Chicago

April 23, 1919.

Memorandum for Mr. McKeag of Federal Trade Commission

This is the only sample copy we now have of the Articles of Association of the Maple Flooring Manufacturers Association.

The figures in pencil "1913" "1916," etc., are inserted so this copy will correspond with the copy filed with the Department of Justice, Washington, D. C., December 31, 1912.

The figures in ink "1916" "1919," etc., indicate the extension of the duration of the Articles for three years, from January 1, 1916, as per our letter to the Department of Justice under date of June 27, 1916.

Geo. W. Keehn, Secretary.

[fol. 21] In consideration of the mutual agreements in the following Articles of Association contained, and the advantages and benefits to be derived therefrom, we, whose names are hereunto subscribed, do hereby make, enter into and bind ourselves and our respective successors and assigns by the following

Articles of Association

Article I

Name

The name of this Association shall be the Maple Flooring Manufacturers' Association, and its duration shall be for the period of three years from the 1st day of January, 1916 to the 1st day of January, 1919. 1913*
1916*

Article II

Objects

The objects of this Association shall be as follows: to promote the mutual interests of its members; to establish and maintain uniformity

[*In pencil in copy.]

in trade usages; to encourage and increase the use of Maple, Beech and Birch Flooring in the United States and foreign countries; to adopt uniform standards of grading and manufacture; to exchange information; to collect and disseminate statistics concerning the flooring industry, and to adopt lawful plans for the general development and improvement of that industry.

But this Association shall not fix, regulate or control the price, output, purchase or sale of flooring.

[fol. 22]

Article III

Headquarters

The headquarters of this Association shall be located at Chicago, Illinois.

Article IV

Membership

Any individual, firm or corporation regularly engaged in the manufacture of Maple, Beech, or Birch Flooring in the United States may be a member of this Association. Each member shall be entitled to only one vote and shall have the right to sit in executive session. All applications for membership shall be made in writing to the Secretary, and approved by the Board of Trustees.

New members may be admitted to this Association at any regular or special meeting by a majority vote of the members present, but before being admitted to actual membership such candidate must sign these Articles and make the contribution hereinafter required.

Article V

Officers

The officers of this Association shall consist of a President, two Vice-Presidents, a Secretary, a Treasurer, and a Board of Trustees. The Board of Trustees shall consist of nine members, and the President, the two Vice-Presidents, and the Treasurer shall be members of the Board of Trustees by virtue of their office. The officers and the remaining five members of the Board of Trustees shall be elected by the members of the Association.

[fol. 23] The Board of Trustees shall elect the Secretary of the Association and fix his compensation. The Secretary need not be a member of the Association.

Article VI

Duties and Powers of Officers and Board of Trustees

President

The President shall preside at all meetings of the Association and shall be ex-officio Chairman of the Board of Trustees and ex-officio

member of all standing Committees, and shall call meetings of the Board of Trustees whenever requested in writing to do so by a majority of the Board.

Vice-Presidents

In the absence of the President the first Vice-President shall perform the duties of the President, and in the absence of both President and first Vice-President, the second Vice-President shall perform the duties of the President.

Treasurer

The Treasurer shall keep account of all moneys received and expended for the use of the Association, and shall make disbursements only upon vouchers issued by the Secretary and approved by the President. When his term of office expires, he shall deliver to his successor all moneys, books, papers, and other property belonging to the Association in his possession; and in the absence of such successor he shall deliver the same to the President.

Secretary

It shall be the duty of the Secretary to give notice of and attend all [fol. 24] meetings of the Association and of the Board of Trustees; to keep a record of all their doings; to keep a list of all the members of the Association; collect all assessments and pay them over to the Treasurer; to prepare under the direction of the Board of Trustees a semi-annual report of its transactions and the condition of the Association; and perform any and all duties which shall be required of him by the Board, and generally to devote his best efforts to forward the interests of the Association.

Board of Trustees

The Board of Trustees shall have the power to hold meetings at such times and places as it may deem proper; to appoint committees from the membership of the Board of Trustees, or of the Association; to print and circulate documents, raise funds and disburse the same, and to devise and carry into effect such measures not in conflict with these Articles, as it may deem proper and expedient to promote the objects of the Association, and the Secretary shall at all times be subject to its direction.

The Board of Trustees shall have power to make By-Laws and Regulations for the conduct of its own business and meetings; and for the conduct of the business and meetings of the Association, and for the furthering of the interests confided to its care.

The Board of Trustees shall act as a Board of Arbitration, to hear and determine any complaints and grievances arising between the members of the Association and its decision shall be final, conclusive and binding in each case, subject only to the right of appeal to the

Association by written petition, if the amount involved be $250.00 or more, and such appeal shall be decided by the Association as speedily as possible.

[fol. 25]

Article VII

Election of Officers

The President, the two Vice-Presidents, the Treasurer and five members of the Board of Trustees shall be elected by ballot at the annual meeting of the Association, and they shall continue in office for the term of one year, and until their successors are elected and have qualified. A vote of the majority of the members of the Association shall be necessary to an election.

Article VIII

Vacancies

In case of a vacancy in the Board of Trustees or in any office, the same shall be filled by the Board of Trustees for the unexpired term of the Trustee or officer whose vacancy is so filled.

Article IX

General Meetings

There shall be an annual meeting of the Association for the election of officers and members of the Board of Trustees and the transaction of other business on the fourth Wednesday in January of each year, and notice of such meeting shall be mailed to each member of the Association at least ten days prior to the holding thereof.

Regular meetings of the Association for the transaction of general business shall be held on the third Wednesday in April, July, and October of each year, and notice of such meetings shall be given in the same manner as notice is given for the annual meeting of the Association.

[fol. 26]

Special

Special meetings of the Association may be called by the President or by a majority of the Board of Trustees and notice of such meeting shall be given ten days prior to the holding thereof.

Trustees

There shall be at least two meetings of the Board of Trustees per annum, and time and place of such meetings shall be fixed by the Trustees.

Voting by Mail

When the President shall deem it inexpedient to call a special meeting of the Association, or when the Chairman shall deem it inexpendient to call a special meeting of the Trustees, the President, or

Chairman, as the case may be, may request a vote by mail on any question on which an expression is deemed necessary, and the vote of each member of the Association or Trustee, as the case may be, so given by mail shall have the same force as if given at a regularly convened meeting.

Article X

Salaries and Expenses

All officers and trustees of the Association shall serve without compensation, except the Secretary, whose compensation shall be fixed by the Board of Trustees.

[fol. 27]

Article XI

Bureau of Inspection

The Board of Trustees may employ for the Association an Inspector, who shall be located centrally as regards the Flooring Market. No one shall be eligible to the position of Inspector who is directly or indirectly engaged in the profits of the Flooring Trade. The Inspector shall be under the general control of the Board of Trustees and immediately under the direction of the Secretary.

Article XII

Quorum

Five trustees shall constitute a quorum of the Board of Trustees for the transaction of any and all business. A majority of the members of the Association shall constitute a quorum for the transaction of the business of the Association.

Members of the Association not present at any meeting may be represented and vote by proxy given in writing to any other member of the Association, or to any employee of any individual, firm or corporation member of the Association, provided that no person shall vote more than one proxy.

Article XIII

Special Fund

A fund is hereby established, to be called the Special Fund, and shall consist of the contributions to be made to such Special Fund by the members of the Association, together with the increase and gains thereof. And the contribution of each member to said Special [fol. 28] Fund shall be the amount set opposite the signature of such members to these Articles of Association.

Said Special Fund shall be deposited with a Trust Company, to be chosen by the Association at the first meeting in the month of March, 1916, and held by such Trust Company subject to the joint

signatures of the President, Treasurer and Secretary of the Association. In case of the resignation or inability to act of such Trust Company, the Board of Trustees shall select another Trust Company to fill the unexpired term.

It is expressly agreed by each member of the Association that his share of the Special Fund is deposited as a guarantee that he will carry out all his obligations under these Articles of Association, and that if he shall fail, refuse or neglect to do so, or to pay any dues or assessments as provided in these Articles, then his share of the Special Fund and his interest in any and all other moneys owned or held by the Association, or held by anyone for the Association, shall be forfeited forever to the Association for the use and benefit of its members then in good standing.

Article XIV

General Fund

A fund is hereby established to be called the General Fund and all moneys received by the Association, except the moneys to be paid into the Special Fund, as provided for in Article XIII hereof, shall go into and become a part of the General Fund.

For the purpose of securing moneys for the General Fund, an assessment of Three ($3.00) Dollars per thousand feet shall be levied each month on all shipments during that month in excess of the allotted percentage set opposite the signature of each member.

From this General Fund each member who has shipped during [fol. 29] that month less than his allotted percentage shall be paid Three ($3.00) Dollars per thousand feet on the quantity undershipped down to 75% of his allotment for that month. If a member ship less than 75% of his allotment during any one month, he shall receive Three ($3.00) Dollars per thousand feet on only 25% of his allotment for that month, and the balance shall be held in abeyance until the end of the year, and if at the end of the year he shall have shipped 75% of his allotment for that year the amount so held in abeyance shall then be paid to him. For example, if a member's allotment for any given month is 400,000 feet and his shipments be 250,000 feet, he would have undersold 150,000 feet and his credit balance would be $450.00. Under this Article he would be expected to ship not less than 300,000 feet, or 75% of his allotment, and consequently he would be paid on only 100,000 feet of his undersales, or $300.00, and the remainder of his credit balance, $150.00, would be held in abeyance until the end of the year, and it would then be paid to him provided his shipments for the year equal 75% of his allotment for the year, but if his shipments for the year should fall below the required 75% of his allotment, then this $150.00, or any other amounts that may accrue under this Article, would belong to the entire Association. The term year as used in this Article shall mean the period between January 1st of one year to January 1st of the following year.

All assessments for the General Fund shall be paid to the Secretary

within Five (5) days after such assessment has been made and due notice given. Should any member fail, neglect or refuse to pay the assessment so levied against him within thirty (30) days after such assessment is made, the Trustees shall then draw upon the share of such member in the Special Fund and remit the amount so drawn to the Secretary to pay such assessment and unless the share of such member in said Special Fund shall be restored by such member to its original amount within ten days after notice to him by mail, he [fol. 30] shall on the expiration of said ten days' notice cease to be a member of the Association and his share in all the funds, moneys and property of the Association shall be forfeited to the Association for the use and benefit of its members then in good standing, without any further or other notice or action whatever on the part of the Association, or any of its officers or members; provided, however, that such member of the Association may be reinstated if the Board of Trustees in its sole and absolute discretion shall deem such reinstatement just and proper, and the Board of Trustees shall have the right to impose such terms and conditions in causing such reinstatement, as it may deem just and equitable.

Article XV

Daily Reports

(NOTE.—June 29, 1917.) Narrower than 6" wide, No. 3 Common and poorer, not kiln-dried or end matched is exempt, if used in U. S. Government cantonment work.

Daily reports shall be made by each member of the Association to the Secretary at the close of business each day of all deliveries and shipments of all kinds of Maple, Beech and Birch Flooring, regardless of length, width, thickness or grade, for use within the United States, except six inches and wider No. 3 common and poorer not Klin-dried or end matched, and except Maple, Beech and Birch Flooring purchased from other members of this Association. These reports shall give the number of feet and the kind of wood, and shall be made upon blank forms to be provided by the Association, and, when furnished, shall be subject to verification by the Secretary, in such way and manner as the Board of Trustees may deem best. These daily reports shall include all Maple, Beech and Birch Flooring purchased by members from non-members of the Association, and also any Maple, Beech and Birch Flooring manufactured by members from rough lumber belonging to non-members, the same as if shipped or manufactured from the member's own stock. And the Secretary may and shall ascertain and determine whether [fol. 31] such statements, so furnished, are true, full and correct, and for that purpose may examine the books, papers and documents of the member furnishing such statements, and also examine and question the officers, members and employees of such member with respect to the matters and things in such statements contained, or the matters and things such statements should contain.

A record shall be kept of the daily reports, and a sworn statement showing the total deliveries and shipments for each month shall be rendered on or before the 5th of the following month.

Article XVI

Expense Fund

An Expense Fund to provide for the current running expenses of the Association shall be established and maintained by the payment, as often as required by the Board of Trustees, of assessments levied upon the members of the Association of Twenty-Five ($25.00) Dollars for each one (1%) per cent allotted to each member.

Article XVII

Fire

In the event of loss or damage by fire or other interference of any kind in the operation of the mill or business of any member of the Association, the question of the continuance or discontinuance of his allotment in the Association during that time shall be determined by the Board of Trustees, and its decision shall be final, conclusive and binding upon each and every member of the Association, subject to the right of appeal, as provided in Article VI of these Articles of Association.

[fol. 32]

Article XVIII

Discontinuance of Manufacture

Should any member of the Association cease manufacturing Maple, Beech and Birch Flooring during the life of these Articles of Association his allotment shall thereupon terminate and be at an end, and his portion of the moneys of the Association shall be returned to him six (6) months thereafter, less any unpaid dues or assessments, and his proportion of the expenses of the Association shall terminate at the time he ceases the manufacture of such Flooring.

Article XIX

Final Settlement

Immediately after the expiration of these Articles of Association on the 1st day or January, 1919, the Special Fund, with the increase and gains thereof, and all other moneys and funds of the Association, shall be divided among the members of the Association then in good standing in the ratio of their respective allotments.

It is expressly understood and agreed that the statistics heretofore furnished to the Association, which have been used in arriving at these allotments, are subject to verification and to revision to include all shipments of flooring as classified in Article XV hereof, and that proportionate adjustment shall be made to cover any differences which may be found.

[fol. 33] MEMBERS	Percentage allotted	Special fund

[fol. 34] MEMBERS	Percentage allotted	Special fund

[fol. 35] MEMBERS	Percentage allotted	Special fund

[fol. 36] GOVERNMENT'S EXHIBIT No. 3

Maple Flooring Manufacturers Association

Articles of Association

Jany. 1, 1919, to July 1, 1919

[fol. 37] In consideration of the mutual agreements in the following Articles of Association contained, and the advantages and benefits to be derived therefrom, we, whose names are hereunto subscribed, do hereby make, enter into and bind ourselves and our respective successors and assigns by the following

Articles of Association

Article I

Name

The name of this Association shall be the Maple Flooring Manufacturers Association, and its duration shall be from the 1st day of January, 1919, to the 1st day of July, 1919.

Article II

Objects

The objects of this Association shall be as follows: to promote the mutual interests of its members; to establish and maintain uniformity in trade usages; to encourage and increase the use of Maple, Beech and Birch Flooring in the United States and foreign countries; to adopt uniform standards of grading and manufacture; to exchange information; to collect and disseminate statistics concerning the flooring industry, and to adopt lawful plans for the general development and improvement of that industry.

But this Association shall not fix, regulate or control the price, output, purchase or sale of flooring.

Article III

Headquarters

The headquarters of this Association shall be located at Chicago, Illinois.

Article IV

Membership

Any individual, firm or corporation regularly engaged in the manufacture of Maple, Beech, or Birch Flooring in the United States

[fol. 38] may be a member of this Association. Each member shall be entitled to only one vote and shall have the right to sit in executive session. All applications for membership shall be made in writing to the Secretary, and approved by the Board of Trustees.

New members may be admitted to this Association at any regular or special meeting by a majority vote of the members present, but before being admitted to actual membership such candidate must sign these Articles and make the contribution hereinafter required.

Article V

Officers

The officers of this Association shall consist of a President, two Vice-Presidents, a Secretary, a Treasurer, and a Board of Trustees. The Board of Trustees shall consist of nine members, and the President, two Vice-Presidents, and the Treasurer shall be members of the Board of Trustees by virtue of their office. The officers and the remaining five members of the Board of Trustees shall be elected by the members of the Association.

The Board of Trustees shall elect the Secretary of the Association and fix his compensation. The Secretary need not be a member of the Association.

Article VI

Duties and Powers of Officers and Board of Trustees

President

The President shall preside at all meetings of the Association and shall be ex-officio Chairman of the Board of Trustees and ex-officio member of all standing Committees, and shall call meetings of the Board of Trustees whenever requested in writing to do so by a majority of the Board.

Vice-Presidents

In the absence of the President the first Vice-President shall perform the duties of the President, and in the absence of both Presi-
[fol. 39] dent and first Vice-President, the second Vice-President shall perform the duties of the President.

Treasurer

The Treasurer shall keep account of all moneys received and expended for the use of the Association, and shall make disbursements only upon vouchers issued by the Secretary and approved by the President. When his term of office expires, he shall deliver to his successor all moneys, books, papers, and other property belonging to the Association in his possession; and in the absence of such successor he shall deliver the same to the President.

Secretary

It shall be the duty of the Secretary to give notice of and attend all meetings of the Association and of the Board of Trustees; to keep a record of all their doings; to keep a list of all members of the Association; collect all assessments and pay them over to the Treasurer; to prepare under the direction of the Board of Trustees a semi-annual report of its transactions and the condition of the Association; and perform any and all duties which shall be required of him by the Board, and generally to devote his best efforts to forward the interests of the Association.

Board of Trustees

The Board of Trustees shall have the power to hold meetings at such times and places as it may deem proper; to appoint committees from the membership of the Board of Trustees, or of the Association; to print and circulate documents, raise funds and disburse the same, and to devise and carry into effect such measures not in conflict with these Articles, as it may deem proper and expedient to promote the objects of the Association, and the Secretary shall at all times be subject to its direction.

The Board of Trustees shall have power to make By-Laws and Regulations for the conduct of its own business and meetings; [fol. 40] and for the conduct of the business and meetings of the Association, and for the furthering of the interests confided to its care.

The Board of Trustees shall act as a Board of Arbitration, to hear and determine any complaints and grievances arising between the members of the Association and its decision shall be final, conclusive and binding in each case, subject only to the right of appeal to the Association by written petition, if the amount involved be $250.00 or more, and such appeal shall be decided by the Association as speedily as possible.

Article VII

Election of Officers

The President, the two Vice-Presidents, the Treasurer and five members of the Board of Trustees shall be elected by ballot at the annual meeting of the Association, and they shall continue in office for the term of one year, and until their successors are elected and have qualified. A vote of the majority of the members of the Association shall be necessary to an election.

Article VIII

Vacancies

In case of a vacancy in the Board of Trustees or in any office, the same shall be filled by the Board of Trustees for the unexpired term of the trustee or officer whose vacancy is so filled.

Article IX

General Meetings

There shall be an annual meeting of the Association for the election of officers and members of the Board of Trustees and the transaction of other business on the fourth Wednesday in January of each year, and notice of such meeting shall be mailed to each member of the Association at least ten days prior to the holding thereof.

[fol. 41] Regular meetings of the Association for the transaction of general business shall be held on the third Wednesday in April, July and October of each year, and notice of such meetings shall be given in the same manner as notice is given for the annual meeting of the Association.

Special

Special meetings of the Association may be called by the President or by a majority of the Board of Trustees and notice of such meeting shall be given ten days prior to the holding thereof.

Trustees

There shall be at least two meetings of the Board of Trustees per annum, and time and place of such meetings shall be fixed by the Trustees.

Voting by Mail

When the President shall deem it inexpedient to call a special meeting of the Association, or when the Chairman shall deem it inexpedient to call a special meeting of the Trustees, the President, or Chairman, as the case may be, may request a vote by mail on any question on which an expression is deemed necessary, and the vote of each member of the Association or Trustees, as the case may be, so given by mail shall have the same force as if given at a regularly convened meeting.

Article X

Salaries and Expenses

All officers and trustees of the Association shall serve without compensation, except the Secretary, whose compensation shall be fixed by the Board of Trustees.

Article XI

Bureau of Inspection

The Board of Trustees may employ for the Association an Inspector, who shall be located centrally as regards the Flooring [fol. 42] Market. No one shall be eligible to the position of Inspec-

tor who is directly or indirectly engaged in the profits of the Flooring Trade. The Inspector shall be under the general control of the Board of Trustees and immediately under the direction of the Secretary.

Article XII

Quorum

Five trustees shall constitute a quorum of the Board of Trustees for the transaction of any and all business. A majority of the members of the Association shall constitute a quorum for the transaction of the business of the Association.

Members of the Association not present at any meeting may be represented and vote by proxy given in writing to any other member of the Association, or to any employee of any individual, firm or corporation member of the Association, provided that no person shall vote more than one proxy.

Article XIII

Special Fund

A fund is hereby established, to be called the Special Fund, and shall consist of the contributions to be made to such Special Fund by the members of the Association, together with the increase and gains thereof. And the contribution of each member to said Special Fund shall be at the rate of two hundred and fifty dollars ($250.00) per each one per cent (1%) allotted to him under these Articles of Association.

Said Special Fund shall be deposited with a Trust Company, chosen by the Association, and shall be held by such Trust Company subject to the joint signatures of the President, Treasurer and Secretary of the Association. In case of the resignation or inability to act of such Trust Company, the Board of Trustees shall select another Trust Company to fill the unexpired term.

[fol. 43] It is expressly agreed by each member of the Association that his share of the Special Fund is deposited as a guarantee that he will carry out all his obligations under these Articles of Association, and that if he shall fail, refuse or neglect to do so, or to pay any dues or assessments as provided in these Articles, then his share of the Special Fund and his interest in any and all other moneys owned or held by the Association, or held by anyone for the Association, shall be forfeited forever to the Association for the use and benefit of its members then in good standing.

Article XIV

General Fund

A fund is hereby established to be called the General Fund and all moneys received by the Association, except the moneys to be paid into the Special Fund, as provided for in Article XIII hereof, shall go into and become a part of the General Fund.

For the purpose of securing moneys for the General Fund, an assessment of Three ($3.00) Dollars per thousand feet shall be levied each month on all shipments during that month in excess of the allotted percentage of each member.

From this General Fund each member who has shipped during that month less than his allotted percentage shall be paid Three ($3.00) Dollars per thousand feet on the quantity undershipped down to 75% of his allotment for that month. If a member ship less than 75% of his allotment during any one month, he shall receive Three ($3.00) Dollars per thousand feet on only 25% of his allotment for that month, and the balance shall be held in abeyance until the termination of this agreement on July 1, 1919, and if by July 1, 1919, he shall have shipped of flooring of his own manufacture 75% of his allotment up to July 1, 1919, the amount so held in abeyance shall then be paid to him. For example, if a member's allotment for any given month is 400,000 feet and his shipments be [fol. 44] 250,000 feet, he would have undersold 150,000 feet and his credit balance would be $450.00. Under this Article he would be expected to ship not less than 300,000 feet, or 75% of his allotment, and consequently he would be paid on only 100,000 feet of his undersales, or $300.00, and the remainder of his credit balance, $150.00, would be held in abeyance until July 1, 1919, and it would then be paid to him provided his shipments up to July 1, 1919, of flooring of his own manufacture equal 75% of his allotment up to July 1, 1919, but if his shipments up to July 1, 1919, of flooring of his own manufacture should fall below the required 75% of his allotment, up to July 1, 1919, then this $150.00, or any other amounts that may accrue under this Article, would belong to the entire Association.

All assessments for the General Fund shall be paid to the Secretary within Five (5) days after such assessment has been made and due notice given. Should any member fail, neglect or refuse to pay the assessment so levied against him within thirty (30) days after such assessment is made, the Trustees shall then draw upon the share of such member in the Special Fund and remit the amount so drawn to the Secretary to pay such assessment and unless the share of such member in said Special Fund shall be restored by such member to its original amount within ten days after notice to him by mail, he shall on the expiration of said ten days' notice cease to be a member of the Association and his share in all the funds, moneys and property of the Association shall be forfeited to the Association for the use and benefit of its members then in good standing, without any further or other notice or action whatever on the part of the Association, or any of its officers or members; provided, however, that such member of the Association may be reinstated if the Board of Trustees in its sole and absolute discretion shall deem such reinstatement just and proper, and the Board of Trustees shall have the right to impose such terms and conditions in causing such reinstatement, as it may deem just and equitable.

[fol. 45]

Article XV

Daily Reports

Daily reports shall be made by each member of the Association to the Secretary at the close of business each day of all deliveries and shipments of all kinds of Maple, Beech and Birch Flooring, regardless of length, width, thickness or grade, for use within the United States, except six inches and wider No. 3 Common and poorer not kiln dried or end matched, and except Maple, Beech and Birch Flooring purchased from other members of this Association. These reports shall give the number of feet and the kind of wood, and shall be made upon blank forms to be provided by the Association, and, when furnished, shall be subject to verification by the Secretary, in such way and manner as the Board of Trustees may deem best. These daily reports shall include all Maple, Beech and Birch Flooring Purchased by members from non-members of the Association, and also any Maple, Beech and Birch Fooring manufactured by members from rough lumber belonging to non-members, the same as if shipped or manufactured from the members' own stock. And the Secretary or his assistants may and shall ascertain and determine whether such statements, so furnished, are true, full and correct, and for that purpose may examine the books, papers and documents of the member furnishing such statements, and also examine and question the officers, members and employees of such member with respect to the matters and things in such statements contained, or the matters and things such statements should contain.

A record shall be kept of the daily reports, and a statement showing the total deliveries and shipments for each month shall be rendered on or before the 5th of the following month.

Article XVI

Expense Fund

An Expense Fund to provide for the current running expenses of the Association shall be established and maintained by the payment, [fol. 46] as often as required by the Board of Trustees, of assessments levied upon the members of the Association of Twenty-five ($25.00) Dollars per each one (1%) per cent. allotted to each member under these Articles of Association.

Article XVII

Fire

In the event of loss or damage by fire or other interference of any kind in the operation of the mill or business of any member of the Association, the question of the continuance or discontinuance of his allotment in the Association during that time shall be determined

by the Board of Trustees, and its decision shall be final, conclusive and binding upon each and every member of the Association, subject to the right of appeal, as provided in Article VI of these Articles of Association.

Article XVIII

Discontinuance of Manufacture

Should any member of the Association cease manufacturing Maple, Beech and Birch Flooring during the life of these Articles of Association his allotment shall thereupon terminate and be at an end, and his portion of the moneys of the Association shall be returned to him six (6) months thereafter, less any unpaid dues or assessments, and his proportion of the expenses of the Association shall terminate at the time he ceases the manufacture of such Flooring.

Article XIX

Final Settlement

Immediately after the expiration of these Articles of Association on the 1st day of July, 1919, the Special Fund, with the increase and gains thereof, and all other moneys and funds of the Association, shall be divided among the members of the Association then in good standing and in the ratio of their respective allotments.

[fol. 47] MEMBERS	Allotted ratio in M feet	
By		
By		
By		
By		
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By		
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By		

[fol. 48] MEMBERS	Allotted ratio in M feet	
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[fol. 49] MEMBERS	Allotted ratio in M feet	
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[fol. 50] MEMBERS	Allotted ratio in M feet	
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[fol. 51] GOVERNMENT'S EXHIBIT No. 4

Maple Flooring Manufacturers' Association

Articles of Association

July 1, 1919, to July 1, 1922

Article XIV Discontinued March 31, 1920

[fol. 52] In consideration of the mutual agreements in the following Articles of Association contained, and the advantages and benefits to be derived therefrom, we, whose names are hereunto subscribed, do hereby make, enter into and bind ourselves and our respective successors and assigns by the following

Articles of Association

Article I

Name

The name of this Association shall be the Maple Flooring Manufacturers' Association, and its duration shall be from the 1st day of July, 1919, to the 1st day of July, 1922.

Article II

Objects

The objects of this Association shall be as follows: to promote the mutual interests of its members; to establish and maintain uniformity in trade usages; to encourage and increase the use of Maple, Beech and Birch Flooring in the United States and foreign countries; to adopt uniform standards of grading and manufacture; to exchange information; to collect and disseminate statistics concerning the flooring industry, and to adopt lawful plans for the general development and improvement of that industry.

But this Association shall not fix, regulate or control the price, output, purchase or sale of flooring.

Article III

Headquarters

The headquarters of this Association shall be located at Chicago, Illinois.

Article IV

Membership

Any individual, firm or corporation regularly engaged in the manufacture of Maple, Beech, or Birch Flooring in the United States

may be a member of this Association. Each member shall be entitled [fol. 53] to only one vote and shall have the right to sit in executive session. All applications for membership shall be made in writing to the Secretary, and approved by the Board of Trustees.

New members may be admitted to this Association at any regular or special meeting by a majority vote of the members present, but before being admitted to actual membership such candidate must sign these Articles and make the contribution hereinafter required.

Article V

Officers

The officers of this Association shall consist of a President, two Vice-Presidents, a Secretary, a Treasurer, and a Board of Trustees. The Board of Trustees shall consist of nine members, and the President, the two Vice-Presidents, and the Treasurer shall be members of the Board of Trustees by virtue of their office. The officers and the remaining five members of the Board of Trustees shall be elected by the members of the Association.

The Board of Trustees shall elect the Secretary of the Association and fix his compensation. The Secretary need not be a member of the Association.

Article VI

Duties and Powers of Officers and Board of Trustees

President

The President shall preside at all meetings of the Association and shall be ex-officio Chairman of the Board of Trustees and ex-officio member of all standing Committees, and shall call meetings of the Board of Trustees whenever requested in writing to do so by a majority of the Board.

Vice-Presidents

In the absence of the President the first Vice-President shall perform the duties of the President, and in the absence of both [fol. 54] President and first Vice-President, the second Vice-President shall perform the duties of the President.

Treasurer

The Treasurer shall keep account of all moneys received and expended for the use of the Association, and shall make disbursements only upon vouchers issued by the Secretary and approved by the President. When his term of office expires, he shall deliver to his successor all moneys, books, papers, and other property belonging to the Association in his possession; and in the absence of such successor he shall deliver the same to the President.

Secretary

It shall be the duty of the Secretary to give notice of and attend all meetings of the Association and of the Board of Trustees; to keep a record of all their doings; to keep a list of all the members of the Association; collect all assessments and pay them over to the Treasurer; to prepare under the direction of the Board of Trustees a semi-annual report of its transactions and the condition of the Association; and perform any and all duties which shall be required of him by the Board and generally to devote his best efforts to forward the interests of the Association.

Board of Trustees

The Board of Trustees shall have the power to hold meetings at such times and places as it may deem proper; to appoint committees from the membership of the Board of Trustees, or of the Association; to print and circulate documents, raise funds and disburse the same, and to devise and carry into effect such measures not in conflict with these Articles, as it may deem proper and expedient to promote the objects of the Association, and the Secretary shall at all times be subject to its direction.

The Board of Trustees shall have power to make By-Laws and Regulations for the conduct of its own business and meetings; and [fol. 55] for the conduct of the business and meetings of the Association, and for the furthering of the interests confided to its care.

The Board of Trustees shall act as a Board of Arbitration, to hear and determine any complaints and grievances arising between the members of the Association and its decision shall be final, conclusive and binding in each case, subject only to the right of appeal to the Association by written petition, if the amount involved be $250.00 or more, and such appeal shall be decided by the Association as speedily as possible.

Article VII

Election of Officers

The President, the two Vice-Presidents, the Treasurer and five members of the Board of Trustees shall be elected by ballot at the annual meeting of the Association, and they shall continue in office for the term of one year, and until their successors are elected and have qualified. A vote of the majority of the members of the Association shall be necessary to an election.

Article VIII

Vacancies

In case of a vacancy in the Board of Trustees or in any office, the same shall be filled by the Board of Trustees for the unexpired term of the trustee or officer whose vacancy is so filled.

Article IX

General Meetings

There shall be an annual meeting of the Association for the election of officers and members of the Board of Trustees and the transaction of other business on the fourth Wednesday in January of each year, and notice of such meeting shall be mailed to each member of the Association at least ten days prior to the holding thereof.

[fol. 56] Regular meetings of the Association for the transaction of general business shall be held on the third Wednesday in April, July and October of each year, and notice of such meeting shall be given in the same manner as notice is given for the annual meeting of the Association.

Special

Special meetings of the Association may be called by the President or by a majority of the Board of Trustees and notice of such meeting shall be given ten days prior to the holding thereof.

Trustees

There shall be at least two meetings of the Board of Trustees per annum, and time and place of such meetings shall be fixed by the Trustees.

Voting by Mail

When the President shall deem it inexpedient to call a special meeting of the Association, or when the Chairman shall deem it inexpedient to call a special meeting of the Trustees, the President, or Chairman, as the case may be, may request a vote by mail on any question on which an expression is deemed necessary, and the vote of each member of the Association or Trustees, as the case may be, so given by mail shall have the same force as if given at a regularly convened meeting.

Article X

Salaries and Expenses

All officers and trustees of the Association shall serve without compensation, except the Secretary, whose compensation shall be fixed by the Board of Trustees.

Article XI

Bureau of Inspection

The Board of Trustees may employ for the Association an Inspector, who shall be located centrally as regards the Flooring Mar-

[fol. 57] ket. No one shall be eligible to the position of Inspector who is directly or indirectly engaged in the profits of the Flooring Trade. The Inspector shall be under the general control of the Board of Trustees and immediately under the direction of the Secretary.

Article XII

Quorum

Five trustees shall constitute a quorum of the Board of Trustees for the transaction of any and all business. A majority of the members of the Association shall constitute a quorum for the transaction of the business of the Association.

Members of the Asssociation not present at any meeting may be represented and vote by proxy given in writing to any other member of the Association, or to any employee of any individual, firm or corporation member of the Association, provided that no person shall vote more than one proxy.

Article XIII

Special Fund

A fund is hereby established, to be called the Special Fund, and shall consist of the contributions to be made to such Special Fund by the members of the Association, together with the increase and gains thereof. And the contribution of each member to said Special Fund shall be at the rate of two hundred and fifty dollars ($250.00) per each one per cent (1%) allotted to him under these Articles of Association.

Said Special Fund shall be deposited with a Trust Company, chosen by the Association, and shall be held by such Trust Company subject to the joint signatures of the President, Treasurer and Secretary of the Association. In case of the resignation or inability to act of such Trust Company, the Board of Trustees shall select another Trust Company to fill the unexpired term.

[fol. 58] It is expressly agreed by each member of the Association that his share of the Special Fund is deposited as a guarantee that he will carry out all his obligations under these Articles of Association, and that if he shall fail, refuse or neglect to do so, or to pay any dues or assessments as provided in these Articles, then his share of the Special Fund and his interest in any and all other moneys owned or held by the Association, or held by anyone for the Association, shall be forfeited forever to the Association for the use and benefit of its members then in good standing.

Article XIV

General Fund

Discontinued March 31, 1920

A fund is hereby esetablished to be called the General Fund and all moneys received by the Association, except the moneys to be paid into the Special Fund, as provided for in Article XIII hereof, shall go into and become a part of the General Fund.

For the purpose of securing moneys for the General Fund, an assessment of Three ($3.00) Dollars per thousand feet shall be levied each month on all shipments during that month in excess of the allotted percentage of each member.

From this General Fund each member who has shipped during that month less than his allotted percentage shall be paid Three ($3.00) Dollars per thousand feet on the quantity undershipped down to 75% of his allotment for that month. If a member ship less than 75% of his allotment during any one month, he shall receive Three ($3.00) Dollars per thousand feet on only 25% of his allotment for that month, and the balance shall be held in abeyance until the end of the year, and if at the end of the year he shall have shipped of flooring of his own manufacture 75% of his allotment for that year, the amount so held in abeyance shall then be paid to him. For example, if a member's allotment for any given month is 400,000 feet and his shipments be 250,000 feet, he would have [fol. 59] undersold 150,000 feet and his credit balance would be $450.00. Under this Article he would be expected to ship not less than 300,000 feet, or 75% of his allotment, and consequently he would be paid on only 100,000 feet of his undersales, or $300.00, and the remainder of his credit balance, $150.00, would be held in abeyance until the end of the year, and it would then be paid to him provided his shipments for the year, of flooring of his own manufacture equal 75% of his allotment for the year, but if his shipments for the year of flooring of his own manufacture should fall below the required 75% of his allotment, for the year, then this $150.00, or any other amounts that may accrue under this Article, would belong to the entire Association. The term year as used in this Article shall mean the period between July 1st of one year to July 1st of the following year.

All assessments for the General Fund shall be paid to the Secretary within Five (5) days after such assessment has been made and due notice given. Should any member fail, neglect or refuse to pay the assessment so levied against him within thirty (30) days after such assessment is made, the Trustees shall then draw upon the share of such member in the Special Fund and remit the amount so drawn to the Secretary to pay such assessment and unless the share of such member in said Special Fund shall be restored by such member to its original amount within ten days after notice to him by mail, he shall on the expiration of said ten days' notice cease

to be a member of the Association and his share in all the funds, moneys and property of the Association shall be forfeited to the Association for the use and benefit of its members then in good standing, without any further or other notice or action whatever on the part of the Association, or any of its officers or members; provided, however, that such member of the Association may be reinstated if the Board of Trustees in its sole and absolute discretion shall deem such reinstatement just and proper, and the Board of Trustees shall have the right to impose such terms and conditions in causing such reinstatement, as it may deem just and equitable.

[fol. 60]

Article XV

Daily Reports

Daily reports shall be made by each member of the Association to the Secretary at the close of business each day of all deliveries and shipments of all kinds of Maple, Beech and Birch Flooring, regardless of length, width, thickness or grade, for use within the United States, except six inches and wider No. 3 Common and poorer not kiln dried or end matched, and except Maple, Beech and Birch Flooring purchased from other members of this Association. These reports shall give the number of feet and the kind of wood, and shall be made upon blank forms to be provided by the Association, and, when furnished, shall be subject to verification by the Secretary, in such way and manner as the Board of Trustees may deem best. These daily reports shall include all Maple, Beech and Birch Flooring Purchased by members from non-members of the Association, and also any Maple, Beech and Birch Flooring manufactured by members from rough lumber belonging to non-members, the same as if shipped or manufactured from the member's own stock. And the Secretary or his assistants may and shall ascertain and determine whether such statements, so furnished, are true, full and correct, and for that purpose may examine the books, papers and documents of the member furnishing such statements, and also examine and question the officers, members and employees of such member with respect to the matters and things in such statements contained, or the matters and things such statements should contain.

A record shall be kept of the daily reports, and a statement showing the total deliveries and shipments for each month shall be rendered on or before the 5th of the following month.

Article XVI

Expense Fund

An Expense Fund to provide for the current running expenses of the Association shall be established and maintained by the payment, [fol. 61] as often as required by the Board of Trustees, of assessments levied upon the members of the Association of Twenty-Five

($25.00) Dollars per each one (1%) per cent. allotted to each member under these Articles of Association.

Article XVII

Fire

In the event of loss or damage by fire or other interference of any kind in the operation of the mill or business of any member of the Association, the qusetion of the continuance or discontinuance of his allotment in the Association during that time shall be determined by the Board of Trustees, and its decision shall be final, conclusive and binding upon each and every member of the Association, subject to the right of appeal, as provided in Article VI of these Articles of Association.

Article XVIII

Discontinuance of Manufacture

Should any member of the Association discontinue the manufacture of Maple, Beech and Birch flooring during four (4) consecutive months, or if he does not manufacture fifty per cent or more of his allotted ratio of shipments during four (4) consecutive months, his allotment shall thereupon be automatically suspended and held in abeyance until he resumes the manufacture of Maple, Beech and Birch flooring to an extent equal to fifty per cent or more of his allotted ratio of shipments, whereupon his allotment shall then be restored to him. And should any member cease altogether the manufacture of Maple, Beech and Birch flooring, his allotment shall thereupon terminate and be at an end, and his portion of the moneys of the Association shall be returned to him (6) months thereafter, less any unpaid dues and assessments, and his proportion of the expenses of the Association shall terminate at the time he ceases altogether the manufacture of such flooring.

Article XIX

Final Settlement

Immediately after the expiration of these Articles of Association on the 1st day of July, 1922, the Special Fund, with the increase and gains thereof, and all other moneys and funds of the Association, shall be divided among the members of the Association then in good standing and in the ratio of their respective allotments.

[fol. 62] MEMBERS	Allotted ratio in M feet	
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By		
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[fol. 63] MEMBERS	Allotted ratio in M feet	
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[fol. 64] MEMBERS	Allotted ratio in M feet	
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[fol. 65] MEMBERS	Allotted ratio in M feet	
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[fol. 66] GOVERNMENT'S EXHIBIT No. 5

Maple Flooring Manufacturers Association

Articles of Association

October 1, 1921, to July 1, 1922

[fol. 67] We, the undersigned, manufacturers of Maple, Beech and Birch flooring, hereby form an Association and adopt and agree to be bound by the following

Articles of Association

Article I

Name

The name of this Association shall be the Maple Flooring Manufacturers Association, and its duration shall be from the 1st day of October, 1921, to the 1st day of July, 1922.

Article II

Objects

Section 1. The objects of this Association shall be as follows: To promote the mutual interests of its members; to establish and maintain uniformity in trade usages; to encourage and increase the use of Maple, Beech and Birch flooring in the United States and foreign countries; to exchange information concerning the character and nature of actually completed and closed business transactions of its members; to collect and disseminate statistics concerning the flooring industry; to establish and enforce uniform grades and standards of products; to constantly improve methods of manufacture; to provide architect, dealer and builder with an organized and always available guarantee of quality; to protect the integrity of the product and stimulate its more intelligent and economical use, and to adopt lawful plans for the general development and improvement of the industry.

Section 2. But this Association shall not fix, regulate or control the price, output, purchase or sale of flooring.

[fol. 68] Article III

Headquarters

The headquarters of this Association shall be located at Chicago, Illinois.

Article IV

Membership

Section 1. Any individual, firm or corporation regularly engaged in the manufacture of Maple, Beech, or Birch flooring in the United States may be a member of this Association. Each member shall be entitled to only one vote and shall have the right to sit in executive session. All applications for membership shall be made in writing to the Secretary, and approved by the Board of Trustees.

Section 2. New members may be admitted to this Association at any regular or special meeting by a majority vote of the members present, but before being admitted to actual membership such candidate must sign these Articles and make the contribution to the Special Fund as hereinafter required.

Article V

Officers

Section 1. The officers of this Association shall consist of a President, two Vice Presidents, a Treasurer, a Secretary, and a Board of Trustees. The Board of Trustees shall consist of nine members, and the President, the two Vice Presidents, and the Treasurer shall be members of the Board of Trustees by virtue of their office. The officers and the remaining five members of the Board of Trustees shall be elected by the members of the Association.

[fol. 69] Section 2. The Board of Trustees shall elect the Secretary of the Association and fix his compensation. The Secretary need not be a member of the Association.

Article VI

Duties and Powers of Officers and Board of Trustees.

President

Section 1. The President shall preside at all meetings of the Association and shall be ex officio member of all standing committees, and shall call meetings of the Board of Trustees whenever requested in writing to do so by a majority of the Board.

Vice Presidents

Section 2. In the absence of the President the First Vice President shall perform the duties of the President, and in the absence of both President and First Vice President, the Second Vice President shall perform the duties of the President.

Treasurer

Section 3. The Treasurer shall keep account of all moneys received and expended for the use of the Association, and shall

make disbursements only upon vouchers issued by the Secretary and approved by the President. When his term of office expires, he shall deliver to his successor all moneys, books, papers, and other property belonging to the Association in his possession; and in the absence of such successor he shall deliver the same to the President.

Secretary

Section 4. It shall be the duty of the Secretary to give notice of and attend all meetings of the Association and of the Board of [fol. 70] Trustees; to keep a record of all their doings; to keep a list of all the members of the Association; collect all assessments and pay them over to the Treasurer; to prepare under the direction of the Board of Trustees a semi-annual report of its transactions and the conditions of the Association; and perform any and all duties which shall be required of him by the Board and generally to devote his best efforts to forward the interests of the Association.

Board of Trustees

Section 5. The Board of Trustees shall have the power to hold meetings at such times and places as it may deem proper; to appoint committees from the membership of the Board of Trustees, or of the Association; to print and circulate documents, raise funds and disburse the same, and to devise and carry into effect such measures not in conflict with these Articles, or the law of the land, as it may deem proper and expedient to promote the objects of the Association, and the Secretary shall at all times be subject to its direction.

Section 6. The Board of Trustees shall have power to make By-Laws and Regulations for the conduct of its own business and meetings; and for the conduct of the business and meetings of the Association, and for the furthering of the interests confided to its care.

Section 7. The Board of Trustees shall act as a Board of Arbitration, to hear and determine any complaints and grievances arising between the members of the Association, or between the Association and any of its members, and the decision of the Board of Trustees shall be final, conclusive and binding in each case, subject only to the right of appeal to the Association by written petition to be submitted to the Association within thirty days from the time the decision of the Board of Trustees is rendered, and such appeal shall be decided by the Association as speedily as possible.

[fol. 71]

Article VII

Election of Officers

The President, the two Vice Presidents, the Treasurer and five members of the Board of Trustees shall be elected by ballot at the first meeting of the Association, and they shall continue in office until the expiration of these Articles of Association. A vote of the majority of the members of the Association shall be necessary to an election.

Article VIII

Vacancies

In case of a vacancy in the Board of Trustees or in any office, the same shall be filled by the Board of Trustees for the unexpired term of the trustee or officer whose vacancy is so filled.

Article IX

Meetings

Section 1. Regular meetings of the Association for the transaction of general business shall be held on the third Wednesday in November, 1921, and in February, April and June, 1922, and notice of such meetings shall be given at least five days prior to the holding thereof.

Section 2. Special meetings of the Association may be called by the President or by a majority of the Board of Trustees and notice of such meeting shall be given at least five days prior to the holding thereof.

Section 3. Meetings of the Board of Trustees shall be held at any time whenever called by the President or by a majority of the Board. The time and place of such meeting shall be fixed by the Trustees.

[fol. 72]

Voting by Mail

Section 4. When the President shall deem it inexpedient to call a meeting of the Association, or of the Board of Trustees, he may request a vote by mail on any question on which an expression is deemed necessary, and the vote of each member of the Association or of the Board of Trustees, as the case may be, so given by mail shall have the same force as if given at a regularly convened meeting.

Article X

Quorum

Section 1. Five trustees shall constitute a quorum of the Board of Trustees for the transaction of any and all business. A majority of the members of the Association shall constitute a quorum for the transaction of the business of the Association.

Section 2. Members of the Association not present at any meeting may be represented and vote by proxy given in writing to any other member of the Association, or to any employee of any individual, firm or corporation member of the Association, provided that no person shall vote for more than one proxy.

Article XI

Salaries and Expenses

All officers and trustees of the Association shall serve without compensation, except the Secretary, whose compensation shall be fixed by the Board of Trustees.

[fol. 73]

Article XII

Bureau of Inspection

The Board of Trustees may employ for the Association an Inspector, who shall be located centrally as regards the flooring market. No one shall be eligible to the position of Inspector who is directly or indirectly engaged in the profits of the flooring trade. The Inspector shall be under the general control of the Committee on Grades and immediately under the direction of the Secretary.

Article XIII

Special Fund

Section 1. A fund is hereby established, to be called the Special Fund, and shall consist of the contributions to be made to such Special Fund by the members of the Association, together with the increase and gains thereof. And the contribution of each member to said Special Fund shall be at the rate of two hundred and fifty dollars ($250) per each one per cent (1%) allotted to him under these Articles of Association.

Section 2. Said Special Fund shall be deposited with a trust company, chosen by the Board of Trustees, and shall be held by such trust company subject to the joint signatures of the President, Treasurer and Secretary of the Association. In case of the resignation or inability to act of such trust company, the Board of Trustees shall select another trust company to fill the unexpired term.

Section 3. It is expressly agreed by each member of the Association that his share of the Special Fund is deposited as a guarantee that he will carry out all his obligations under these Articles of Association, and that if he shall fail, refuse or neglect to do so, or to [fol. 74] pay any dues or assessments as provided in these Articles, then his share of the Special Fund and his interest in any and all other moneys owned or held by the Association, or held by anyone for the Association, shall be forfeited forever to the Association for the use and benefit of its remaining members then in good standing. See #XX.

Article XIV

Determining Average Cost

Section 1. The sound business principle advocated by the Federal Trade Commission that manufacturers should carefully consider the

question of cost in manufacturing and selling their product is recognized by the Association and is hereby adopted as the only scientific method of conducting the business of manufacturing and marketing Maple, Beech and Birch flooring.

Section 2. For the purpose of furnishing to its members information regarding the average cost of manufacturing and marketing Maple, Beech and Birch flooring, Surveys of Costs to ascertain such average cost shall be made from time to time by the Association and such Surveys of Costs shall be filed with the Federal Trade Commission at Washington, D. C., if the Commission so desires.

Section 3. In the judgment of the Association the following fundamental elements constitute the basis of ascertaining the average cost of Maple, Beech and Birch flooring to the manufacturers when manufactured, sold and delivered f. o. b. cars at the flooring plant:

(a) The actual market value of the raw material;

(b) The average cost and expense of manufacturing and selling flooring and loading it in cars at the flooring plant;

(c) Interest on the capital actually invested in the flooring busi- [fol. 75] ness at the rate of six per centum per annum;

(d) Annual depreciation of plant as allowed by the government;

(e) The usual overhead charges incurred in carrying on the flooring business; and

(f) A reasonable allowance to provide for contingencies and unforeseen hazards incident to manufacturing operations. This allowance is estimated at five per cent of the average cost f. o. b. cars at the flooring plant.

Article XV

General Fund

Section 1. A fund is hereby established to be called the General Fund, and all moneys received by the Association, except the moneys to be paid into the Special Fund, as provided for in Article XIII hereof, shall go into and become a part of the General Fund.

Section 2. For the purpose of securing moneys for the General Fund, an assessment of Four ($4) Dollars per thousand feet shall be levied each month on all shipments during that month in excess of the allotted percentage of each member.

Section 3. From this General Fund each member who has shipped during that month less than his allotted percentage shall be paid Four ($4) Dollars per thousand feet on the quantity undershipped down to 75 per cent of his allotment for that month. If a member ships less than 75 per cent of his allotment during any one month, he shall receive Four ($4) Dollars per thousand feet on only 25

per cent of his allotment for that month, and the balance shall be held in abeyance until the termination of this agreement on July 1, 1922, and if by July 1, 1922, he shall have shipped of flooring of his own manufacture 75 per cent of his allotment up to July 1, 1922, the amount so held in abeyance shall then be paid to him. For [fol. 76] example, if a member's allotment for any given month is 400,000 feet and his shipments be 250,000 feet, he would have undersold 150,000 feet and his credit balance would be $600. Under the provisions of this Article he would be expected to ship not less than 300,000 feet, or 75 per cent of his allotment, and consequently he would be paid on only 100,000 feet of his undersales, or $400, and the remainder of his credit balance, $200, would be held in abeyance until July 1, 1922, and it would then be paid to him provided his shipments up to July 1, 1922, of flooring of his own manufacture equal 75 per cent of his allotment up to July 1, 1922, but if his shipments up to July 1, 1922, of flooring of his own manufacture should fall below the required 75 per cent of his allotment up to July 1, 1922, then this $200 or any other amounts that may accrue under this Article, shall belong to the entire Association.

Article XVI

Daily Reports

Section 1. Daily reports shall be made by each member of the Association to the Secretary at the close of business each day of all deliveries and shipments of all kinds of Maple, Beech and Birch flooring, regardless of length, width, thickness or grade, for use within the United States, except six inches and wider No. 3 common and poorer not kiln dried or end matched, and except Maple, Beech and Birch flooring purchased from other members of this Association.

Section 2. These daily reports shall include all Maple, Beech and Birch flooring purchased by members from non-members of the Association, and also any Maple, Beech and Birch flooring manufactured by members from rough lumber belonging to non-members, the same as if shipped or manufactured from the member's own stock.

Section 3. These daily reports shall give the number of feet and [fol. 77] the kind of wood, and shall be made upon blank forms to be provided by the Association, and, when furnished, shall be subject to verification by the Secretary, in such way and manner as the Board of Trustees may deem best. And the Secretary or his assistants may and shall ascertain and determine whether such reports so furnished are true, full and correct, and for that purpose may examine the books, papers and documents of the member furnishing such reports, and also examine and question the officers and employees of such members with respect to the matters and things in such reports contained, or the matters and things such reports should contain.

Section 4. A record shall be kept of the daily reports, and a statement showing the total deliveries and shipments for the month shall be rendered on or before the 5th of the following month.

Article XVII

Expense Fund

An Expense Fund to provide for the current running expenses of the Association shall be established and maintained by the payment, as often as required by the Board of Trustees, of assessments levied upon the members of the Association of Twenty-five ($25) Dollars per each one (1%) per cent allotted to each member under these Articles of Association.

Article XVIII

Fire or Other Interference

In the event of loss or damage by fire or other interference of any kind in the operation of the mill or business of any member of the Association, the question of the continuance or discontinuance of his [fol. 78] allotment in the Association during that time shall be determined by the Board of Trustees, and its decision shall be final, conclusive and binding upon each and every member of the Association, subject to the right of appeal, as provided in Section 7 of Article VI of these Articles of Association.

Article XIX

Discontinuance of Manufacture

Should any member of the Association cease manufacturing Maple, Beech and Birch flooring during the life of these Articles of Association his allotment shall thereupon terminate and be at an end, and his portion of the moneys of the Association shall be returned to him six (6) months thereafter, less any unpaid dues or assessments, and his proportion of the expenses of the Association shall terminate at the time he ceases the manufacture of such flooring.

Article XX

Final Settlement

Immediately after the expiration of these Articles of Association on the 1st day of July, 1922, the Special Fund, with the increase and gains thereof, and all other moneys and funds of the Association, shall be divided among the members of the Association then in good standing and in the ratio of their then respective allotments.

[fol. 79] MEMBERS	Allotted ratio in M feet		Allotted percentage	
By				
By				
By				
By				
By				
By				
By				
By				
By				
By				
By				

[fol. 80] MEMBERS	Allotted ratio in M feet		Allotted percentage	
By				
By				
By				
By				
By				
By				
By				
By				
By				
By				
By				

[fol. 81] MEMBERS	Allotted ratio in M feet		Allotted percentage	
By				
By				
By				
By				
By				
By				
By				
By				
By				
By				
By				

[fol. 82] MEMBERS	Allotted ratio in M feet		Allotted percentage	
By				
By				
By				
By				
By				
By				
By				
By				
By				
By				
By				
By				

[fol. 83] GOVERNMENT'S EXHIBIT No. 6

Maple Flooring, Manufacturers Association, 1045 Stock Exchange Bldg., Chicago

September 16, 1921.

To members.

GENTLEMEN: In accordance with your instructions at the last general meeting of the Association, the proposed revision of the Articles of Association has been drafted and in order that you may have an opportunity to study them before the next meeting is held, we are enclosing a copy which, for your greater convenience, is in printed form. The printer is holding the type set up so that further revisions can be made, if desired.

Several changes are suggested in this proposed revision, namely:

Article II "Objects"—have been made more general and include "the exchange of information concerning the character and nature of actually completed and closed business transactions of its members." This refers to the Weekly Sales Reports, etc.

Article XIV "Determining Average Cost" is entirely new.

Article XIX is modified so that a member would not be compelled to manufacture at least 50% of his allotment during consecutive periods of four months in order to retain his allotment. This modification is in accord with all of our previous Articles of Association, excepting the present one, which was adopted to run from July 1, 1919 to July 1, 1922.

It would seem that the allotments as agreed upon in our present Articles of Association, which allotments were to be in force from July 1, 1919 to July 1, 1922, should govern from October 1, 1921 to July 1, 1922, because each member has already agreed to his allotment to run to July 1, 1922, and if we begin changing allotments, there will be no end to it. Inasmuch as the allotments were suspended from April 1, 1920 to October 1, 1921, a period of 18 months or one-half of the three-year period originally agreed upon, there should be no particular hardship on any member to reinstate his allotment from October 1, 1921 to July 1, 1922, being the nine months remaining of the three years originally agreed upon.

The following is a schedule of the allotted ratios in M feet and in percentages as agreed upon as at July 1, 1919 to run for three years:

No.	Member	Ratio in M feet	Per cent
2.	Young	8,802	6.58
3.	Mitchell	8,020	5.99
4.	Wis. L. & L. Co.	9,115	6.81
5.	Cobbs & Mitchell	9,952	7.44
7.	Stephenson	6,786	5.07
14.	Cummer-Diggins	2,451	1.83
22.	Osgood & Blodgett	644	.48
23.	Holt Hardwood	4,281	3.20
24.	Kerry & Hanson	5,744	4.29
26.	East Jordan	3,911	2.92
30.	Nichols & Cox	4,312	3.22
33.	Strable	6,559	4.90
34.	Foster-Latimer	2,517	1.88
37.	West Michigan	3,713	2.77
42.	J. W. Wells L. Co.	4,387	3.28
44.	Cooperage	7,290	5.45
45.	Flanner-Steger	4,319	3.23
47.	Wm. Horner	31,189	23.31
48.	North Branch	2,843	2.12
49.	Bigelow-Cooper	5,726	4.28
50.	Kneeland-McLurg	1,260	.95
		133,830	100%

[fol. 84] If it is thought desirable that the form of membership should be the same for all members, allotments would have to be arranged for the Wilce Flooring Company, John Schroeder Lumber Company and the Oval Wood Dish Corporation. This would be a simple matter and if allotments are arranged for them, it would not disturb the ratios in M feet but would, of course, change the allotted percentages, but the allotted percentages would be of the same relative value, practically speaking, because, while the percentages themselves would be smaller, they would apply to a larger volume of shipments.

It is now expected that a general meeting of the Association will be held on Friday, the 23d, and that a meeting of the Special Committee will be held on Thursday, the 22d, in order to draft some simple memorandum along the lines suggested at the last meeting and submit same to the general meeting on the 23d.

Conditions in the industry as reflected in the Weekly Sales Reports are greatly demoralized, as all of you, of course, know, and if any progress whatever is to be made in the work of the Association, it is absolutely necessary that every member be represented at the next meeting, with full power to act, so that definite conclusions can be arrived at then and there.

As soon as Dr. Earle, as President of the Association, fixes the date of the next general meeting, we will advise you promptly and we will also request the Special Committee to hold a meeting on the day previous.

Yours very truly, George W. Keehn, Secretary.

[fol. 85] GOVERNMENT'S EXHIBIT No. 7

Maple Flooring, Manufacturers Association, 1045 Stock Exchange Bldg., Chicago

October 24, 1921.

To members.

GENTLEMEN: We regret to advise you that two of the members upon whom I called last week, namely Nichols & Cox Lumber Company and Holt Hardwood Company, in regard to the adoption of the proposed new Articles of Association which include the reinstatement of the allotment feature from October 1, 1921 to July 1, 1922, could not see their way clear to join with the other members who have already expressed themselves in the affirmative.

Nichols & Cox Lumber Company feel that it would work a hardship upon them to reinstate the allotment feature without increasing their allotted ratio in M feet to be more consistent, as they see it, with their volume of production and shipments under their new conditions and in view of their increased facilities in the flooring business.

Mr. Dewey of Bigelow-Cooper Company says that we can count them in on the same basis and under the same conditions as the other members who have expressed their willingness to reinstate the allotment plan and while they do not feel that their allotment is as much as they think it should be, they will not raise that question at all, but will go along with the other members from October 1st to July 1st next.

Mr. Flanner of Flanner-Steger Land & Lumber Company called at the office to see us before I left Chicago on this trip, and said they would wait to see what the Holt Hardwood Company would do before giving a definite answer one way or the other.

Mr. Holt and Mr. W. L. De Witt of the Holt Hardwood Company had gone over this subject very fully by my arrival at Oconto on the 22d, and after a long talk with Mr. De Witt and also with Mr. Holt and Mr. De Witt together, their final decision was not to join with the other members in the reinstatement of the allotment plan unless, in the opinion of Mr. Holt's own attorney, the allotment plan is not illegal, and also that their allotment be readjusted to be more in harmony with present conditions with them as reflected in the volume of their production and shipments of flooring during a more recent period than the one used in basing the allotted percentages. They feel that the 27 months used in their case of the 42 months' period, from January 1916—June 1919, taken as the basis of the allotted ratios, does not work out equitably with them because during the 27 months period their flooring business was not as much developed as it has been during the past year or two, and that more recent conditions with them should be considered in arriving at their allotment. Mr. Holt expressed himself as being heartily in favor of carrying on the statistical and other work of the Association along the lines of the Michigan Hardwood Manufacturers Association and the Northern Hemlock and Hard-

wood Manufacturers Association without the allotment feature in case it fails of adoption.

Regretting that we cannot make a more favorable report at this time, we are,

Yours very truly, George W. Keehn, Secretary.

[fol. 86] GOVERNMENT'S EXHIBIT No. 8

Maple Flooring Manufacturers Association

Articles of Association

January 1, 1922, to January 1, 1925

[fol. 87] We, the undersigned manufacturers of Maple, Beech and Birch flooring, hereby form an Association and adopt and agree to be bound by the following

Articles of Association

Article I

Name

The name of this Association shall be the Maple Flooring Manufacturers Association, and its duration shall be from the 1st day of January, 1922, to the 1st day of January, 1925.

Article II

Objects

Section 1. The objects of this Association shall be as follows: To encourage and increase the use of Maple, Beech and Birch flooring in the United States by co-operative advertising; to establish and maintain all such lawful trade customs and usages for the protection of the members as the Association may deem advisable; to exchange information concerning the character and nature of actually completed and closed business transactions of its members; to collect and disseminate statistics concerning the flooring industry; to establish uniform grades and standards of products; to constantly improve methods of manufacture; to provide architects, dealers and builders with an organized and always available guarantee of quality; to protect the integrity of the product and stimulate its more intelligent and economical use, and to adopt lawful plans for the general development and improvement of the industry.

Section 2. But this Association shall not, either directly or indirectly, fix, regulate or control the price, output, purchase or sale of flooring, or attempt so to do.

[fol. 88] Article III

Headquarters

The headquarters of this Association shall be located at Chicago, Illinois.

Article IV

Membership

Section 1. Any individual, firm or corporation regularly engaged in the Manufacture of Maple, Beech, or Birch flooring in the United States may be a member of this Association. Each member shall be entitled to only one vote. All applications for membership shall be made in writing to the Secretary.

Section 2. New members may be admitted to this Association at any regular or special meeting by a majority vote of the members present, but before being admitted to actual membership, such candidate must sign these Articles of Association and pay into the Membership Fee Fund the membership fee as required in Article XIII.

Section 3. New members admitted to membership after the 1st day of May, 1922, shall pay into the Treasury of the Association, for the benefits which they will enjoy from the Association Trademark M. F. M. A., the additional sum of $100 for each Matcher installed for the manufacture of Maple, Beech and Birch Flooring, and all such payments shall become a part of the Advertising Fund hereinafter mentioned in Articles XVII and XVIII.

Article V

Officers

Section 1. The officers of this Association shall consist of a Presi-
[fol. 89] dent, a Vice President, a Treasurer, a Secretary, and a Board of Trustees. The Board of Trustees shall consist of seven members, and the President, the Vice President and the Treasurer shall be members of the Board of Trustees by virtue of their office. The officers and the remaining four members of the Board of Trustees shall be elected by the members of the Association at its annual meeting.

Section 2. The Board of Trustees shall elect the Secretary of the Association and fix his compensation. The Secretary need not be a member of the Association.

Article VI

Duties and Powers of Officers and Board of Trustees

President

Section 1. The President shall preside at all meetings of the Association and shall be ex officio member of all standing committees,

and shall call meetings of the Board of Trustees whenever requested in writing to do so by a majority of the Board.

Vice President

Section 2. In the absence of the President the Vice President shall perform the duties of the President, and in the absence of both President and Vice President, the Treasurer shall perform the duties of the President.

Treasurer

Section 3. The Treasurer shall keep account of all moneys received and expended for the use of the Association, and shall make disbursements only upon vouchers issued by the Secretary and approved by the President. When his term of office expires, he shall deliver to his successor all moneys, books, papers, and other property [fol. 90] belonging to the Association in his possession; and in the absence of such successor he shall deliver the same to the President.

Secretary

Section 4. It shall be the duty of the Secretary to give notice of and attend all meetings of the Association and of the Board of Trustees; to keep a record of such meetings; collect all assessments and pay them over to the Treasurer; to prepare under the direction of the Board of Trustees a semi-annual report of the business transactions and financial condition of the Association; and perform any and all duties which shall be required of him by the Board and generally to devote his best efforts to promote the interests of the Association.

Board of Trustees

Section 5. The Board of Trustees may hold its meetings at such times and places as it may deem proper; may appoint committees from the membership of the Board of Trustees, or of the Association; may print and circulate documents, raise funds and disburse the same, and may devise and carry into effect such measures, not in conflict with these Articles, or the law of the land, as it may deem proper and expedient to promote the objects of the Association; and the Secretary shall at all times be subject to the direction of the Board of Trustees.

Section 6. The Board of Trustees shall have power to make By-Laws for the conduct of its own business and meetings; and for the conduct of the business and meetings of the Association, and for advancing the interests of the Association.

Section 7. The Board of Trustees shall act as a Board of Arbitration, to hear and determine all complaints and grievances which may arise between the members of the Association, or be- [fol. 91] tween the Association and any of its members, and the decision of the Board of Trustees shall be final, conclusive and binding in each case, subject only to the right of appeal to the Association by

written petition to be submitted to the Association within thirty days from the time the decision of the Board of Trustees is rendered, and such appeal shall be decided by the Association as speedily as possible.

Article VII

Election of Officers

The President, the Vice President, the Treasurer and four members of the Board of Trustees shall be elected by ballot at the annual meeting of the Association, to serve for the term of one year and until their successors are elected and have qualified. The affirmative vote of the majority of the members of the Association shall be necessary to an election.

Article VIII

Vacancies

In case of a vacancy in the Board of Trustees or in any office, the same shall be filled by the Board of Trustees for the unexpired term of the trustee or officer whose vacancy is to be so filled.

Article IX

Meetings

Section 1. The annual meeting of the Association for the election of officers and trustees and the transaction of such business as may be presented to the meeting, shall be held on the third Wednesday in January of each year. Regular meetings of the Association for the [fol. 92] transaction of business shall be held on the third Wednesday in April, July and October of each year. Due notice of all annual and regular meetings shall be given not less than five days before the meeting is to be held.

Section 2. Special meetings of the Association may be called by the President or by a majority of the Board of Trustees and notice of such meeting shall be given not less than five days prior to the holding of the same.

Section 3. Meetings of the Board of Trustees shall be held at any time whenever called by the President or by a majority of the Board. The time and place of holding such meetings shall be fixed by the Trustees, and such notice of the meeting shall be given as the President, or a majority of the Board, may direct.

Voting by Mail

Section 4. When the President shall deem it inexpedient to call a meeting of the Association, or of the Board of Trustees, he may request a vote by mail on any question on which an expression is deemed necessary, and the vote of each member of the Association or of the Board of Trustees, as the case may be, so given by mail shall

have the same force and effect as if given at a meeting duly convened and held.

Article X

Quorum

Section 1. Four trustees shall constitute a quorum of the Board of Trustees for the transaction of any and all business. A majority of the members of the Association shall constitute a quorum for the transaction of the business of the Association.

Section 2. Members of the Association not present at any meeting may be represented and vote by proxy given in writing to any [fol. 93] other member of the Association, or to any employee of any individual, firm or corporation member of the Association, provided that no person shall vote more than two proxies.

Article XI

Salaries and Expenses

All officers and trustees of the Association shall serve without compensation, except the Secretary, whose compensation shall be fixed by the Board of Trustees.

Article XII

Official Inspection and Standardization of Grades

Section 1. The Board of Trustees may employ Official Inspectors for the Association, who shall be located centrally with respect to the flooring market, and shall fix their compensation. No one shall be eligible to the position of Official Inspector who is directly or indirectly interested in the profits of the flooring trade. The Official Inspectors shall be under the general control of the Committee on Grades and under the immediate direction of the Secretary.

Section 2. The Official Inspectors shall visit from time to time the flooring mills of the members of the Association for the purpose of inspecting the manufacture and grading of their flooring product in order to see that it conforms to the standard grades as established by the Association, so that architects, dealers and builders may be fully protected as to quality and grade when specifying, selling or using Maple, Beech and Birch flooring bearing the Association Trademark M. F. M. A.

[fol. 94] Article XIII

Membership Fee Fund

Section 1. A fund is hereby established called the Membership Fee Fund, and each member shall pay into said fund as a membership fee the sum of $200 for each Matcher installed for the manufacture of Maple, Beech or Birch Flooring.

Section 2. All moneys paid into the Membership Fee Fund shall be deposited with a trust company, chosen by the Board of Trustees, and shall be paid out by such trust company only upon the joint signatures of the President, Treasurer and Secretary of the Association. In case of the resignation or inability to act of any trust company hereunder, then the Board of Trustees shall name another trust company to take its place.

Article XIV

Determining Average Cost

Section 1. The sound business principle advocated by the Federal Trade Commission that manufacturers should carefully consider the question of cost in manufacturing and selling their product is recognized by the Association as the only scientific method of conducting the business of manufacturing and marketing Maple, Beech and Birch flooring.

Section 2. For the purpose of furnishing to its members information regarding the average cost of manufacturing and marketing Maple, Beech and Birch flooring, Surveys of Costs to ascertain such average cost shall be made from time to time by the Association and such Surveys of Costs shall be filed with the Federal Trade Commission at Washington, D. C.

Section 3. In the judgment of the Association the following [fol. 95] fundamental elements enter into and determine the average cost of Maple, Beech and Birch flooring to the manufacturers when manufactured, sold and delivered F. O. B. cars at the flooring plant:

(a) The actual market value of the raw material, as established from time to time by current sales of rough flooring lumber on the open market.

(b) The average cost and expense of manufacturing, selling and delivering flooring F. O. B. cars at the flooring plant;

(c) Interest on the capital actually invested in the flooring business at the rate of six per cent per annum;

(d) Annual depreciation of plant as is usually allowed by the United States Government;

(e) The usual overhead charges in carrying on the flooring business; and

(f) A reasonable allowance to provide for contingencies and unforeseen hazards incident to manufacturing operations. This allowance is estimated at five per cent of the average total cost of Maple, Beech and Birch flooring when delivered F. O. B. cars at the flooring plant.

Article XV

Statistical Reports

Section 1. In order that the relations of supply and demand and the statistical conditions existing from time to time in the Maple flooring industry may be known, the fellowing statistical monthly reports shall be made to the Secretary by each member of the Association on or before the 5th day of each month:

(a) Report of Stocks on Hand of Maple, Beech and Birch Flooring at the end of the previous month.

(b) Report of Unfilled Orders on Hand for Maple Beech and Birch Flooring at the end of the previous month.

(c) Report of the amount in feet of Shipments made during the previous month of all kinds of Maple, Beech and Birch Floor-[fol. 96] ing for use within the United States, except Maple, Beech and Birch Flooring purchased from other members of this Association.

(d) Report of Production of Maple, Beech and Birch Flooring during the previous month.

(e) Report of New Orders Booked for Maple, Beech and Birch Flooring during the previous month.

(f) Report of Average Prices Realized F. O. B. flooring plant, after deducting freight, for 13/16" x 2¼" face Clear, No. 1 and Factory Maple Flooring, standard grades and lengths, sold during the previous month.

Section 2. In addition to the foregoing monthly reports, each member of the Association shall send to the Secretary promptly at the end of each week a report of all sales made during that week of Maple, Beech and Birch Flooring. These weekly sales reports shall state the quantity, kind and grade of flooring sold, the delivered price sold at, the average freight rate to destination of shipment, and the commissions paid, if any.

Section 3. All the foregoing statistical reports shall be made upon blank forms furnished by the Association and shall relate wholly and entirely to past and completed transactions. Said reports shall be mailed by the members to the Secretary, who shall report the same to the members. Said statistics shall be filed by the Association with the Department of Commerce, Washington, D. C., and shall also be made known to the public, in such form and manner as the Department of Commerce may approve.

Article XVI

Expense Fund

Section 1. A fund is hereby established called the Expense Fund to provide for the current running expenses of the Association. Each member shall pay into the Expense Fund an assessment of 25 cents per M feet on his shipments of all kinds of Maple, Beech [fol. 97] and Birch Flooring for use within the United States, except Maple, Beech and Birch flooring purchased from other members of this Association.

Section 2. The first assessment for said Expense Fund shall be made for the quarter commencing on the first day of January, 1922, and shall be levied quarterly thereafter, and each quarterly assessment shall be due and payable on or before the 25th day of the first month following the end of the quarter of the year for which the assessment is levied.

Article XVII

Advertising Fund

Section 1. A fund is hereby established called the Advertising Fund to provide moneys for co-operative advertising in order to promote and increase the use of Maple, Beech and Birch Flooring.

Each member shall pay into the Advertising Fund an assessment of 10 cents per M feet on his shipments of all kinds of Maple, Beech and Birch Flooring for use within the United States, except Maple, Beech and Birch Flooring purchased from other members of this Association.

Section 2. The first assessment for said Advertising Fund shall be made for the quarter commencing on the 1st day of January, 1922, and shall be levied quarterly thereafter, and each quarterly assessment shall be due and payable on or before the 25th day of the first month following the end of the quarter of the year for which the assessment is levied.

Section 3. The advertising work and all expenditures in connection therewith shall be under the control and management of a committee consisting of five members of the Association, to be appointed by the Board of Trustees, and to be known as the Advertising Committee.

[fol. 98]

Article XVIII

Trademark License

Section 1. Each member of the Association shall have and is hereby given the right and license (but not exclusive) to use on flooring of his own manufacture the Trademark MFMA adopted by this Association, subject to such rules, regulations, terms and condi-

tions as the Association may adopt from time to time governing the use of said Trademark, and the Association may require each member to enter into a written contract setting forth the rules, regulations, terms and conditions under which the member may use said Trademark and said Trademark Contract shall form a part of these Articles of Association but it shall not be subject to amendment under the provisions of Article XXII.

Section 2. Each member shall pay to the Association the sum of $50 per annum, payable on or before the end of each calendar year, as a license fee for the right to use said Trademark and such license fee shall become a part of the Advertising Fund of the Association.

Article XIX

Obligations of Members

Members of the Association shall pay all dues and assessments as provided in these Articles of Association and if any member neglects to do so for the period of sixty days after the same are due and payable, then such member shall automatically cease to be a member of the Association and his right and license to use the Trademark of the Association shall at the same time automatically terminate, and the interest of such member in and to the funds and property of the Association shall be at an end forever and from that time on such interest shall be held by the Association for the sole use and benefit of its other members then in good standing.

[fol 99] Maple Flooring Manufacturers' Association, 1045 Stock Exchange Bldg., Chicago

Trademark Agreement

GENTLEMEN: Referring to the tradmark MFMA, which has been adopted by the Maple Flooring Manufacturers' Association for the purpose of identifying the flooring manufactured by its members, the Association hereby gives you the right and license (but not exclusive) to use said trademark, under and subject to the following terms and conditions:

1. You are hereby given the right and license to use said trademark on the flooring of your own manufacture, but only while you are a member in good standing of the Association; and in case your membership in the Association is terminated for any reason whatever, then your right and license to use said trademark shall thereupon immediately cease and be at an end. The said trademark when used by you shall be followed by the No. — to indicate the identity of your plant, so that the trademark as used by you will be as follows: MFMA —. Each member of the Association using the trademark has his own special number affixed to the trademark to indicate the identity of his plant.

2. You shall maintain the standard grades of flooring which the Association may from time to time establish, and the official

inspector of the Association shall have the right to visit your plant, whenever sent by the Association, to see that such standard grades are properly maintained.

3. You shall protect the Association and its members from any and all damages and losses which any purchaser may have sustained by reason of the fact that the flooring sold by you to such purchaser and bearing the trademark of the Association is not up to the standard grades established by the Association. In case of a dispute you shall consent to a reinspection by the Association Official Inspector, if demanded in writing by the purchaser.

4. You are to pay to the Association the sum of Fifty Dollars ($50.00) per annum, payable on or before the end of each calendar year, beginning with the calendar year 1922, as a license fee for the right to use said trademark, and such license shall become a part of the Advertising Fund of the Association.

5. The Association reserves the right to revoke at any time your right and license to use said trademark, if the foregoing conditions are not complied with to the satisfaction of the Association.

Yours very truly, Maple Flooring Manufacturers' Association, by —— ——, Secretary.

The foregoing is hereby accepted under the terms and conditions therein named: —— ——, by —— ——.

(In duplicate.)

[fol. 100] Article XX

Discontinuance of Manufacture

Should any member of the Association cease manufacturing Maple, Beech and Birch flooring during the life of these Articles, his membership in the Association shall thereupon terminate and be at an end, and his portion of the moneys of the Association shall be returned to him six months thereafter, less any unpaid dues and assessments which may be due or owing to the Association up to the time he ceases the manufacture of Maple, Beech and Birch flooring.

Article XXI

Final Settlement

Immediately upon the expiration of these Articles of Association on the first day of January, 1925, all moneys and funds of the Association remaining on hand after all its indebtedness and obligations shall have been paid or provided for, shall be divided among the then members of the Association, in the proportions of their respective payments into the Membership Fee Fund.

Article XXII

Amendments

These Articles of Association may be amended at any regular or special meeting of the Association by the affirmative vote of two-thirds in number of all the members of the Association, but no amendment shall be made which may, either directly or indirectly, be in violation of, or in conflict with, any law of the land. Notice of any proposed amendment shall be given by mail addressed to each member at least ten days prior to the date of holding the meeting at which the proposed amendment is to be voted upon.

[fol. 101] GOVERNMENT'S EXHIBIT No. 9

January 24, 1922.

Proposed New Articles of Association

To Members.

GENTLEMEN: As instructed at the last general meeting of the Association proposed new Articles of Association have been drafted and after several conferences with Mr. Newman, our counsel, the draft has been completed and we are submitting it to you in printed form for your convenience. The printer will hold the form set up so that changes can be made if desired.

It was thought best to define in the Articles themselves such forms and methods of Association work and statistical reports as will come within the scope of the work of the Association under these proposed new Articles if adopted. Their duration is set at three years in accordance with previous custom.

The Articles speak for themselves, but perhaps we should make a few comments regarding some of them:

Article II. The objects of the Association are defined more broadly than in our present Articles of Association.

Article IV. Section 2, provides for a Membership Fee Fund which will take the place of our Special Fund and the Membership Fee as stated in Article XIII is placed at $250.00 for each matcher instead of $250.00 for each 1%.

Article IV. Section 3, provides that new members admitted to membership after the 1st day of April, 1922, shall pay for the benefits which they will enjoy from the Association Trademark the additional sum of $100.00 for each matcher. As you all know, the present members of the Association have paid out considerable money in advertising Maple, Beech and Birch Flooring and in advertising the Association Trademark and this additional payment from new members of $100.00 for each matcher is intended to equal-

ize that condition and to have new members pay for these benefits in proportion to capacity the same as the present members have done, all of whom have paid their respective shares of our advertising expenses, etc. in proportion to their shipments which, of course, represent their capacity in a general way.

Article XII. Section 2, makes mention of the Official Inspector's visits to the Association mills to inspect the manufacture and grading of MFMA flooring.

Article XIII. Sections 1 and 2, goes into further details regarding to Membership Fee of $250.00 for each matcher installed for the manufacture of Maple, Beech and Birch Flooring.

Article XIV. Determining Average Cost, goes into this subject very fully.

Article XV. Statistical Reports, gives in detail the various statistical reports to be made under the new Articles if adopted.

Article XVI. Expense Fund, provides for an Expense Fund of 25¢ per M ft. on Shipments to be paid quarterly, etc. This takes the place of our present method of levying assessments from time to time at the rate of $25.00 per each 1%.

Article XVII. Advertising Fund.—As our advertising is becoming a more and more important feature in the work of the Association it seems desirable to make specific mention of the advertising. The assessment is mentioned at the present rate of 10¢ per M ft. on Shipments to be assessed quarterly, etc.

Article XVIII. Trademark License.—It seems important and desirable to mention the Trademark feature and a form of Trademark contract should be adopted at the first meeting held under the new Articles. The Trademark contract now in use will answer every purpose and needs no revision it seems to me. The Trademark License Fee is set at $100.00 per annum instead of $25.00 per annum to give it more dignity, and as it becomes a part of the Advertising Fund you can depend upon the Advertising Committee to spend it judiciously.

Articles XIX and XX are self-explanatory.

Article XXI. Amendments.—It was thought desirable to provide for the opportunity to make amendments.

[fol.102] Kindly let us know within a few days if the Articles as submitted meet with your approval so that arrangements can be made to hold another general meeting of the Association as soon as possible—sometime during the second week in February, after the Annual Automobile Show is over, would be a good time to hold our meeting.

Very truly yours, George W. Keehn, Secretary.

[fol. 103] GOVERNMENT'S EXHIBIT No. 10

Petition of the Members of the Maple Flooring Manufacturers' Association to the Honorable Federal Trade Commission, Washington, D. C.

July 14, 1915

[fol. 104] To the Honorable Federal Trade Commission, Washington, District of Columbia.

GENTLEMEN: We, the undersigned, members of the Maple Flooring Manufacturers' Association, engaged in the business of manufacturing and selling maple, beech and birch flooring, respectfully petition you to investigate and pass on the following plan under which we propose to conduct our flooring business. This plan will allow us a legitimate return for the capital, skill and energy devoted to the business, abolish unfair competition, and furnish the consumer with an adequate supply of flooring at fair and reasonable prices.

We represent about seventy per cent. of the industry and about 50,000 people are dependent upon this industry for a living. Our manufacturing plants are located principally in the states of Michigan and Wisconsin, where the raw material is chiefly produced, and also in Chicago, where the raw material is transported for manufacture into flooring.

Firmly believing that the plan we submit is in harmony with a constructive business policy and is not detrimental but helpful to the public welfare, and is not in violation of the law, we respectfully ask the Commission to approve our plan, which is as follows:

[fol. 105] Plan

I

That a comprehensive survey of the maple, beech and birch flooring industry shall be made by the Federal Trade Commission, with or without the co-operation and supervision of the United States Forest Service (as the Commission may deem best), at the expense of the Maple Flooring Manufacturers' Association, for the purpose of determining scientifically the actual average cost of maple, beech and birch flooring at the plants of the members of said Association. Such actual average cost to be based upon the following fundamental elements, viz.:

(a) The actual market value of the raw material;

(b) The average cost and expense of manufacturing and selling maple, beech and birch flooring;

(c) Interest on the capital invested at the rate of five (5) per cent. per annum;

(d) Annual depreciation of plants;

(e) Usual overhead charges.

II

When the actual average cost has been so determined, the members of said Association shall be permitted to sell their flooring on a basis which will give them a profit of twelve (12) per cent., reckoned on the selling price.

III

The books of the members of said Association shall be open at all times to examination by the Federal Trade Commission, or any [fol. 106] other United States Governmental Agency. In that way the Federal Government may, at all times, know that the actual average cost of producing and placing on the market maple, beech and birch flooring has been determined in the manner hereinbefore provided, in paragraph I of this Plan, and that the public is paying only a fair and reasonable price for its flooring.

Suggestions in Support of the Foregoing Plan

We respectfully submit that the foregoing Plan will result in the conservation of forest resources that cannot be replaced during our lifetime. The stand of maple, beech and birch stumpage is limited and is becoming rapidly depleted, and every reasonable effort should be made to avoid unnecessary waste and loss in its use. If agreeable to the Commission and with the object in view of practical conservation, we will secure the advice and co-operation of the Forest Products Laboratory, at Madison, Wisconsin, with respect to improved methods that will eliminate all unnecessary waste in the manufacture of flooring.

That a profit of twelve (12) per cent. on sales is a reasonable percentage of profit, is recognized by the United States Government in the sale of its own standing timber. The Government, in arriving at the stumpage value of its timber, allows to the purchaser a profit of twelve (12) per cent. on the selling price of lumber over and above six (6) per cent. per annum interest on the capital employed together with all overhead charges. The foregoing facts are shown in a communication from Mr. H. S. Graves, United States Forester, under date of March 10, 1913, accompanying a Prospectus in which the United States Government offers to sell its standing timber in [fol. 107] Kaniksu National Forest in the State of Idaho; the foregoing communication and Prospectus will be found in the records of the Forest Service of the United States.

Under said Plan, consumers and the same classes of trade in the same market will be treated exactly alike, without any discrimination whatever.

The prosperity of the flooring industry is essential to the communities in which the plants are located, because in many communities that industry is the only source of livelihood and unless the industry prospers labor cannot be employed at a living wage.

Unfair and ruinous competition, which leads to disaster in an industry, is hurtful to the public welfare, because it results in the loss of capital, the closing up of plants and unemployment of labor.

Under a system of standardized values such as our Plan contemplates, always however, subject to the supervision and direction of the Federal Trade Commission, or other governmental agencies, uniformity in manufacture, quality and measurement can be established and maintained, thus assuring to the public reliable goods at fair and reasonable prices.

Chicago, July fourteenth (14th), 1915.

(Here follows reproduction of signatures to foregoing document, side folio pages bottom of 107, 108, 109, and 110)

[fol. 111] GOVERNMENT'S EXHIBIT No. 11

Minimum Price Plan

Maple Flooring Manufacturers' Association

July 1, 1916

[fol. 112] The Undersigned members of the Maple Flooring Manufacturers' Association hereby amend the Articles of the Association by the following Minimum Price Plan which amendment shall be in force and binding upon each member for and during the period from July 1, 1916 to November 1, 1917.

Article I

Pursuant to the petition dated July 14, 1915, which the Maple Flooring Manufacturers' Association submitted to the Federal Trade Commission at Washington, D. C., on or about the 27th day of August, 1915 (a copy of which petition follows this supplemental agreement), the members of the Maple Flooring Manufacturers' Association hereby agree to establish minimum prices for the sale of Maple, Beech and Birch Flooring, and agree not to sell any Maple, Beech or Birch Flooring during the period beginning July 1, 1916 and ending November 1, 1917, below such minimum prices.

Article II

In order that the minimum prices which may be established from time to time under this agreement shall be fair and reasonable to the consumer as well as to the manufacturer, the actual average cost of Maple, Beech and Birch Flooring shall be based upon and determined by the following fundamental elements, viz.:

(a) The actual market value of the raw material;

(b) The average cost and expense of manufacturing and selling flooring;

(c) Interest on the capital actually invested in the flooring business at the rate of five (5) per centum per annum;

L. Gilcrest Jr.

Geo. Gilcrest V.P.

Wm. Forsyth

Whitehill Brothers Company
By Chas. T. Whitehill V.P.

Thos. Forman Company
By Thos. Forman Pres.

H. Eastman Flooring Co
H. Eastman, Pres

Hanson Ward Veneer Co
By J. T. Trumpler Secy

Strauss ~~Veneer~~ Lumber Co
by Gus Strauss Pres.

Bliss Van Auken Co
by Gus Strauss Pres

Osgood & Bradley Mfg Co
H. E. Osgood V.P. & Secy

Welsh Novelty Co
F. B. Welsh Pres.

East Jordan Lbr Co

Cummer Diggins Co W. L. Saunders Pres.

L. J. Kennard & Company
by J. W. Kelpen Jr. Secy

The Northwestern Cooperage & Lbr Co
by M. Bushong Pres

Kerry and Hanson Mfg Co
by Chas T Kerry Pres

Foster Lumber Mfg Co
by J. Gilleonen
Wm Deans
by Sam Deans

Wisconsin Land & Lumber Co
per G. W. Ware Pres.
by W. Deans

Cobb & Mitchell Inc
By W. Mitchell
Pres

A. L. Dennis Salt & Lumber Co
By A. L. Dennis Pres

Nichols & Cox Lumber Co

Wm. Elliott Sec & Treas

THE MICHIGAN TRUST COMPANY
RECEIVER OF W. H. WHITE COMPANY.

By N. W. Everett Manager

Wm. Liddell Sec Emery Mfg Co

Bradley Mich

J. W. WELLS LUMBER COMPANY.

By [redacted] Vice Pres

Common Company.

By W. D. Common Jr

JOHN SCHROEDER LUMBER CO.

J. B. Schroeder

Sec

Dwight Lumber Co H. Young Jr. Secy.

West Michigan Flooring Co. W. H. Green President

(d) Annual depreciation of Plant; and

(e) The usual overhead charges incurred in carrying on the flooring business.

[fol. 113] Article III

Minimum prices for which Maple, Beech and Birch Flooring may be sold by the members of the Association shall from time to time be established under this agreement, but such minimum prices shall not exceed an amount which will give the members an average net profit (over the average actual cost to be so determined) in excess of ten (10) per cent., reckoned upon such minimum selling prices.

Article IV

The following Minimum Prices are hereby established, and shall be in force on and after July 1, 1916, and until altered as hereinafter provided, viz.:

For Maple, Beech and Birch Flooring, Clear, No. 1 and Factory standard grades and lengths, the said Minimum Prices shall be the delivered prices in the Table of Values of May 15, 1916, in the Association Rate Book and Index of Towns, less the following concessions from the said delivered prices; and the concessions named in each and every case shall include any and all commissions which may be incurred in marketing the flooring.

Concessions

Concessions on 13/16" x 1½", 2", 2¼" and 3¼" Faces

	Maple	Beech	Birch
Clear	$4.50	$7.50	$5.50
No. 1	4.50	7.50	5.50
Factory	6.00	9.00	6.00

Concessions on 1 1/16", 1 5/16" and 1 11/16" from Rate Book Full List Prices of 13/16" Maple

Maple, beech, birch	1 1/16"	1 5/16"	1 11/16"
Clear	$3.50	$2.50	$1.50
No. 1	3.50	2.50	1.50
Factory	5.00	4.00	3.00

Concessions on 2½" face D. & M. same as concessions on 2¼" face D. & M. of same grade.

Concessions on 3" face and 4" face D. & M. same as concessions on 3¼" face D. & M. of same grade.

Concessions on 13/16" Jointed Flooring from Rate Book Full List Prices of 13/16" D. & M. Maple.

	Maple	Beech	Birch
Clear	$3.00	$6.00	$4.00
No. 1	3.00	6.00	4.00
Factory	4.50	7.50	4.50

[fol. 114] Terms of sale shall be 60 days net from date of invoice, and not more than 2% discount for cash shall be allowed after deducting freight.

The foregoing minimum prices may from time to time be increased or decreased by the affirmative vote of not less than three-fourths in number of the members of the Association, and such increased and decreased minimum prices shall be binding upon the members as fully as if such prices had been specifically named in this agreement at the time the same was executed by each of them; but such minimum prices shall not be increased to an amount which will give the members an average net profit of over ten (10) per cent, as provided in Article III of this Agreement.

Article V

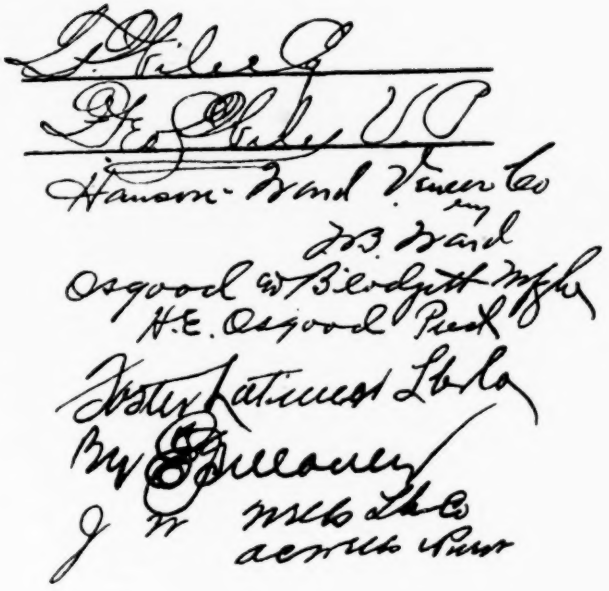
The members of the Association shall not sell any Maple, Beech or Birch Flooring for the period beginning on the 1st day of July, 1916 and ending on the 1st day of November, 1917, for less than the minimum prices which may from time to time be established and in force under this agreement. In case any member shall sell any Maple, Beech or Birch Flooring at less than the minimum prices which may from time to time be established and in force under this agreement, then such member shall pay to the Maple Flooring Manufacturers' Association (to be placed in its Expense Fund Account) a sum of money equal to ten (10) per cent, reckoned upon the prices at which any such flooring is sold in violation of this Article.

Article VI

The members of the Association shall furnish to its Secretary in writing, a full and complete report whenever requested by him, showing all sales of flooring, to whom made and the prices at which the same was sold; and the Secretary of the Association shall have the right for the purpose of verifying such reports to examine or cause to be examined the books, papers, records and documents of each of its members.

[fol. 115] Article VII

In case any member of the Association shall have on hand any Maple, Beech or Birch Flooring which he is unable to market at the minimum price at that time in force under this agreement, or is unable to sell the same to any other member of the Association without regard to such minimum price, then he shall offer such flooring to the members of the Association through its Secretary,



Commonwealth Company.
By. W. D. Connor,
The Northwestern Cooperage Co.
H. Bushong

Wisconsin Land & Lumber Co.,

By W. W. Carnegie
President

Thos. Forman Company
Thos. Forman Pres.

W. D. Young Coal Co.
Wm. B. P. Lockerbie

MITCHELL BROTHERS COMPANY

By Chas. F. Mitchell
Pres.

COBBS & MITCHELL, INCORPORATED

Chas. F. Mitchell

Dwight & Lumber Co

Jas. Wm. M. Dwight - V.P.

S. L. Eastman Flooring Co.

By

Cummer Diggins Co

By C R Abbott Sales Mgr

Bliss Van Auken Lbr Co

by Geo Straits

Straits Lumber Salt Co

Geo Straits Pres

West Michigan Lbr Co

W H Luers President

Nichols Hot Lumber Co

EAST JORDAN LUMBER CO.

W. P. Porter

Kerry and Hanson Mfg Co

by C. T. Kerry Pres

Welch & Kerry Co.

F. R. Welch Pres.

T. D. Stevens & Co

by J. W. Hickey Secy

stating the quantity and kind and the price at which he is willing to sell such flooring, which price may be less than such minimum price; and in case such flooring is bought by any member of the Association, then the member buying the same shall not sell such flooring at any price less than the minimum price then in force under this agreement; but in case such flooring is not bought by any member of the Association within thirty days after the same has been so offered to the members of the Association through its Secretary then the member so offering to sell such flooring may sell the same in the open market at any price, provided such price be not less than the price at which he offered to sell the same to the members of the Association through its Secretary.

In case any member of the Association sells any flooring in violation of this Article VII, then he shall pay to the Maple Flooring Manufacturers' Association (to be placed in its Expense Fund Account) a sum of money equal to ten (10) per cent, reckoned upon the price at which he sells such flooring in violation of the provisions of this Article.

Article VIII

In case any member of the Association shall fail, neglect or refuse to pay the ten (10) per cent provided for in Article V of the ten (10) per cent provided for in Article VII of this agreement, then the Secretary or Treasurer of the Maple Flooring Manufacturers' Association shall cause the same to be paid by withdrawing from any fund or moneys standing to the credit of such member on the books of the Association a sum of money equal to the amount which [fol. 116] he has so failed, neglected or refused to pay, and place the money so withdrawn in the Expense Fund Account of the Association.

Article IX

Each member of the Maple Flooring Manufacturers' Association who signs this agreement, hereby assures his fellow members that he enters into this agreement in good faith and that he will not, either directly or indirectly, by any secret rebate or in any other way defeat the letter or spirit of this agreement.

We sign this Memorandum of Minimum Price Plan Agreement with the understanding that the signatures of all the members of the Association will be obtained and that the document when completed will be filed with the Federal Trade Commission and Department of Justice, Washington, D. C.

June 21st, 1916.

(Here follows reproduction of signatures to foregoing document, side folio pages bottom of 116, 117, and 118.)

[fol. 119] Petition of the Members of the Maple Flooring Manufacturers' Association to the Honorable Federal Trade Commission, Washington, D. C.

To the Honorable Federal Trade Commission, Washington, District of Columbia.

GENTLEMEN: We, the undersigned, members of the Maple Flooring Manufacturers' Association, engaged in the business of manufacturing and selling maple, beech and birch flooring, respectfully petition you to investigate and pass on the following plan under which we propose to conduct our flooring business. This plan will allow us a legitimate return for the capital, skill and energy devoted to the business, abolish unfair competition, and furnish the consumer with an adequate supply of flooring at fair and reasonable prices.

We represent about seventy per cent. of the industry and about 50,000 people are dependent upon this industry for a living. Our manufacturing plants are located principally in the states of Michigan and Wisconsin, where the raw material is chiefly produced, and also in Chicago, where the raw material is transported for manufacture into flooring.

Firmly believing that the plan we submit is in harmony with a constructive business policy and is not detrimental but helpful to the public welfare, and is not in violation of the law, we respectfully ask the Commission to approve our plan, which is as follows:

[fol. 120] Plan

I

That a comprehensive survey of the maple, beech and birch flooring industry shall be made by the Federal Trade Commission, with or without he co-operation and supervision of the United States Forest Service (as the Commission may deem best), at the expense of the Maple Flooring Manufacturers' Association, for the purpose of determining scientifically the actual average cost of maple, beech and birch flooring at the plants of the members of said Association. Such actual average cost to be based upon the following fundamental elements, viz.:

(a) The actual market value of the raw material;

(b) The average cost and expense of manufacturing and selling maple, beech and birch flooring;

(c) Interest on the capital invested at the rate of five (5) per cent. per annum;

(d) Annual depreciation of plants;

(e) Usual overhead charges.

II

When the actual average cost has been so determined, the members of said Association shall be permitted to sell their flooring on a basis which will give them a profit of twelve (12) per cent., reckoned on the selling price.

III

[fol. 121] The books of the members of said Association shall be open at all times to examination by the Federal Trade Commission, or any other United States Governmental Agency. In that way the Federal Government may, at all times, know that the actual average cost of producing and placing on the market maple, beech and birch flooring has been determined in the manner hereinbefore provided, in paragraph I of this Plan, and that the public is paying only a fair and reasonable price for its flooring.

Suggestions in Support of the Foregoing Plan

We respectfully submit that the foregoing Plan will result in the conservation of forest resources that cannot be replaced during our lifetime. The stand of maple, beech and birch stumpage is limited and is becoming rapidly depleted, and every reasonable effort should be made to avoid unnecessary waste and loss in its use. If agreeable to the Commission and with the object in view of practical conservation, we will secure the advice and co-operation of the Forest Products Laboratory, at Madison, Wisconsin, with respect to improved methods that will eliminate all unnecessary waste in the manufacture of flooring.

That a profit of twelve (12) per cent. on sales is a reasonable percentage of profit, is recognized by the United States Government in the sale of its own standing timber. The Government, in arriving at the stumpage value of its timber, allows to the purchaser a profit of twelve (12) per cent. on the selling price of lumber over and above six (6) per cent. per annum interest on the capital employed together with all overhead charges. The foregoing facts are shown in a communication from Mr. H. S. Graves, United States Forester, under date of March 10, 1913, accompanying a Prospectus in which the United States Government offers to sell its standing timber in [fol. 122] Kaniksu National Forest in the State of Idaho; the foregoing communication and Prospectus will be found in the records of the Forest Service of the United States.

Under said Plan, consumers and the same classes of trade in the same market will be treated exactly alike, without any discrimination whatever.

The prosperity of the flooring industry is essential to the communities in which the plants are located, because in many communities that industry is the only source of livelihood and unless the industry prospers labor cannot be employed at a living wage.

Unfair and ruinous competition, which leads to disaster in an industry, is hurtful to the public welfare, because it results in the loss of capital, the closing up of plants and unemployment of labor.

Under a system of standardized values such as our Plan contemplates, always however, subject to the supervision and direction of the Federal Trade Commission, or other governmental agencies, uniformity in manufacture, quality and measurement can be established and maintained, thus assuring to the public reliable goods at fair and reasonable prices.

Chicago, July fourteenth (14th), 1915.

(Here follows reproduction of signatures to foregoing document, side folio pages bottom of 122, 123, 124, and 125)

[fol. 126] GOVERNMENT'S EXHIBIT No. 12

Minimum Price Plan

As Revised as at January 1, 1919

Maple Flooring Manufacturers Association

2-9-1116

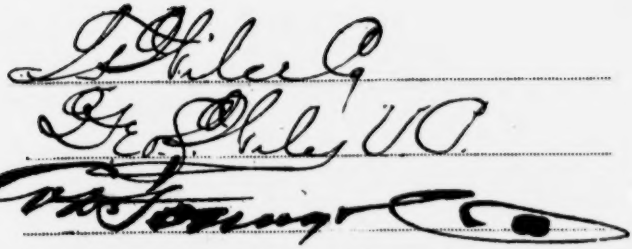
[fol. 127] The Undersigned members of the Maple Flooring Manufacturers Association hereby amend the Articles of the Association by the following Minimum Price Plan, which amendment shall be in force and binding upon each member for and during the period from January 1, 1919, to July 1, 1919.

Article I

Pursuant to the petition dated July 14, 1915, which the Maple Flooring Manufacturers Association submitted to the Federal Trade Commission at Washington, D. C., on or about the 27th day of August, 1915 (a copy of which petition follows this supplemental agreement), the members of the Maple Flooring Manufacturers Association hereby agree to establish minimum prices for the sale of Maple, Beech and Birch Flooring, and agree not to sell any Maple, Beech or Birch Flooring during the period beginning January 1, 1919, and ending July 1, 1919, below such minimum prices.

Article II

In order that the minimum prices which may be established from time to time under this agreement shall be fair and reasonable to the consumer as well as to the manufacturer, the actual average cost of Maple, Beech and Birch Flooring shall be based upon and determined by the following fundamental elements, viz.:



Whitehall Brothers Company
By Chas. G. Whitehall V.P.

122

Thos. Forman Company
By Thos. Forman Pres.

H. Eastman Flooring Co
H. Eastman Mgr

Hanson Ward Veneer Co
By J. T. Trumpler Secy

Strauss Lumber Co
By Geo Strauss Pres.

Bliss Van Auken Co
By Geo Strauss Pres

Osgood & Bloodgett Mfg Co
H. E. Osgood V.P. & Secy

Welch Co. Key. Co
F. R. Welch Pres.

East Jordan Lbr Co

Cummer Diggins Co W. H. Saunders Pres.

E. P. Greenwood Company
by J. W. Wilkinson Secy

The Northwestern Cooperage & Lbr Co
by M. Bushong Pres & Treas

Kerry and Hanson Mfg Co
by Chas F. Kerry Pres

Foster Lumber Co
by [illegible]
Wm Dennis
by [illegible]

Wisconsin Land & Lumber Co
per G. W. Kanouse Pres -
by W. Dennis

Cobb & Mitchell Inc
By W. Mitchell
Pres

A. L. Dennis Salt & Lumber Co
By A. L. Dennis Pres

Nichols & Cox Lumber Co

Wm. Cox Sec & Treas

THE MICHIGAN TRUST COMPANY
RECEIVER OF W. H. WHITE COMPANY.

By H W Everett Manager

Wm Lobdell Co Lumber Mfg Co

Chas Lobdell Pres

J. W. WELLS LUMBER COMPANY.

By [redacted] Vice Pres

Alcona Lumber Company.

By W. P. Lorimer Pres

JOHN SCHROEDER LUMBER CO.

F. J. Schroeder

Pres

Scotch Lumber Co H. Leach Secy.

West Michigan Flooring Co. W. Hilborn President

125

(a) The actual market value of the raw material;

(b) The average cost and expense of manufacturing and selling flooring;

(c) Interest on the capital actually invested in the flooring business at the rate of five (5) per centum per annum;

(d) Annual depreciation of Plant; and

(e) The usual overhead charges incurred in carrying on the flooring business.

[fol. 128]

Article III

Minimum prices for which Maple, Beech and Birch Flooring may be sold by the members of the Association shall from time to time be established under this agreement, but such minimum prices shall not exceed an amount which will give the members an average net profit (over the average actual cost to be so determined) in excess of ten (10) per cent, reckoned upon such minimum selling prices.

Article IV

The following Minimum Prices are hereby established, and shall be in force on and after January 1, 1919, and until altered as hereinafter provided, viz.:

For Maple, Beech and Birch Flooring, Clear, No. 1 and Factory standard grades and lengths, the said Minimum Prices shall be the delivered prices in the Table of Values of May 20, 1918, in the Association Rate Book and Index of Towns, less the following concessions and commissions from the said delivered prices:

Concessions and Commissions

Concessions from Delivered Prices in Table of Values of May 20, 1918.

A Commission not exceeding $1.00 may be allowed to your own Registered Special Representative, or to Registered Wholesalers and Commission Men.

Your Registered Special Representative may allow the Wholesaler's Commission of $1.00 when selling Registered Wholesalers and Commission Men.

Concessions on 13/16" x 1½", 2", 2¼" and 3¼" Faces D. & M.:

13/16"	Maple concessions	Beech concessions	Birch concessions
Clear	$7.00	$10.00	$7.00
No. 1	6.00	9.00	7.00
Factory	2.00	3.50	2.00

Basis on Maple, Beech and Birch 1 1/16", 1 5/16" and 1 11/16", from Rate Book Full List Prices of 13/16" Maple D. & M.:

M. B. & B. thick	1 1/16" concessions	1 5/16" Concessions	1 5/16" Add to list	1 11/16" Concessions	1 11/16" Add to list
Clear	$5.00	$3.00	....	$2.00	....
No. 1	4.00	2.00	....	1.00	....
Factory	Full List	....	$2.00	....	$3.00

Basis on 2½" face D. & M., same as on 2¼" face D. & M. of same grade, thickness and wood.

Basis on 3" face and 4" face D. & M., same as on 3¼" face D. & M. of same grade, thickness and wood.

Basis on Maple, Beech and Birch Jointed Flooring from Rate Book Full List Prices of 13/16" Maple D. & M.:

M. B. & B. jointed	13/16" concessions	1 1/16" Concessions	1 1/16" Add to list	1 5/16" Concessions	1 5/16" Add to list	1 11/16" add to list
Clear	$5.00	$3.00	....	$1.00	....	Full List
No. 1	4.00	2.00	....	Full List	....	$1.00
Factory	Full List	....	$2.00	....	$4.00	5.00

[fol. 129] Terms of Sale: 60 days net or 2% discount for cash in 15 days, or 1% discount for cash in 30 days from date of invoice after deducting freight. War tax to be paid by consignee.

If the car has not arrived, the discount may be deducted on 90% of the invoice less estimated freight, for cash within proper discount period, the balance with original paid freight bill to be remitted net within 5 days after arrival of car. No cash discount will be allowed after 30 days from date of shipment.

The foregoing minimum prices may from time to time be increased or decreased by the affirmative vote of not less than three-fourths in number of the members of the Association, and such increased and decreased minimum prices shall be binding upon the members as fully as if such prices had been specifically named in this agreement at the time the same was executed by each of them; but such minimum prices shall not be increased to an amount which will give the members an average net profit of over ten (10) per cent, as provided in Article III of this Agreement.

Article V

The members of the Association shall not sell any Maple, Beech or Birch Flooring for the period beginning on the 1st day of January, 1919, and ending on the 1st day of July, 1919, for less than the minimum prices which may from time to time be established and in force under this agreement. In case any member shall sell any Maple, Beech or Birch Flooring at less than the minimum prices which may from time to time be established and in force under this agreement, then such member shall pay to the Maple Flooring Manufacturers Association (to be placed in its Expense Fund Account) a sum of money equal to ten (10) per cent, reckoned upon the prices at which any such flooring is sold in violation of this Article.

[fol. 130] Article VI

The members of the Association shall furnish to its Secretary in writing, a full and complete report whenever requested by him, showing all sales of flooring, to whom made and the prices at which the same was sold; and the Secretary of the Association shall have the right for the purpose of verifying such reports to examine or cause to be examined the books, papers, records and documents of each of its members.

Article VII

In case any member of the Association shall have on hand any Maple, Beech or Birch Flooring which he is unable to market at the minimum price at that time in force under this agreement, or is unable to sell the same to any other member of the Association without regard to such minimum price, then he shall offer such flooring to the members of the Association through its Secretary, stating the quantity and kind and the price at which he is willing

to sell such flooring, which price may be less than such minimum price; and in case such flooring is bought by any member of the Association, then the member buying the same shall not sell such flooring at any price less than the minimum price then in force under this agreement; but in case such flooring is not bought by any member of the Association within thirty days after the same has been so offered to the members of the Association through its Secretary then the member so offering to sell such flooring may sell the same in the open market at not exceeding $1.00 below the minimum price basis then in effect.

In case any member of the Association sells any flooring in violation of this Article VII, then he shall pay to the Maple Flooring Manufacturers Association (to be placed in its Expense Fund Account) a sum of money equal to ten (10) per cent, reckoned upon the price at which he sells such flooring in violation of the provisions of this Article.

[fol. 131] Article VIII

In case any member of the Association shall fail, neglect or refuse to pay the ten (10) per cent provided for in Article V or the ten (10) per cent provided for in Article VII of this agreement, then the Secretary or Treasurer of the Maple Flooring Manufacturers Association shall cause the same to be paid by withdrawing from any fund or moneys standing to the credit of such member on the books of the Association a sum of money equal to the amount which he has so failed, neglected or refused to pay, and place the money so withdrawn in the Expense Fund Account of the Association.

Article IX

Each member of the Maple Flooring Manufacturers Association hereby assures his fellow members that he enters into this agreement in good faith and that he will not, either directly or indirectly, by any secret rebate or in any other way defeat the letter or spirit of this agreement.

Memorandum of Amendments

Special Representatives

1. Each member to be entitled to confidential registration of representatives with the Secretary equivalent to five to each 1% of his allotment.

2. Registered representatives to be wholesalers or commission salesmen. But all established representatives of members, up to numerical limit, to be eligible for registration. Provided, however, that present representatives not exclusively wholesalers or commission salesmen shall not be registered unless they have been actively representing the registering member one year or more, prior to January 1, 1919.

[fol. 132] 3. Such registered representatives may be allowed not to exceed $1.00 per M concession from minimum prices in effect at the time of sale, but they must not, directly or indirectly, give any portion of sail concession to their customers, and members shall be held strictly responsible for the acts of their registered representatives.

4. Only the special representatives registered with the Secretary can be paid the commission of not to exceed $1.00 per M, and the commission can be paid only by the member who registers such special representative. More than one member, however, may register the same special representative.

5. As an assurance that the aforesaid conditions are complied with, the Secretary of the Association shall have the right to examine or cause to be examined the books, papers, records and documents of each of its members.

Wholesalers and Commission Men

1. In addition to the Registered Special Representatives, whose registration is to remain confidential, a list shall be adopted by Wholesalers and Commision Men, to whom a commission of not exceeding $1.00 may be paid by any member of the Association, as soon as such list shall have been published to all the members of the Association.

2. Nominations for the registration of Wholesalers and Commission Men shall be made in writing to the Secretary by the members of the Association, without limitation as to the number that may be nominated or registered.

3. All nominations for registration shall be bulletined to the members by the Secretary, and if no objections are filed within ten days from the date of the bulletin, registration shall automatically take effect and the Secretary will then notify the members that the registration has been made; but no commission shall be paid to any Wholesaler or Commission Man, nominated for registration until [fol. 133] notification of registration is received from the Secretary.

4. If objection to registration is filed by any member of the Association, the objection shall be referred by the Secretary for adjudication to a Committee, to be appointed by the Trustees and to be known as "Trade Relations Commtitee."

[fol. 134] Petition of the Members of the Maple Flooring Manufacturers Association to the Honorable Federal Trade Commission, Washington, D. C.

To the Honorable Federal Trade Commission, Washington, District of Columbia.

GENTLEMEN: We, the undersigned members of the Maple Flooring Manufacturers Association, engaged in the business of manu-

facturing and selling maple, beech and birch flooring, respectfully petition you to investigate and pass on the following plan under which we propose to conduct our flooring business. This plan will allow us a legitimate return for the capital, skill and energy devoted to the busines, abolish unfair competition, and furnish the consumer with an adequate supply of flooring at fair and reasonable prices.

We represent about seventy per cent. of the industry and about 50,00 people are dependent upon this industry for a living. Our manufacturing plants are located principally in the states of Michigan and Wisconsin, where the raw material is chiefly produced, and also in Chicago, where the raw material is transported for manufacture into flooring.

Firmly believing that the plan we submit is in harmony with a constructive business policy and is not detrimental but helpful to the public welfare, and is not in violation of the law, we respectfully ask the Commission to approve our plan, which is as follows:

[fol. 135] Plan

I

That a comprehensive survey of the Maple, Beech and Birch flooring industry shall be made by the Federal Trade Commission, with or without the co-operation and supervision of the United States Forest Service (as the Commission may deem best), at the expense of the Maple Flooring Manufacturers Association, for the purpose of determining scientifically the actual average cost of Maple, Beech and Birch flooring at the plants of the members of said Association. Such actual average cost to be based upon the following fundamental elements, viz:

(a) The actual market value of the raw material;

(b) The average cost and expense of manufacturing and selling Maple, Beech and Birch flooring;

(c) Interest on the capital invested at the rate of five (5) per cent. per annum;

(d) Annual depreciation of plants;

(e) Usual overhead charges.

II

When the actual average cost has been so determined, the members of said Association shall be permitted to sell their flooring on a basis which will give them a profit of twelve (12) per cent., reckoned on the selling price.

III

The books of the members of said Association shall be open at all times to examination by the Federal Trade Commission, or any

other United States Governmental Agency. In that way the Federal [fol. 136] Government may, at all times, know that the actual average cost of producing and placing on the market maple, beech and birch flooring has been determined in the manner hereinbefore provided, in paragraph I of this Plan, and that the public is paying only a fair and reasonable price for its flooring.

Suggestions in Support of the Foregoing Plan

We respectfully submit that the foregoing Plan will result in the conservation of forest resources that cannot be replaced during our lifetime. The stand of maple, beech and birch stumpage is limited and is becoming rapidly depleted, and every reasonable effort should be made to avoid unnecessary waste and loss in its use. If agreeable to the Commission and with the object in view of practical conservation, we will secure the advice and co-operation of the Forest Products Laboratory, at Madison, Wisconsin, with respect to improved methods that will eliminate all unnecessary waste in the manufacture of flooring.

That a profit of twelve (12) per cent. on sales is a reasonable percentage of profit, is recognized by the United States Government in the sale of its own standing timber. The Government, in arriving at the stumpage value of its timber, allows to the purchaser a profit of twelve (12) per cent. on the selling price of lumber over and above six (6) per cent. per annum interest on the capital employed together with all overhead charges. The foregoing facts are shown in a communication from Mr. H. S. Graves, United States Forester, under date of March 10, 1913, accompanying a Prospectus in which the United States Government offers to sell its standing timber in Kaniksu National Forest in the State of Idaho; the foregoing communication and Prospectus will be found in the records of the Forest Service of the United States.

Under said Plan, consumers and the same classes of trade in the same market will be treated exactly alike, without any discrimination whatever.

[fol. 137] The prosperity of the flooring industry is essential to the communities in which the plants are located, because in many communities that industry is the only source of livelihood and unless the industry prospers labor cannot be employed at a living wage.

Unfair and ruinous competition, which leads to disaster in an industry, is hurtful to the public welfare, because it results in the loss of capital, the closing up of plants and unemployment of labor.

Under a system of standardized value such as our Plan contemplates, always however, subject to the supervision and direction of the Federal Trade Commission, or other governmental agencies, uniformity in manufacture, quality and measurement can be established and maintained, thus assuring to the public reliable goods at fair and reasonable prices.

Chicago, July fourteenth (14), 1915.

[fol. 138] GOVERNMENT'S EXHIBIT No. 13

Maple Flooring Manufacturers Association

Minimum Price Basis

January 6, 1921

[fol. 139] Minimum Price Basis

The Undersigned members of the Maple Flooring Manufacturers Association hereby establish the following Minimum Price Basis for the sale of Maple, Beech and Birch Flooring during the period from January 6, 1921, to July 1, 1922.

Article I

Pursuant to the Petition dated July 14, 1915, which the Maple Flooring Manufacturers Association submitted to the Federal Trade Commission at Washington, D. C., on or about the 27th day of August, 1915 (a copy of which petition follows this memorandum), the members of the Maple Flooring Manufacturers Association hereby establish a Minimum Price Basis for the sale of Maple, Beech and Birch Flooring during the period beginning January 6, 1921, and ending July 1, 1922.

Article II

In order that the Minimum Price Basis which may be established from time to time shall be fair and reasonable to the consumer as well as to the manufacturer, the actual average cost of Maple, Beech and Birch Flooring shall be based upon and determined by the following fundamental elements, viz:

(a) The actual market value of the raw material;

(b) The average cost and expense of manufacturing and selling flooring;

(c) Interest on the capital actually invested in the flooring business at the rate of six per centum per annum;

(d) Annual depreciation of Plant as allowed by the Government; and

(e) The usual overhead charges incurred in carrying on the flooring business.

[fol. 140] Article III

The Minimum Price Basis for the sale of Maple, Beech and Birch Flooring shall from time to time be established in accordance with Article II, but such Minimum Price Basis shall not exceed an amount

which will give the members an average net profit in excess of five percent. reckoned upon actual average cost as determined in accordance with Article II.

Article IV

The following Minimum Price Basis is hereby established, subject to change from time to time in accordance with Article II and Article III.

For Maple, Beech and Birch Flooring, Clear, No. 1 and Factory, standard grades and length, as classified herein, the said Minimum Price Basis shall be the delivered values in the Table of Values Based Upon Average Cost, dated January 6, 1921, in the Association Rate Book and Index of Towns, less the following concessions from, or plus the following additions to the said basic delivered values:

Concessions and Additions

Table of Values January 6, 1921

Basis on 13/16" x 1½", 2", 2¼" and 3¼" Faces D. & M.

13/16"	Maple, concession	Beech, concession	Birch, concession
Clear	$5.00	$15.00	Full List.
No. 1	5.00	15.00	$5.00
Factory	5.00	15.00	5.00

Basis on Maple, Beech and Birch 1-1/16", 1-5/16" and 1-11/16", from Rate Book Full List Values of 13/16" Maple D. & M.

Maple, beech, and birch, thick	1 1/16" full list	1 5/16" addition	1 11/16" addition
Clear	Full List	$2.00	$3.00
No. 1	Full List	2.00	3.00
Factory	Full List	2.00	3.00

[fol. 141] Basis on 2½" face D. & M., same as on 2¼" face D. & M. of same grade, thickness and wood.

Basis on 3" and 4" faces D. & M., same as on 3¼" face D. & M. of same grade, thickness and wood.

Basis on Maple, Beech and Birch Jointed Flooring from Rate Book Full List Values of 13/16" Maple D. & M.

Maple, beech, and birch, jointed	13/16" concession	1 1/16" addition	1 5/16" addition	1 11/16" addition
Clear	$2.00	$3.00	$5.00	$6.00
No. 1	2.00	3.00	5.00	6.00
Factory	2.00	3.00	5.00	6.00

Commissions

A Commission not exceeding $2.00 may be allowed to your own Registered Special Representative, or a Commission not exceeding $1.50 may be allowed to Registered Wholesalers and Commission Men.

Your Registered Special Representative may allow the Wholesaler's Commission of $1.50 when selling Registered Wholesalers and Commission Men, but the Commission to be paid to your Registered Special Representative on his sales to Registered Wholesalers and Commission Men to whom he allows the $1.50 Wholesaler's Commission shall not exceed $1.00. In no event shall the total Commissions allowed exceed $2.50.

Terms of Sale

Sixty days net or 2% discount for cash in 15 days, or 1% discount for cash in 20 days from date of invoice after deducting freight. War tax to be paid by consignee.

If the car has not arrived, the discount may be deducted on 90% of the invoice less estimated freight, for cash within proper discount period, the balance with original paid freight bill to be re- [fol. 142] mitted net within 5 days after arrival of car. No cash discount will be allowed after 30 days from date of shipment.

Article V

The members of the Maple Flooring Manufacturers Association establish the Minimum Price Basis as a Declaration of Business Principles to be observed in the marketing of their product, believing that a method, such as the Minimum Price Basis affords, of stabilizing the value of a standardized product is fair and equitable and that it will prove beneficial to the public welfare.

The records of the Association and the books of its members shall be open at all times for examination by the Federal Trade Commission, so that the Commission may, at all times, know that the actual average cost of Maple, Beech and Birch Flooring has been determined in accordance with Article II and that the Minimum Price Basis has been established in accordance with Article III, and that the public is paying only a fair and reasonable price for its flooring.

It is understood that the Minimum Price Basis shall be submitted to and filed with the Federal Trade Commission for its approval and that in the event of the Commission's disapproval the Minimum Price Basis shall be null and void.

Chicago, January 6, 1921.

(Here follows reproduction of signatures to foregoing document, side folio pages 143, 144, and 145.)

BIGELOW-COOPER COMPANY

By J. E. Dewey, Secy

COBBS & MITCHELL, Incorporated

By W. E. Thomas, Sales Mgr.

CUMMER-DIGGINS COMPANY

By J. L. Colby.

EAST JORDAN LUMBER COMPANY

By W. A. Porter Sec.-Treas,

FLANNER-STEGER LAND & LUMBER COMPANY

By Roger C. Flanner Pres

FOSTER-LATIMER LUMBER COMPANY

By H. H. Latimer V.P.

HOLT HARDWOOD COMPANY

By R. L. DeWitt V. P.

WILLIAM HORNER

By Fred Nelson Sales Mgr.

KERRY & HANSON FLOORING COMPANY

By Chas. L. Kerry Pres

KNEELAND-McLURG LUMBER COMPANY

By J. L. Davis Sales Mgr

MITCHELL BROTHERS COMPANY

By M. E. Thomas Sales Mgr

NORTH BRANCH FLOORING COMPANY

By Chas A. Brand Secy.

NORTHWESTERN COOPERAGE & LUMBER COMPANY

By J. B. Lyle Secy-Treas

OSGOOD & BLODGETT MANUFACTURING COMPANY

By F. S. Blodgett Mgr.

I. STEPHENSON COMPANY TRUSTEES

By H. H. Shepeck - Sales Mgr

STRABLE LUMBER & SALT COMPANY

By Geo Atwell Pres

G. H. TENNANT COMPANY

By J. H. Kellum Secy

J. W. WELLS LUMBER COMPANY

By A. C. Wells V Pres

WELSH & KERRY COMPANY

By Thomas R. Welsh Pres

WEST MICHIGAN FLOORING COMPANY

By W. A. Keech

WILCE FLOORING COMPANY

By Geo. Wilce Pres

WISCONSIN LAND & LUMBER COMPANY

By G W Earle Pres

W. D. YOUNG & COMPANY

By B. P. Whedon

[fol. 146] Copy of Petition of the Members of the Maple Flooring Manufacturers Association to the Honorable Federal Trade Commission, Washington, D. C.

To the Honorable Federal Trade Commission, Washington, District of Columbia.

GENTLEMEN: We, the undersigned, members of the Maple Flooring Manufacturers Association, engaged in the business of manufacturing and selling maple, beech and birch flooring, respectfully petition you to investigate and pass on the following plan under which we propose to conduct our flooring business. This plan will allow us a legitimate return for the capital, skill and energy devoted to the business, abolish unfair competition, and furnish the consumer with an adequate supply of flooring at fair and reasonable prices.

We represent about seventy per cent of the industry and about 50,000 people are dependent upon this industry for a living. Our manufacturing plants are located principally in the states of Michigan and Wisconsin, where the raw material is chiefly produced, and also in Chicago, where the raw material is transported for manufacture into flooring.

Firmly believing that the plan we submit is in harmony with a constructive business policy and is not detrimental but helpful to the public welfare, and is not in violation of the law, we respectfully ask the Commission to approve our plan, which is as follows:

[fol. 147] Plan

I

That a comprehensive survey of the maple, beech and birch flooring industry shall be made by the Federal Trade Commission, with or without the co-operation and supervision of the United States Forest Service (as the Commission may deem best), at the expense of the Maple Flooring Manufacturers Association, for the purpose of determining scientifically the actual average cost of maple, beech and birch flooring at the plants of the members of said Association. Such actual average cost to be based upon the following fundamental elements, viz:

(a) The actual market value of the raw material;

(b) The average cost and expense of manufacturing and selling maple, beech and birch flooring;

(c) Interest on the capital invested at the rate of five (5) per cent per annum;

(d) Annual depreciation of plants;

(e) Usual overhead charges.

II

When the actual average cost has been so determined, the members of said Association shall be permitted to sell their flooring on a basis which will give them a profit of twelve (12) per cent, reckoned on the selling price.

III

The books of the members of said Association shall be open at all [fol. 148] times to examination by the Federal Trade Commission, or any other United States Governmental Agency. In that way the Federal Government may, at all times, know that the actual average cost of producing and placing on the market maple, beech and birch flooring has been determined in the manner hereinbefore provided, in paragraph I of this Plan, and that the public is paying only a fair and reasonable price for its flooring.

Suggestions in Support of the Foregoing Plan

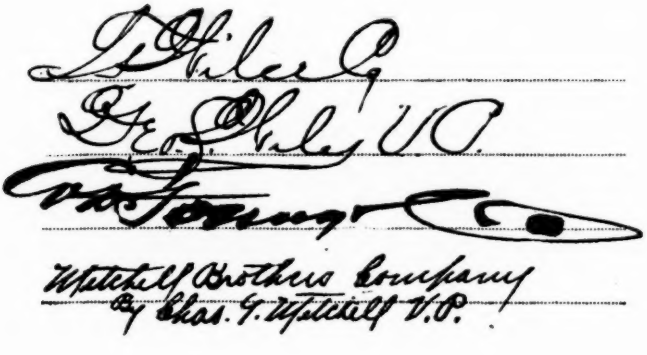
We respectfully submit that the foregoing Plan will result in the conservation of forest resources that cannot be replaced during our lifetime. The stand of maple, beech and birch stumpage is limited and is becoming rapidly depleted, and every reasonable effort should be made to avoid unnecessary waste and loss in its use. If agreeable to the Commission and with the object in view of practical conservation, we will secure the advice and co-operation of the Forest Products Laboratory, at Madison, Wisconsin, with respect to improved methods that will eliminate all unnecessary waste in the manufacture of flooring.

That a profit of twelve (12) per cent on sales is a reasonable percentage of profit, is recognized by the United States Government in the sale of its own standing timber. The Government, in arriving at the stumpage value of its timber, allows to the purchaser a profit of twelve (12) per cent on the selling price of lumber over and above six (6) per cent per annum interest on the capital employed together with all overhead charges. The foregoing facts are shown in a communication from Mr. H. S. Graves, United States Forester, under date of March 10, 1913, accompanying a Prospectus in which the [fol. 149] United States Government offers to sell its standing timber in Kaniksu National Forest in the State of Idaho; the foregoing communication and Prospectus will be found in the records of the Forest Service of the United States.

Under said Plan, consumers and the same classes of trade in the same market will be treated exactly alike, without any discrimination whatever.

The prosperity of the flooring industry is essential to the communities in which the plans are located, because in many communities that industry is the only source of livelihood and unless the industry prospers labor cannot be employed at a living wage.

Unfair and ruinous competition, which leads to disaster in an in-



Whitehall Brothers Company
By Chas. G. Whitehall V.P.

Thos. Forman Company
By Thos. Forman Pres't.

H. Eastman Flooring Co
H. Eastman, Pres

Hanson Ward Veneer Co
By J. T. Trumpler Secy

Strauss ~~Veneer~~ Lumber Co
by Gus Strauss Pres.

Bliss Van Auken Co
by Gus Strauss Pres

Osgood & Bleedy Ltd Mfg Co.
H. E. Osgood V.P. & Secy

Welsh Veneer Co.
J. B. Welsh Pres't.

East Jordan Lbr. Co
Cummer & Sons Co W. L. Saunders Pres.

G. W. Genman & Company
by J. W. Pulpe & Key

The Northwestern Cooperage & Lbr Co
by M. Bushong & Co

Kerry and Hanson Mfg Co
by Chas T Kerry Pres

Foster Latimer Mfg Co
by Gilcomer
W. Dennis
by Lou Dennis

Wisconsin Land & Lumber Co
per G. W. Earle Pres -
by W. Dennis

Cobbs - Mitchell Inc
By W. Mitchell
Pres -

A. L. Dennis Salt & Lumber Co
By A. L. Dennis Pres

Nichols & Cox Lumber Co

Wm. Elliott Sec'y & Treas

THE MICHIGAN TRUST COMPANY
RECEIVER OF W. H. WHITE COMPANY.

By N. W. Everett Manager

Wm. Elliott Sec'y Mich. Log Co

Chas. Fay Pres.

J. W. WELLS LUMBER COMPANY.

By A. Wells
Vice Pres.

Common Company.
By W. P. Common Mgr.

JOHN SCHROEDER LUMBER CO.

J. J. Schroeder
Prest.

Dwight Lumber Co H. Leigh Sec'y.

West Michigan Flooring Co. W. H. Lewis President

dustry, is hurtful to the public welfare, because it results in the loss of capital, the closing up of plants and unemployment of labor.

Under a system of standardized values such as our Plan contemplates, always however, subject to the supervision and direction of the Federal Trade Commission, or other governmental agencies, uniformity in manufacture, quality and measurement can be established and maintained, thus assuring to the public reliable goods at fair and reasonable prices.

Chicago, July fourteenth (14th), 1915.

(Here follows reproduction of signatures to foregoing document, side folio pages bottom of 149, 150, 151, and 152.)

[fol. 153] GOVERNMENT'S EXHIBIT No. 14

February 2, 1920—a. m.

DEAR SIR: Will you please write me what the following schedule of prices for Maple flooring lumber would add to the present M. P. basis:

Fas @	$125.00
Selects @	115.00
No. 1 Common @	90.00
No. 2 Common @	75.00
No. 3 Common A @	65.00

Thanking you for the information.

Yours very truly, M. E. Thomas.

[fol. 154] GOVERNMENT'S EXHIBIT No. 14-A

December 16, 1920—a. m.

DEAR SIR: From present indications I assume that there will be an insistent demand for the resumption of our M. P. P. at the time of our next meeting, December 22. It seems to me desirable to work out an adjustment of the plan so it can be put into effect the first of the year providing the members all agree to it. There is one feature which has not been covered by the previous plan and which under our present lineup I think will be very important to consider and provide for. I understand that considerable of No. 47's shipments are not according to our regular standard methods of grad-[fol. 155] ing. If my information is correct, they handle quite a bit of business mixed grades and possibly without trimming for grades in filling such orders. There should be some way of governing the prices of stock of this character to avoid disturbing competition under an M. P. P. arrangement.

In order to have the plan work successfully and satisfactorily we think there should be a uniform basis so that there could be no question about the mimimum being protected. No. 47 is getting the benefit of whatever prestige the Association membership affords and should be willing to cooperate in the manner of selling to make the competition basis entirely equitable and consistent.

I do not know whether this feature has occurred to you but thought I would call your attention to it so you can think it over and possibly wor kout some plan to meet the condition.

Under the old plant price changes were made by a 75% vote of the members. This is not entirely fair inasmuch as the vote of a member producing a million feet can offset the vote of a member producing ten million feet. Would it not be better to have the voting on the allotment basis?

I think that the plan is desirable if it can be safeguarded so that one can continue to do business under it and not be forced out on account of maintaining too high level of prices under certain conditions.

Yours very truly, M. E. Thomas

[fols. 156-157] GOVERNMENT'S EXHIBIT No. 14-B

January 11, 1921.

Minimum Price Basis

To MEMBERS.

GENTLEMEN: In order that you may clearly understand the details of the Minimum Price Basis, we are enclosing the following:

1. Memoranda concerning M. P. B.

2. Schedule showing the Quota of Special Representatives each member is entitled to register.

3. List of Wholesalers and Commission Men dated May 19, 1919, to be used as a guide pending the revision of this list.

No doubt, many changes have taken place since this list was issued and we shall appreciate it very much if you will kindly send us your suggestions regarding the elimination of names from this list and we will at once submit your suggestions to the Trade Relations Committee as soon as Dr. Earle as President of the Association advises me of his appointments to serve on this Committee.

Please send me at once a revised list of your Registered Special Representatives in accordance with Section- 1, 2 and 3 in the Memoranda concerning M. P. B.

We have in the hands of the printer the following:

1. Tables of Values date danuary 6, 1921.

2. Sheet showing Concessions and Additions.

3. New blank forms for filing with the Secretary a complete list of your Unfilled Orders on Hand January 6, 1921, subject to the M. P. B.

4. New blank forms for Weekly Sales Reports of all new orders booked each week for all kinds of Maple, Beech and Birch Flooring.

A supply of the above forms will be sent to each member as soon as received from the printer.

Very truly yours, George W. Keehn, Secretary.

[fol. 158] Memoranda Concerning Minimum Price Basis

Special Representatives

1. Each member of the Association shall be entitled to confidential registration of Special Representatives with the Secretary equivalent to five Special Representatives to each 1% shipped by such member of the Average Annual Shipments of all the members of the Association.

2. Registered Special Representatives to be wholesalers or commission salesmen, but all established Special Representatives of members, up to numerical limit, to be eligible for registration; provided, however, that present representatives not exclusively wholesalers or commission salesmen shall not be registered as Special Representatives unless they have been actively representing the registering member one year or more, prior to January 1, 1921.

3. Only the Special Representatives registered with the Secretary can be paid the Commission as hereinafter stated, and the commission can be paid only by the member who registers such Special Representative. More than one member, however, may register the same Special Representative.

Wholesalers and Commission Men

4. In addition to the Registered Special Representatives, whose registration shall be confidential, a list shall be adopted of Wholesalers and Commission Men, to whom a commission, as hereinafter stated, may be allowed, as soon as such list shall have been published to all the members of the Association.

5. Nominations for the registration of Wholesalers and Commission Men shall be made in writing to the Secretary by the members of the Association, without limitation as to the number that may be nominated or registered.

6. All nominations for registration of Wholesalers and Commission Men shall be bulletined to the members by the Secretary, and if no objections are filed within ten days from the date of the bulletin, registration shall automatically take effect and the Secretary will then notify the members that the registration has been made;

but no commission shall be paid to any Wholesaler or Commission Man nominated for registration until notification of registration is received from the Secretary.

7. If objection to registration is filed by any member of the Association, the objection shall be referred, by the Secretary, for adjudication to a Committee to be appointed by the Trustees and to be known as "Trade Relations Committee."

Commissions

8. A Commission not exceeding $2.00 may be allowed to your own Registered Special Representative, or a Commission not exceeding $1.50 may be allowed to Registered Wholesalers and Commission Men.

9. Your Registered Special Representative may allow the Wholesaler's Commission of $1.50 when selling Registered Wholesalers and Commission Men, but the Commission to be paid to your Registered Special Representative on his sales to Registered Wholesalers and Commission Men to whom he allows the $1.50 Wholesaler's Commission shall not exceed $1.00. In no event shall the total Commission allowed exceed $2.50.

10. As an assurance that the aforesaid conditions are complied with, the Secretary of the Association shall have the right to examine or cause to be examined the books, papers, records and documents of each of its members.

Terms of Sale

11. Sixty days' net or 2% discount for cash in 15 days, or 1% discount for cash in 30 days from date of invoice after deducting freight. War Tax to be paid by consignee.

If the car has not arrived, the discount may be deducted on 90% of the invoice less estimated freight, for cash within proper discount period, the balance with original paid freight bill to be remitted net within 5 days after arrival of car. No cash discount will be allowed after 30 days from date of shipment.

January 6, 1921.

[fol. 159] GOVERNMENT'S EXHIBIT No. 14-C

January 22, 1921.

To MEMBERS.

GENTLEMEN: Since the general meeting on the 6th, the I. Stephenson Company, Trustees and East Jordan Lumber Company have signed the Minimum Price Basis, so the only member who has not yet signed is Nichols & Cox Lumber Company.

We have written and telephoned twice to Mr. Nichols since the meeting, offering to go to Grand Rapids any time to talk things over with him and Mr. Cox (the last time I talked with Mr. Nichols was on the 18th) and he tells me that they have been so busy with inventory and closing up their year's business that he and Mr. Cox have not discussed the M. P. B. or come to any definite conclusions regarding it, so I presume all we can do is to wait a few days more in hopes of getting their signature before submitting the document to the Federal Trade Commission.

Very truly yours, George W. Keehn, Secretary.

[fol. 160] GOVERNMENT'S EXHIBIT No. 14-D

January 31, 1921.

To Members.

GENTLEMEN: After several conferences with Mr. Newman our Counsel at which all conditions were fully discusses and considered, letters (copies of which are enclosed) have been drafted and will go forward today or tomorrow to the Federal Trade Commission and to the Department of Justice, Washington, D. C.

The printed documents accompanied by the Rate Book with contents stated in paragraph three of the letters will be sent by registered mail, return receipt requested, so that we shall know that the same have been duly received by the authorities at Washington.

Nichols & Cox Lumber Company decided not to enter into the Minimum Price Basis, so their signature does not appear in that part of the printed document, but it does appear in the reprint of the petition dated July 14, 1915. Their signature also appears in the old so-called Minimum Price Plan, which was dated June 21, 1916, and which was filed with the Federal Trade Commission and the Department of Justice about June 30, 1916, but which was never enforced and which is referred to in our letters today, dated January 29, 1921.

Very truly yours, George W. Keehn, Secretary.

February 3, 1921. — p. m.

DEAR SIR: Your announcement of January 31st to members stating that Nichols & Cox Lumber Co. decided not to enter into the minimum price basis was quite a surprise and disappointment to us. We feel it essential that they cooperate in this plan and unless [fol. 161] they do so we do not see how we can continue. We will, however, suspend our decision until the first of March hoping that Nichols & Cox Lumber Co. may be secured in the meantime. If they refuse to go in we want it understood that we shall feel free to withdraw from the plan March 1st.

Very truly yours, M. E. Thomas.

[fol. 162] GOVERNMENT'S EXHIBIT No. 14-E

[Omitted in printing]

[fol. 163] GOVERNMENT'S EXHIBIT No. 14-F

[Omitted in printing]

[fol. 164] GOVERNMENT'S EXHIBIT No. 14-G

[Omitted in printing]

[fol. 165] GOVERNMENT'S EXHIBIT No. 14-H

[Omitted in printing]

[fol. 166] GOVERNMENT'S EXHIBIT No. 14-I

May 28, 1921.

To Members.

GENTLEMEN: We have the following letter from East Jordan Lumber Company dated the 26th:

"We have your favor of the 21st and are exceedingly sorry that the minimum price plan did not go through, as we feel this is the only plan which has ever worked out satisfactorily, and that it would be especially valuable to us at this time.

The writer was away until Tuesday of this week and neglected to report that we had made no sales of flooring last week. We will try to see that all of our sales are reported promptly on Saturday of each week hereafter.

Very truly yours, East Jordan Lumber Company. (Signed) John J. Porter."

Very truly yours, George K. Keehn, Secretary.

[fol. 167] GOVERNMENT'S EXHIBIT No. 14-J

[Omitted in printing]

[fol. 168] GOVERNMENT'S EXHIBIT No. 14-K

December 12, 1921.

GENTLEMEN: I think I should let you know as members of the Special Committee that two representatives, Mr. Howe and Mr. Rooney, of the Department of Justice, Chicago, called to see me re-

cently upon instructions received from Washington, to investigate the Association's working plans as now in operation.

It seems there has been a change in the Attorney General's office at Washington and that Mr. Nebeker, with whom we had considerable correspondence last spring, as you will remember, is no longer connected with the department and as the new assistant Attorney General found the correspondence in their files, he naturally wants to know what was done with the so-called Minimum Price Basis and how the Association is now operating. It also seems that they could not find the various copies of the old Articles of Association and the old Minimum Price Plan which were filed with them a long time ago.

Mr. Howe and Mr. Rooney requested me to give them duplicate copies of the various documents and to write them a letter assuring the Department of Justice that the representations made to Mr. Nebeker by Dr. Earle as President of the Association, had been carried out in good faith. They also inquired about the Allotment Plan and I told them it had been discontinued in March, 1920.

It so happened that we had extra copies of the old correspondence with the Department of Justice and the Federal Trade Commission, which copies were made in 1919, when the Federal Trade Commission investigated us, so I gave them a set of the copies and wrote them a letter, a carbon copy of which I enclose.

Not knowing but what a representative of the Department of Jutice might also call upon Dr. Earle at Hermansville, I concluded to make a trip to see the doctor and explain the situation to him, so I went to Hermansville at once and spent Sunday, November 27th, with him.

We have heard nothing further from Mr. Howe or Mr. Rooney since I saw Mr. Howe on Friday, November 25th, and gave him my letter of November 23rd and the papers referred to in the letter. I told them all about the form and nature of our statistical reports and offered to give them copies of them any time if they would like to have them and they said if they wanted them or any further information regarding the Association they would telephone me or [fol. 169] call upon me again. Not having heard anything further from either of them I am inclined to think the incident is closed.

Yours very truly, Geo. W. Keehn, Secretary.

GOVERNMENT'S EXHIBIT No. 14-L

November 23, 1921.

GENTLEMEN: Referring to your several interviews with us and your request for copies of our Articles of Association and of the so called proposed Minimum Price Plan and Minimum Price Basis, we submit the following:

1. Copy of Articles of Association filed with the Department of Justice, Washington, D. C., December 31, 1912. The duration of

these Articles was extended to January 1, 1919, as per our letter to the Attorney General of the United States dated June 27, 1916. (Copies of correspondence attached.)

2. Copy of Articles of Association January 1, 1919 to July 1, 1919.

3. Copy of Articles of Association July 1, 1919 to July 1, 1922. Article XIV (the allotted percentage feature) was discontinued March 31, 1920.

4. Copy of Petition to the Federal Trade Commission, Washington, D. C., dated July 14, 1915, and submitted to the Commission August 27, 1915. (Copies of correspondence attached.)

5. Copy of proposed Minimum Price Plan of July 1, 1916, filed with the Attorney General of the United States and with the Federal Trade Commission, Washington, D. C., June 27, 1916. (Copies of correspondence attached.)

As stated in our letter to the Attorney General dated January 29, 1921, this proposed Minimum Price Plan was never enforced and was never consumated, we never having heard anything further from the Attorney General either approving or disapproving since we received his letter of July 6, 1916, in which he stated that he could not comply with our request to give us an official opinion on the subject. (Copies of correspondence attached.)

6. Copy of proposed Minimum Price Basis dated January 6, 1921, submitted to the Attorney General and also to the Federal Trade Commission on January 29, 1921. We wish to advise you, that upon receipt of the reply of Mr. Frank Nebeker, Assistant to the [fol. 170] Attorney General; (Copies of correspondence attached) dated February 11, 1921 (to our letter of January 29, 1921) that the said minimum Price Basis was not proceeded with and thereupon automatically became null and void in accordance with the last paragraph of the Minimum Price Basis, which provided that in event of the Government's disapproval the Minimum Price Basis shall be null and void.

We positively assure you that the representations made by the President of the Association in his letter of February 11, 1921 to Mr. Frank L. Nebeker, Assistant to the Attorney General, have been carried out in good faith and that the Association has not been operating and is not now operating under the so called Minimum Price Basis.

We wish to explain that the copies of the old correspondence with the Department of Justice and with the Federal Trade Commission, Washington, D. C., were made in 1919 for the Attorney and Examiner for the Federal Trade Commission, who at that time made investigation of this Association.

Should you desire copies of the statistical reports which the Association compiles and issues from time to time, we shall be glad to furnish them.

November 23, 1921.

[fol. 171] GOVERNMENT'S EXHIBIT No. 15

Minutes of Annual Meeting of January 22, 1913

Morning Session

Pursuant to adjournment of the meeting of December 20, 1912, the annual meeting of the Maple Flooring Manufacturers' Association was held in the rooms of the Association, Chicago, on Wednesday, January 22d, 1913, at 10 A. M.

* * * * * * *

The minutes of the meeting of December 20, 1912, were read and on motion, approved.

The Market Conditions Committee presented its monthly report for December and an annual report covering the work of the Committee during the year 1912. On motion, the reports were accepted and the Secretary was instructed to send a copy to each member of the Association, and on motion, a rising vote of thanks was given the Committee for their valuable and efficient services to the Association.

The annual report of the Secretary for the year 1912 was read, and on motion the report was adopted and a copy ordered sent to each member of the Association.

The Secretary reported that since the general meeting of the Association, held on December 20, 1912, Attorney Newman had been in correspondence with the Department of Justice in regard to the Allotment Articles, a full report of which correspondence had been transmitted to the members on January 8, 1913, and that in view of the representations made to the Government in submitting the plan, Mr. Newman recommended that the arrangement take effect as of January 1, 1913. This recommendation was fully concurred in by the members present.

The meeting then proceeded to the election of officers and trustees for the year 1913; and on motion, a Nominating Committee was appointed by the Chairman to nominate candidates to fill the respective offices during the ensuing year. The Nominating Committee presented the names of the following to serve as designated during the coming year:

Officers

President	Dr. George W. Earle
Vice Presidents	J. W. Embree and Charles T. Mitchell
Treasurer	George C. Wilce

Board of Trustees

Dr. George W. Earle, Chairman.	W. D. Young.
J. W. Embree.	Thomas Forman.
Charles T. Mitchell.	Charles T. Kerry.
George C. Wilce.	A. L. Dennis.
	One vacancy to be filled.

[fol. 172] On motion, duly seconded, the Secretary was instructed to cast a ballot for their election to the respective offices as designated, which was done; whereupon, they were declared duly elected.

In accordance with Article XIII, the meeting then proceeded to the election of a Trustee of the Special Fund. On motion of Mr. Forman, seconded by Mr. Embree, the Colonial Trust and Savings Bank of Chicago was unanimously elected Trustee of the Special Fund.

* * * * * * *

Market Conditions Committee

Morris E. Thomas, Chairman.
T. Wilce Company.
W. D. Young & Company.
Kerry & Hansen Flooring Co.
A. L. Dennis Salt & Lumber Co.
W. H. White Company.
J. W. Wells Lumber Company.
Northwestern Cooperage & Lumber Co.

Committee on Grades

Charles T. Kerry, Chairman.
S. L. Eastman.
W. L. Saunders.
George Strable.
One vacancy to be filled.

Advertising Committee

B. P. Whedon, Chairman.
Morris E. Thomas.
William E. Cox.
W. B. Earle.
John J. Porter.

The meeting then adjourned to the Hotel La Salle for luncheon.

Afternoon Session

After luncheon, Attorney Newman, who was present, briefly addressed the meeting, after which trade conditions and the general state of the market were discussed. It was the opinion of the members present that considering the present market values of rough lumber and the actual costs of manufacturing and selling flooring, the present values of flooring are entirely too low, and it was suggested that at the next meeting of the Market Conditions Committee, the Committee figure out what the selling values of flooring would be if a logical and scientific method of determining values of flooring were used, that is: if the selling values of flooring were based upon the cost of raw material plus manufacturing and selling costs and plus a reasonable profit.

It was suggested by Mr. Forman that the question of discontinuing the boring of flooring be considered at the next general meeting of the Association.

* * * * * * *

(Signed) Geo. W. Keehn, Secretary.

[fols. 173 and 174] GOVERNMENT'S EXHIBIT No. 15-A

* * * * * * *

The President, Dr. Earle, briefly reviewed the work of the Association during the past year, and thanked the members for their co-operation, which had brought about greatly improved conditions in the flooring industry.

The Annual Report of the Secretary for the year 1913 was submitted and read, and on motion was ordered placed on file, and a copy sent to each member of the Association.

Mr. Thomas, Chairman of the Market Conditions Committee, then presented the Annual Report of his Committee which was read by the Secretary, and on motion the report was adopted and the Secretary instructed to send a copy to the members, and on motion a vote of thanks was tendered to the Committee for their efficient work during the year, and a rising vote of thanks was given to Mr. Thomas for his invaluable services, and for the time and energy he had devoted during the entire year, as Chairman, to the work of the Market Conditions Committee.

* * * * * * *

A recess was then taken to give the Trustees an opportunity to appoint the standing committees for the year 1914, and after the Trustees had considered the matter, the President announced the reappointment of the same members to serve on the respective committees during 1914 as had served during 1913, with the addition of Foster-Latimer Lumber Company to the Market Conditions Committee, and of W. D. Connor to the Grades Committee.

* * * * * * *

[fol. 175] GOVERNMENT'S EXHIBIT No. 15-B

Chicago, January 28th, 1914.

NINTH ANNUAL REPORT FOR CALENDAR YEAR 1913

To the President and Members of the Maple Flooring Manufacturers' Association.

GENTLEMEN: The members of this Association should be well pleased with the general outcome of the flooring industry for the year 1913. Business conditions generally were less favorable, as you know, during the last half of 1913 than in 1912 and the first half of 1913, but this affected only to a slight extent the annual volume of our shipments. The average conditions of stocks as a whole for the two years show that the relations maintained between supply and demand averaged about the same, while values averaged very much better in 1913 than in 1912. This can be accounted for by the

educational work of the Market Conditions Committee, a more careful study by the membership of our statistics, and the conviction, brought about by the so-called Scientific List, that if any profit at all in the flooring industry is to be realized, it must be realized now before a Vanishing Industry becomes a Vanished Industry; and most important of all in its influence upon Association work has been the growth of a spirit of closer co-operation and greater friendliness among the members in their relations with each other.

During the year the Association held six regular meetings, and the action of special significance taken by the Association may be briefly summarized as follows:

Annual Meeting in January

It was suggested that the Market Conditions Committee formulate a table of values showing what flooring would be actually worth, and what it should sell for if delivered values were based by a logical and scientific method in accord with the following fundamental principles:

1. The market value of the raw material as established by current sales of rough lumber in the open market.

2. Add the cost of manufacturing and selling.

3. Then add one-ninth to represent the minimum profit of 10% on sales.

4. Add cost of freight or delivery.

* * * * * * *

Values recommended for Thin Flooring, and 1,000 pounds established as the standard weight of 3/8" stock.

Differentials recommended for White Clear Maple Flooring.

* * * * * * *

[fol. 176] A report of the work of the Market Conditions Committee will be made by Mr. Thomas, Chairman, and the work of the Grades Committee will be reviewed by Mr. Kerry, Chairman of that Committee.

* * * * * * *

[fol. 177] New Members

In 1913 two new members joined the Association, G. H. Tennant Company, on January 1st, and Bliss & Van Auken Lumber Company, on March 1st, but as Ward Brothers and Flanner-Steger Land & Lumber Company withdrew from membership in February, our membership remains at 29, the same as a year ago.

Statistics for Year 1913

While the annual statistics will be reviewed in the report of the Market Conditions Committee for the year, the Secretary would like to invite your attention to two tables which appear among the annual reports, because they tell the whole story of the results and possibilities of intelligent co-operation:

Maple Flooring—13/16" x 2¼" Face

	Clear		No. 1		Factory	
	1912	1913	1912	1913	1912	1913
Average % of stock sold	207%	140%	144%	151%	57%	73%
Average net price; Mich. and Wisconsin Mills....	$37.69	42.49	31.80	36.76	17.74	22.01

Prospects for 1914

While some may consider the business outlook for 1914 problematical, there is no occasion for pessimism or calamity howling. Underlying conditions are sound; winter wheat looks good; there is plenty of money in the country in the hands of those who will spend it, and if the new Currency Bill fulfills its mission, we shall have no more panics. The world is going on and is going to want Maple Flooring. If it happens to want less of it, then manufacture less of it, and be contented with a smaller volume of business at values consistent with the hazards of a manufacturing industry whose raw material is fast disappearing.

Respectfully submitted, George W. Keehn, Secretary.

[fol. 178] GOVERNMENT'S EXHIBIT No. 15-"C"

January 29th, 1914.

John Schroeder Lumber Co., Milwaukee, Wisconsin.

GENTLEMEN: We were all very sorry indeed not to see you at the Annual Meeting yesterday. Twenty-one members were represented at the meeting, and we had the largest number—25—at the Dinner that we have ever had, and the members all expressed themselves as well satisfied with what the Association accomplished during the past year.

We enclose copies of the Annual Reports for 1913, which were the principal topics discussed at the meeting, and if you will compare the prices obtained for Flooring in 1913 with the prices of 1912, notwithstanding that average stock conditions during 1913 were less favorable than in 1912, you will agree with the other members who were here, that the work of the Association last year was of benefit

to the industry. We also enclose list of the Officers, Trustees and Committees for 1914.

Yours very truly, Geo. W. Keehn, Secretary.

[fol. 179] GOVERNMENT'S EXHIBIT No. 15-D

March 12th, 1914.

To Members.

GENTLEMEN: According to the By-Laws, a regular meeting of the Association is scheduled for the month of March, and as it seems to be of more than usual importance to have a meeting at this time, please let me know whether or not you will attend if a meeting is called for Wednesday, March 25th.

The Market Conditions Committee will meet on Tuesday, the 24th, and will have a complete report on trade conditions to su' mit to the general meeting, and the Grades Committee may also wish to discuss with the members further details of the work of Mr. Ro' ertson, the Association Inspector, which will be commenced about the first of April.

The Shipments for the month of February held up well, amounting to 10,800 M, only 400 M less than January or practically the same, considering February is a short month. These shipments were about 12% less than February 1913, and about 8% more than February 1912, so last month can be considered a good average February. We have not yet received all the February reports from four or five members, but the new business booked during the month is showing up well, and so far as our statistics are concerned, based upon the reports already received, there is no real occasion for inconsistent values or for discouragement respecting the flooring situation.

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[fol. 180] GOVERNMENT'S EXHIBIT No. 15-E

May 12th, 1914.

John Schroeder Lumber Co., Milwaukee, Wisconsin.

GENTLEMEN: We have delayed writing you about the general meeting on the 6th expecting to send you our April statistics at the same time, but as one of the April reports has not yet been received, I thought I would write you today about the meeting and forward the statistics later.

The meeting was well attended, 22 members being represented, and the following is an outline of the business transacted:

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[fol. 181] The plan of exchanging quotations, referred to in the Market Conditions Committee report of April 23rd, was discussed and the members who attended the meeting expressed their intention of co-operating in the plan. It was explained that the plan was already in operation, as the members of the Committee who attended their last meeting, and 4 or 5 other members of the Association, who afterwards joined with them, have been sending carbon copies of their quotations on inquiries for 50 M feet or more flooring and have been advised in turn of other quotations on the same business; in other words: the plan is working now as outlined in a letter sent to the membership on April 27th, but in order to get the best results, it is necessary to have the co-operation of the entire membership.

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[fol. 182] GOVERNMENT'S EXHIBIT No. 15-F

July 11th, 1914.

Mid-Summer Meeting—Mackinac Island

To Members.

GENTLEMEN: The semi-annual meeting of the Association will be held at the Grand Hotel, Mackinac Island, on Thursday and Friday, July 30th and 31st, 1914.

Meetings of committees will be held on the 30th and the general meeting of the Association on the 31st. If all the business coming before the Association cannot be transacted on the 31st another session will be held on Saturday, August 1st.

The following meetings will be held on Thursday, the 30th:

1. Market Conditions Committee—

To make report on market conditions in June and to review the first half of 1914.

* * * * * * *

4. Meetings of the three arbitrators (Dr. Earle, Mr. Rittenhouse and the Secretary) with Nos. 42, 43 and 44 to readjust their allotments from July 1, 1914 to December 31, 1915, in accordance with agreement with them that their allotments were to be readjusted to take effect after the first eighteen months of the three-year allotment contract had expired.

5. The Board of Trustees will meet with No. 32 to readjust their allotment from May 1, 1914. This readjustment is necessary under Article XVII because of their Dighton fire. The Trustees will also consider any other matters that other members may wish to present to them.

This meeting of the Association will be of vital importance, and each member should be represented, as the findings of the arbitrators and of the Board of Trustees are subject to the right of appeal to the entire Association, as provided for in the Articles of Association, in Article XVII, Page 11, regarding fire, and Article VI, Page 4, Board of Trustees.

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[fol. 183] GOVERNMENT'S EXHIBIT No. 15-G

Minutes of Semi-annual Meeting, Mackinac Island, July 30th and 31st, 1914

The semi-annual meeting of the Maple Flooring Manufacturers' Association was held at the Grand Hotel, Mackinac Island, Michigan, on Thursday and Friday, July 30th and 31st, 1914.

* * * * * * *

Report of Arbitrators and Board of Trustees.—The Secretary reported that meetings of the Arbitrators and of the Trustees had been held to readjust the allotments of No. 42, 43 and 44, in accordance with the agreement made with them at the meeting of November 14th, 1912, that their allotted percentages were to be readjusted at the end of the first eighteen months of the three year Allotment Contract, such readjustments to be mutually acceptable to a majority of the Association and to the three members in question, and to be effective from July 1st, 1914, to December 31st, 1915.

It will be recalled that in arriving at the allotments effective January 1st, 1913,

(a) The 1911 allotments represented 40%.

(b) The Present Conditions Period, January 1911-October 1912—22 months, represented 50%.

(c) The matchers represented 10%.

It was the opinion of the Arbitrators that a fair and equitable way of arriving at the new allotments was to pursue the same method, excepting

(a) Substitute their 1913 allotments for their 1911 allotments.

(b) Substitute as their Present Conditions Period their shipments during the past 18 months for the 22 months in the old Schedule.

(c) Apply the 10% for matchers the same as in the previous schedule.

After considerable discussion the question was raised by one of the three members that 40% was too high a value to place upon their allotments for 1913, because they had been engaged so short a time in the flooring industry that their sales records were of too

short duration to establish their 1911 and 1913 allotments on an equitable basis compared with the allotments of the older manufacturers. In order to meet the situation a joint meeting of the Arbitrators and Board of Trustees was held, and after further consideration it was deemed equitable to change the basis of readjustment from 40%, 50% and 10% to 30%, 60% and 10%.

* * * * * * *

[fols. 184 & 185] Market Conditions Committee Report.—The report of the Market Conditions Committee was presented by its Chairman, Mr. Thomas. The report was adopted unanimously, and all the members present voted in favor of exchanging quotations on inquiries for one carload or more of flooring, as recommended by the Committee. The Secretary was instructed to send a copy of the report to each member of the Association and to request and urge the members who were not present to join with the other members in the exchange of quotations.

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[fol. 186] GOVERNMENT'S EXHIBIT No. 15-H

Chicago, August 5th, 1914.

To Members.

GENTLEMEN: Because of the importance of the business transacted at the semi-annual meeting at Mackinac Island, I thought I would send to each of you a copy of the minutes of the meeting.

Referring to the method of equalizing the new allotments to 100% basis, you will see, as shown in column 3, that because of the concession by No. 40 of 500 M feet from their allotment ratio, their allotted percentage is reduced from 1.90% to 1.60% (and the ratio in feet from 3,177 M to 2,675 M) so the allotted percentages of the other members of the Association should total 98.40%, to which we add 1.60% for No. 40 to make the toal 100%. After the five readjustments the allotted ratios effective July 1st, 1914, of all the members other than No. 40 total 100.55%, column 2, which is reduced to 98.40% in column 3. In reducing 100.55% to 98.40% each 1% of the 100.55% has a value of 97.86.

If you will refer to the allotment schedule of October 27th, 1913, columns 8 and 9 headed "Allotted Per Cents," you will notice that the values in M feet were estimated on annual shipments of 180 millions, from which we deduct 12,800 M as the estimated shipments of No. 7, leaving 167,200 M as the estimated annual rate of shipments of the allotment members, as shown in column 9 of the schedule of October 27th, 1913, and in columns 4 and 5 of the schedule of August 4th, 1914. Should you desire any further explanation please advise.

Regarding the new plan of exchanging quotations in inquiries for one carload or more of flooring, recommended by the Market Conditions Committee, and which all the members who attended the meeting voted to put in operation on August 3rd, I am glad to say that yesterday and today we received 34 carbon copies of quotations, so the reduction in the quantity is going to work out well. But the greater the number of members who join in the plan the greater will be the practical benefits not only to the individual member, but to the entire Association as well, so why not make it unanimous?

Congratulating the Association upon the happy outcome of the Mackinac Island meeting, I am

Yours very truly, George W. Keehn, Secretary.

[fol. 187] GOVERNMENT'S EXHIBIT No. 15-I

Minutes of Annual Meeting, January 29, 1915

The Tenth Annual Meeting of the Maple Flooring Manufacturers' Association was held in Chicago on Friday, January 29th, 1915, at 10 A. M.

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The President stated that inasmuch as the work of the Association during the year 1914 would be reviewed in the annual reports of the Chairmen of the standing committees, and in the report of the Secretary, that it was unnecessary for him to go into the details, but that he wished to thank the members for their hearty co-operation during the year, and to congratulate them upon the results that had been achieved through the work of the Association in spite of adverse conditions.

The annual report of the Secretary was submitted and read, and on motion accepted, and a copy of it ordered sent to each member of the Association.

The report of the Treasurer was presented, but the reading of it was dispensed with because copies of it had already been mailed to the membership. On motion the report was accepted and ordered placed on file.

The regular monthly report of the Market Conditions Committee covering the December statistics was presented and read and was accepted, and the Secretary instructed to send copies of it to the membership. In its report the Committee stated that it had just completed the collection of data covering present manufacturing and selling costs of Maple Flooring, and that a table had been compiled illustrating what the present selling prices of Maple Flooring should be F.O.B. Cadillac, Michigan, if selling prices were based upon the fundamental principles embodied in the so called Scientific List of February 1913. The attention of the members was especially called to that feature of the Committee's report.

The annual report of the Market Conditions Committee for the

year 1914, was presented by Mr. Thomas as Chairman, and read by the Secretary, and on motion the report was accepted and the Secretary instructed to send a copy to each member of the Association. On motion a rising vote of thanks was given to Mr. Thomas for his efficient work and his very valuable services as Chairman of the Market Conditions.

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The meeting then proceeded to the election of Officers and Trustees to serve during the year 1915, and on motion the President appointed as a Nominating Committee Mr. Law, Mr. Cox and Mr. Gillouly. After deliberation the Nominating Committee nominated for re-election, to serve during the ensuing year, the same officers [fol. 188] and Trustees who served during the previous year, and on motion the rules were suspended and the Secretary was instructed to cast the unanimous ballot of the Association for the candidates named by the Nominating Committee, which was done, whereupon the same Officers and Trustees who had served during the previous year were declared unanimously re-elected to their respective offices to serve for the term of one year, and until their successors are elected and have qualified.

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After the dinner had been disposed of the meeting was again called to order by the President, who stated that under the head of unfinished business the question of discontinuing the boring of flooring on July 1st, 1915, should be taken up for further discussion and consideration. The Secretary read the correspondence with the members who had not voted on this question at the previous meeting of the Association on November 20th, 1914, when the subject was last considered, and as it appeared from the records and correspondence that nearly all the members of the Association were in favor of discontinuing the boring of flooring on July 1st, 1915, provided the co-operation of the principal non-member manufacturers could be secured, a memorandum of agreement had been prepared for signatures. Thirteen of the members who were then present signed the agreement, and the Secretary was instructed to circulate it among the absent members, and the non-member manufacturers, and get as many signatures as possible to the memorandum, and the report to the next general meeting of the Association.

Mr. Kerry, Chairman of the Grades Committee, stated that Mr. M. H. Robertson, the Association Inspector, had gone south for the winter, and that he had expressed his willingness to make another trip among the Association mills, if so desired, upon his return from the south. On motion the Grades Committee was instructed to engage Mr. Robertson to make another trip among the Association factories as soon after his return from the south as may be mutually arranged, but it was the sense of the meeting that the trip should be completed in time for Mr. Robertson to make a report at the Semi-Annual Meeting in July.

On motion the meeting adjourned subject to the call of the President.

(Signed) Geo. W. Keehn, Secretary.

[fol. 189] GOVERNMENT'S EXHIBIT No. 15-J

Tenth Annual Report for Calendar Year 1914

January 29th, 1915.

To the President and Members of the Maple Flooring Manufacturers' Association.

GENTLEMEN: The year 1914 will long be remembered by the lumber industry as one of the most unsatisfactory in its experience, but the manufacturers of Maple Flooring have many things to be thankful for that have been denied to others. Many lines of business show shrinkages of 25% to 50% in volume while our shipments are only 11% less than in 1913, and our bookings of new orders during 1914 were only 7% less than in 1913. Neither have values for flooring suffered to the same extent as have values of other lumber products, taking the average for the year as a whole.

Association Meetings

During the last year the Association held five meetings. The Annual Meeting in January, A regular meeting in May, The Semi-Annual Meeting at Mackinac Island in July, And regular meetings in September and November.

Work of Committees

Reports of the work of the standing committees will be made by the chairman of the respective committees, Mr. Thomas for the Market Conditions Committee, Mr. Whedon for the Advertising Committee, and Mr. Kerry for the Grades Committee.

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[fol. 190] ### Membership

No change in our membership has taken place during the year, so it stands at 29 the same as a year ago.

Statistics for Year 1914

You have already received the annual statistics, and while they will be reviewed in detail in the report of the Market Conditions Committee, I would like to submit a contrast of stock conditions and current net values during the past three years. It proves beyond a doubt that co-operation can be made helpful in bad times as well as in good times.

Maple Flooring 13/16" x 2¼" Face

Contrast	Clear			No. 1			Factory		
	1912	1913	1914	1912	1913	1914	1912	1913	1914
Avg. % of Stock Sold.....	207%	140%	123%	144%	151%	108%	57%	73%	70%
And Avg. Net Price Mich. and Wis....	37.69	42.49	41.38	31.80	36.76	36.45	17.74	22.01	21.39

Proportionate to stock conditions, values were far better in 1914 than in 1912, and considering the more favorable stock conditions in 1913, the 1914 values compare quite favorably. They are less than you could have had for the asking, because they show a greater shrinkage than was justified by the small shrinkage of only 7% in our total sales. With 93% of last year's business values should have held to the same levels.

Current Net Values

An analysis of the statement, Trend of Current Net Values, will show the following gains and losses in the average for 1914 compared with 1912 and 1913:

The 2¼" Clear shows a gain of $3.69, 9.8%, over 1912 and a loss of $1.11, 2.6% from 1913.

[fol. 191] The 2¼" No. 1 shows a gain of $4.65, 14.6%, over 1912 and a loss of 31 cents, .8 of 1% from 1913.

The 2¼" Factory shows a gain of $3.65, 20.6%, over 1912 and a loss of 62 cents, 2.8%, from 1913.

Assuming the percentage produced of each grade during the year would apply to the 2¼" face, and applying these percentages to the average values obtained during that year, the following table would show the net returns of Group E mills for their 2¼" face product.

	1912		1913		1914	
Clear	50% @ $37.69	$18.85	50% @ $42.49	$21.25	51% @ $41.38	$21.10
No. 1.....	34% " 31.80	10.81	35% " 36.76	12.87	35% " 36.45	12.76
Factory	16% " 17.74	2.84	15% " 22.01	3.30	14% " 21.39	3.00
	100%	$32.50	100%	$37.42	100%	$36.86
Gain over 1912.....				4.92		4.36
Loss in 1914 from 1913.....						.56

Adverse Trade Conditions

When we consider that lumber had borne its full share of the great depression in business that existed during practically the entire year, and which has amounted to almost stagnation since the outbreak of the European War, we should be thankful that values have held to so high an average, and in view of the staggering accumulation of surplus stocks on top of adverse trade conditions, it is surprising that prices have not gone completely to smash.

Too Much Output

The statement of surplus stocks shows that the total of our surplus items averaged in 1914 double what they averaged in 1913, and that they have increased 20 million feet during the last five months. They now aggregate 28,649 M, 71%, of the stocks on Hand. This is the worst showing in the history of the Association, worse even than on March 1st, 1912, when our stocks reached their highest point, and were about 6 millions more than now, but at that time 49% of the stock was sold, whereas only 29% of our present stock is sold.

It is never of much use to talk about the water that has passed over the dam, but if you will refer to the monthly reports of your Market Conditions Committee you will find many references to the danger of over-production, and the members were urged repeatedly to give careful thought to their individual production. Had this been done values would have held automatically to the high points in January, and we would not now have nearly one million dollars tied up in unsold stocks.

Cautionary references to over-production appear in seven of the Committee's reports, starting with February 13th and becoming more emphatic in the succeeding reports of May 18th, June 25th, September 24th, October 30th, November 20th and December 18th, so it would seem that the Committee displayed storm signals early enough and often enough in the year against over-production.

Our deplorable stock conditions unerringly point a shining finger that must not be denied, to the path of Decreased Production to meet Decreased Demand, if anything but junk is to be the portion of the Maple Flooring industry as the net result of its transactions during the year of grace 1915.

Respectfully submitted, George W. Keehn, Secretary.

[fol. 192] GOVERNMENT'S EXHIBIT No. 15-K

Semi-Annual Meeting July 16, 1915

A #5516

The following is a memorandum of the principal business transacted at the Semi-annual Meeting of the Association held at the Grand Hotel, Mackinac Island, Michigan, on July 16, 1915:

In the absence of the President, Dr. George W. Earle, the meeting was called to order by Mr. Charles T. Mitchell, Vice-president, and eighteen members of the Association were present.

Grade Committee Report.—This report was made the first order of business, and in the temporary absence of the Chairman, Mr. Charles T. Kerry, the Secretary stated that in accordance with the action taken by the Association at the annual meeting in January, the Grades Committee had arranged with Mr. Robertson to make the fourth trip among the Association mills. As the Grades Committee had no data of any kind regarding manufacturing conditions except as to their own individual plants, only such reports having been made to the Committee as were made to the individual members of the Association respecting their own plants, that Mr. Robertson would make a report to the meeting covering the general features of his work.

Mr. Robertson thereupon made the following report, which was accepted, ordered placed on file, and the Secretary instructed to send a copy to each member of the Association:

"Pursuant to instruction of your Committee on Grades, I have made the fourth trip of inspection at your mills, commencing May 1st and finishing June 9th, individual report of which has been submitted to each member.

As on former trips there was extended by yourselves and employees every courtesy necessary to make my visit pleasant and successful, for which I wish at this time to again thank you.

First I am pleased to report a decided improvement in the general features of manufacturing the stock. The same grade presents an improved appearance by reason of the elimination of such features as chipped edges, excessive short tongue, shallow or unfinished back, and general machine work which tends to an untidy appearance. In the handling of the finished product there is also improvement among a majority of the members. Concerning this feature I may be a little too insistent, but it has been my observation that the average flooring customer will more severely criticise defective edges than any of the other allowable defects. I am sure that all manufacturers who are placing emphasis on the general detail of the manufacture and handling of their product, will agree that it is a matter of no minor importance, and in view of the fact that almost every job of any importance has a competitive substitute with all of its attractive features presented to the buyer, manufacturers of Maple Flooring can not afford to relax vigilance or omit any detail which will serve to recommend their product.

In the matter of loss in trimming, some of you have made considerable improvement, others not so much. The main loss is of course in the "long trim" but there is also a loss on the part of most of the members in trimming out allowable defects and not thereby raising the grade but increasing amount of short stock. This is especially true of Factory.

You will recall that the report of the third trip of inspection made near the close of last year, indicated a very uniform condition

of the grades throughout the membership. The extremes of difference of high strata being reduced from 13 to 5 points in the Clear and from 15 to 7 points in the No. 1 and from 17 to 5 points in the Factory grade during the period from April 1st to November 1st. The average high strata grade for the three inspection trips of this period was 64.5% in Clear, 65.1% in No. 1, and 59% [fol. 193] in Factory. From this we established a standard at 65% high strata for the Clear and No. 1 and 59% for the Factory. By comparing your fourth trip report with these figures and the complete report of last year, you will note but slight difference in the strata grade of Clear and No. 1 but the Factory is raised two points. A majority show about one point advance in the grade of Factory, but six of the members show from 5 to 13 points above last years standard, and were it not for the fact that three members are from 2 to 7 points below standard, the general average would be still higher. These members who were off standard both above and below gave the matter due attention at the time of our visit, and the matter is no doubt corrected by this time.

The high strata grade report shows as follows:

Clear	Extremes	61 & 68%.	Difference of	7	points.
No. 1	"	60 " 69%.	"	" 9	"
Factory	"	52 " 72%.	"	" 20	"

This looks a little discouraging when compared with report of third trip which shows differences of 5 points in Clear, 7 points in No. 1 and 5 points in Factory. However, when we come to analyze it more completely we find that in Clear 6 members are at standard, 4 are one point above and 2 are one point below, making 12 members at or within one point of standard and 20 are within two points of standard. In the No. 1 grade 4 members are at standard, 8 are one point above and 3 are one point below, making 15 members at or within one point of standard, and 18 are within two points of standard. In the Factory grade only three members are at standard of last year, but ten are one point above, and one member is one point below, making 14 members at or within one point and 17 are within two points of standard. Thus we see that while the strata grading shows an upward tendency, yet the combined figures of the entire Association are not much changed from last year. But here lies the trouble. The object we are seeking is a complete Standardization of the product, which means uniformity of grade, each member having the standard and working as zealously to it as he does to the standard gauge. In this respect we see opportunity for criticism. We had the standard and were practically at it at the close of last year, but there have been departures, as is shown not so much by the general average but by the extremes of difference, as shown not only in the strata grade but also in the "off" grade, by which we mean the No. 1 found in Clear, the Clear and Factory found in No. 1, and the No. 1 in Factory.

The general average of these is slightly increased but not sufficient to be termed startling, but it lacks uniformity, ranging in Clear from

nothing to 10½% of No. 1, and of Clear in the No. 1 from nothing to 15%, and of Factory in No. 1 from nothing to 7½%; of No. 1 in the Factory grade from nothing to 16½%.

It can be easily understood that a customer receiving a car of Clear Flooring which ran 68% high strata, containing no No. 1, would not be quite satisfied if his next car ran 61% high and contained 10½% No. 1, and still more dissatisfied if one car of Factory ran 72% high with 16½% of No. 1 in it and another car ran 52% high and no No. 1 in it.

I am convinced that the strata grading can be reduced to three points and the off grading to 5% extreme difference, and when this is accomplished and strictly adhered to there will not be much use for an Official Inspector."

Respectfully submitted, (Signed) M. H. Robertson, Official Inspector.

Discussion of Report.—Mr. W. B. Earle stated that from information his Company had obtained in a general way and also from bundles of flooring they had seen of other members' manufacture, that some of the members were making their grades very much higher than the standard as defined by the Grading Rules and the interpretations of Grades. That this fact was evidently found true [fol. 194] by Mr. Robertson on his fourth trip was indicated by his report to the meeting, the average percentage of Clear in the No. 1 and of No. 1 in the Factory having materially increased since his third trip. In the discussion it developed that the increases in the average percentages of Clear in the No. 1 and of No. 1 in the Factory was because a few members of the Association were considerably higher in their grading than the Association standards.

The question was then considered of the advisability of making four grades of flooring by having an intermediate grade between No. 1 and Factory by making two grades out of the present Factory grade, and it was the sense of the meeting that the fourth grade should be established. The vote on this question was 14 "yes" and 2 "no", No. 6 and No. 44 voting "no".

It was argued that the spread of $16.00 between No. 1 and Factory is a far greater spread than should exist between any grade and the next lower grade of lumber or lumber product.

On motion it was then unanimously voted that the matter be referred to the Grades Committee, with the suggestion that the Committee meet at Saginaw, Michigan, with Mr. Robertson present, and review the grades, and that the Committee make to the Association a comprehensive report with recommendations, the same to be acted upon by the Association at its next general meeting.

On motion it was further ordered that Mr. Robertson make a fifth trip among Association mills at such time as the Grades Committee may arrange, subsequent to their meeting at Saginaw.

The Market Conditions Committee reported verbally that as the June reports and the Semi-annual Reports for the first half of 1915 had been mailed to the members in advance of the meeting, the

members were in a position to know our statistical conditions on July 1st.

These reports show that our stock conditions on July 1st were more unfavorable than on June 1st, there being a decline of three points in the percentage sold of all grades on Maple, Beech and Birch stocks, but of Maple 2¼" face, however, the same percentage was sold on July 1st as on June 1st.

Stocks on hand increased during the last month 1,029 M, but notwithstanding this increase the policy pursued during the winter and spring months of avoiding excess production had resulted in a decrease of 3½ millions from the quantity on hand on March 1st.

Shipments during the first half of 1915 decreased 11.8% compared with the first half of 1914, but this decrease was happily counterbalanced by the decrease of 16.9% in production during the same period.

From the June reports of 21 members the Committee finds that Current Net Values obtained for Clear and No. 1 were practically the same as in May, but that Factory showed a recession of 50 cents. The present selling values therefore for 13/16" x 2¼" face Clear, No. 1 and Factory are now represented by concessions of $7.00, $5.00 and $7.50 respectively from the Table of Delivered Values of May 21, 1913.

Compared with June 1914, Group E mills show decreases of $2.91 on Clear, $1.87 on No. 1 and $1.96 on Factory.

The members who make the monthly reports of Current Net Values are in a position to analyze in detail the net prices obtained by other members and by each geographical group. If you are not making this report you are missing information that has proven to be of great value in handling sales.

Mr. Thomas stated that there is a movement on the part of the Railway Companies to increase freight rates on dressed lumber, and that in discussing this question at the Committee Meeting the day before, the Committee was of the opinion that a Special Committee should be appointed to handle such questions in order to protect the interests of Maple Flooring. With this object in view on motion of Mr. Thomas, duly seconded, it was unanimously voted that the President appoint a Special Committee, to be known as the Traffic Committee, and to consist of three or five members as the President may deem best.

[fol. 195] Advertising Committee Report.—Mr. Whedon, Chairman, verbally reported in substance as follows:

Since the last Association Meeting the Committee had ordered printed 60 M copies of Grading Rules and 80 M copies of "Maple, Beech and Birch Floors—The Proper Nail to Use and How to Lay the Flooring," which had been distributed as follows:

Sent to	Grading rules		Maple, beech, and birch floors	
Architects	7,000		7,000	
Building contractors	15,000		15,000	
School boards in towns of 1,000 population and up	6,000		6,000	
Cotton mills	1,000		1,000	
		29,000		29,000
Members		16,000		40,000
Reserved for future use		15,000		11,000
		60,000		80,000

The Advertising Assessments for the first half of 1915 were sufficient to liquidate all advertising expenses up to July 1st, not including the new edition of 60 M Grading Rules and the 80 M of the new pamphlet "Maple, Beech and Birch Floors."

Four Advertising Booklets are in course of preparation by Mr. Christine:

(1) For the Home Builder.

(2) For the Contractor—about finishing floors, etc.

(3) For the Retail Lumber Dealer.

(4) For School Boards.

The Committee expects to complete the revision of the manuscripts and have them ready for publication within a few weeks.

Mr Whedon also stated that at the meeting of the Advertising Committee held the day previous, ways and means of securing to our membership the benefits of Association Advertising were considered, and the Committee recommends that the members have printed in their advertisements in the trade journals "Members of Maple Flooring Manufacturers' Association," so that purchasers of flooring will be in a position to know they are getting the flooring we are advertising. On motion, the recommendation was adopted by unanimous vote.

Rittenhouse & Embree Company.—The Secretary reported that Rittenhouse & Embree Company had decided to discontinue the manufacture of Maple, Beech and Birch Flooring, and read the following letter from them giving notice to that effect:

Chicago, July 12, 1915.

Geo. W. Keehn, Secretary, Maple Flooring Manufacturers' Assn., Chicago.

DEAR SIR: We are writing at this time to notify you that we have practically decided to discontinue manufacturing Maple, Beech and Birch Flooring in Chicago. We have been thinking of taking this step for some time, but had not definitely decided to do so until now.

We are very loath indeed to part company with your organization, as it has been a great pleasure to be associated with both you and your membership, and we wish to state at this time that we have [fol. 196] never been associated in any organization where the connection has been as pleasant and satisfactory.

Our situation at the present time is that we have about a million feet of flooring on hand and about 500,000 feet of stock left that we are now manufacturing. We are perfectly willing to sever relationship with your organization at the time that you feel would be the most opportune from a business standpoint, in fairness both to your organization and ourselves.

With kindest regards to yourself and your membership, and wishing you great prosperity in the future, we remain,

Sincerely, Rittenhouse & Embree Company, (Signed) By J. W. Embree, Vice-President. JWE/R.

Their letter was received with expressions of deep regret, as they have been members of the Association for over twenty years—ever since the original Association was organized—and during all that time their active and consistent co-operaton and the personal services of Mr. Rittenhouse and Mr. Embree as officers of the Association have been of very great benefit to the flooring industry.

Their letter was referred to the Trustees to be acted upon in accordance with the Articles of Association.

The meeting thereupon took a recess for dinner.

New Plan.—The meeting reconvened at 2 P. M. and was called to order by the Chairman.

Mr. Sam Horner, representing William Horner, with plants at Reed City and Newberry, Michigan, was invited at the suggestion of Mr. Charles T. Kerry to attend the afternoon session, and Mr. Bigelow and Mr. Cooper of Bigelow-Cooper Lumber Company, Saginaw, Michigan, were also present upon invitation of the Association.

The special order of business was the consideration of the New Plan proposed by the Trustees.

Mr. W. D. Young reported in behalf of the Trustees that the Trustees had held a meeting in Chicago on July 2nd for the purpose of devising some plan for establishing and maintaining legitimate values for flooring, and that after going over the subject thoroughly with Mr. Newman, our attorney, he had advised that the matter take the form of a petition to the Federal Trade Commission requesting permission to establish prices on Maple, Beech and Birch Flooring, such prices to be fair and reasonable and to be based upon certain fundamental principles to be embodied in the petition. At the request of the Trustees Mr. Newman prepared the Petition, a printed copy of which had been mailed to each member of the Association in advance of the meeting.

Mr. Young also stated that Mr. Forman could give to the meeting important information regarding a Plan that had been adopted by a group of Oak Flooring Manufacturers, and Mr. Forman thereupon outlined their Plan.

The Petition to the Federal Trade Commission was then read by the Secretary, and after the Petition was discussed it was signed by the members who were present, and the Secretary was instructed to obtain the signatures of the other members of the Association.

As the co-operation of William Horner was desired in this matter and in the general work of the Association, he was invited to join the Association as a statistical member for the remainder of this year beginning with July 1st, with the expectation of participating in such further arrangements as may be adopted in the work of the [fol. 197] Association. Mr. Horner expressed his willingness to join the Association on that basis, and he was thereupon elected to statistical membership by unanimous vote, and signed the petition to the Federal Trade Commission.

Mr. Cooper stated that when his firm commences the manufacture of flooring in November, they will be glad to take up the question of joining the Association.

On motion of Mr. Eastman, seconded by Mr. Strable, the President and Trustees were instructed to appoint a Committee to proceed with the Petition and to consult with Attorney Newman as to the best method of presenting it to the Federal Trade Commission, and also to make every effort to complete the Plan and to put it into practical operation.

On motion, the meeting adjourned, subject to the call of the President.

Respectfully submitted, George W. Keehn, Secretary.

[fol. 198] GOVERNMENT'S EXHIBIT No. 15-L

Memorandum of Meeting of October 22, 1915

Pursuant to the call of the President, a general meeting of the Maple Flooring Manufacturers' Association was held at the Hotel La Salle, Chicago, on Friday, October 22d, 1915, at 10 A. M.

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Twenty-one members of the Association were present and eight absent, the absent members being No-. 7, 15, 17, 30, 34, 36, 37 and 40.

* * * * * * *

The Market Conditions Committee report was submitted by Mr. Thomas, Chairman, and after the report and trade conditions generally had been discussed it was the consensus of opinion that better values should be obtainable for 13/16" x 2¼" face Clear Maple Flooring, because of its greatly oversold condition, than prevailed during the month of September. In order to be better posted in regard to current quotations on this item, it was suggested that the members send to the Secretary carbon copies of all quotations they

make on inquiries for one or more cars of 13/16" x 2¼" face Clear Maple Flooring, such information to be strictly reciprocal, and to be exchanged only among the members who quote on identical business: the Secretary to advise each member of all quotations made by other members on the same business, giving the Association numbers of the members making the quotations, and the member who gets the order to report it to the Secretary, who in turn will advise the other members who quoted on the same business the price at which the order was taken, but omitting the identity of the member who made the sale. Nineteen of the members who were present voted in favor of trying out this method, commencing at once, and the Secretary was instructed to ask the co-operation of the absent members.

The Advertising Committee report was presented by Mr. Whedon, Chairman, who stated that the manuscripts for the four advertising booklets referred to in the report submitted at the Semi-Annual meeting had been prepared, and that the contract for printing them had been let to Rogers & Company, who got out the Association Official Maple Flooring Book in 1911. The titles of the booklets, and the number of copies to be printed are:

1. Individuality in the Home, A Woman's Dream, Size 4½" x 6¼"	100 M	Copies.
2. Schoolroom Floors, Size 4½" x 6¼"	50 M	"
3. Ten Reasons Why Retail Lumbermen should handle Maple Flooring, Size 3¼" x 6¼"	50 M	"
4. How to Lay and Finish Maple Floors, Size 3¼" x 6¼"	50 M	"

[fol. 199] The cost of the booklets will average about two cents each, not including the cost of special envelopes and the expense of postage and distribution. While the books are being printed, a sample of each one will be sent to the members of the Association and in case they want extra copies for their own use, arrangements will be made to supply them at cost, provided orders for a sufficient quantity of each book are received before the work is off the press to justify extra runs.

On motion the action of the Advertising Committee was approved and ratified by unanimous vote, and on motion it was ordered by unanimous vote that an advertising assessment of five cents per M feet on the shipments during the year 1916 be levied, the assessments to be paid quarterly the same as heretofore.

Trade Mark.—The Advertising Committee recommended that a trade mark be adopted by the Association to be placed upon the product of Association mills for the purpose of identifying our flooring so that architects and others who specify Association grades, as the result of our advertising, will know they are getting the flooring they specify. This will also tend to limit the benefits of our advertising to the membership of our Association. On motion it was voted unanimously to adopt a trade mark, and the Advertising Committee was given full power and authority to act in all matters and things pertaining to the trade mark.

The Grades Committee report was submitted by Mr. Kerry, Chairman, as follows:

At the Semi-Annual meeting the Committee on Grades was asked to make a recommendation to the Association relative to the advisability of establishing a grade of No. 2 Common, making four grades, Clear, No. 1 Common, No. 2 Common and Factory. The Committee went to the T. Wilce Company mill, took 500 lineal feet of 2¼" flooring as it came from the machines, and at market prices this flooring would net $31.01 making three grades, and in making four grades it would net $31.83. They afterwards went over the flooring that was selected out for No. 2 Common, and decided that by retrimming this stock, and putting it in the Clear, No. 1 and Factory, it would bring more money than it would to make a grade of No. 2 Common of this stock which could be retrimmed, and that it would not make an excessive amount of short lengths The Committee on Grades was unanimous in recommending to the Association that they do not consider it advisable to establish another grade.

The report of the Grades Committee was adopted by unanimous vote, and the Secretary was instructed to advise the membership accordingly.

Mr. Robertson then made a general report covering his observations while on his fifth trip among the Association flooring factories, which report was accepted, ordered placed on file, and the Secretary instructed to send a copy of it to each member of the Association.

[fol. 200] Traffic Committee.—The President announced that in accordance with the action taken at the Semi-Annual meeting, he had appointed the following to serve as the Traffic Committee:

Cummer-Diggins Company, Mr. Abbott, Chairman.
Strable Lumber & Salt Co., Mr. Spencer.
W. D. Connor Company, Mr. McCulloch.
William Horner, Mr. Wheeler.

The appointments were confirmed by the meeting and the Committee requested to take up the questions coming within the scope of its work.

Federal Trade Commission.—The Secretary reported that nothing further from the Federal Trade Commission had been received in regard to our petition which had been forwarded to them on August 27th, excepting an acknowledgment under date of September 4th of the receipt of the petition. In acknowledging its report the Secretary of the Commission stated that the Commission was holding a series of foreign trade hearings in the west and would probably not return to Washington until the latter part of the month, and that immediately upon its return our letter and petition would be given careful attention. At the request of the Commission copies of the proceedings of various meetings, our statistical reports, advertising literature, and other data were forwarded to the Commission in order that it may be fully informed regarding our Association work. It

was the sense of the meeting that if no definite reply is received from the Commission by the middle of November that the Secretary write them, and again call their attention to the petition, and ask if they had arrived at any decision.

The Secretary reported that an application for membership had been received from Kneeland-McLurg Lumber Company, Phillips, Wisconsin, and on motion the Secretary was instructed to invite them to become a statistical member of the Association for the remainder of the year 1915, the question of membership after that time to be a matter of mutual arrangement.

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[fol. 201] GOVERNMENT'S EXHIBIT No. 15-M

Minutes of General Meeting, May 19, 1920

Pursuant to the call of the President of the Maple Flooring Manufacturers' Association a general meeting of the Association was held at the Hotel La Salle, Chicago, Wednesday, May 19, 1920, at 10:00 A. M.

The meeting was called to order by the President.

All the members of the Association were present excepting Wilce Flooring Co. and I. Stephenson Co., Trustees.

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The President reported that at a meeting of the Market Conditions Committee held in April, the injunction obtained by the Government in the U. S. Court at Memphis, Tenn., against the so-called Open Competition Plan of the American Hardwood Manufacturers' Assn., had been discussed and that a Committee, consisting of the President and Secretary of the Association, had been appointed to consult with Mr. Jacob Newman, counsel for the Association, regarding what course our Association should pursue in view of the decision of the Federal Judge in the Memphis case. The Chairman stated that such conference had been held and that as a result Mr. Newman had written a letter to the Secretary giving his advice on the subject.

Mr. Newman's letter was then read by the Secretary, and after discussing the matter fully, it was the sense of the meeting that, while our Association was not in any way a party to the Memphis case, we should obey the spirit and letter of the injunction regarding the compilation or distribution of statistics thru the Secretary's office pending a decision of the appeal for modifications of the injunction.

On motion, a Committee, consisting of Mr. Thomas, Mr. Wells and the Secretary, was appointed by the Chair to draft a resolution to submit to the meeting for its action.

The Committee thereupon presented the following resolution:

Resolved, That in view of the injunction recently obtained by the Government in the Federal Court at Memphis, Tenn., against the so-called Open Competition Plan of the American Hardwood Manu-

facturers' Association, the Secretary is hereby instructed not to compile or distribute any statistical reports pending a decision of the appeal for the modification of the injunction.

On motion, the resolution was adopted by unanimous vote.

Labor conditions in the northwest, as the result of the strike called by the Timber Workers' Union, were discussed. The strike was deplored because of its certain effect to reduce the output of flooring and lumber products generally, at the very time when an increase in production, especially of flooring and building lumber, is so greatly needed to help carry out the building program of the country.

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[fol. 202] GOVERNMENT'S EXHIBIT NO. 15-N

Minutes of Semi-annual Meeting, July 29, 1920

The Semi-annual Meeting of the Maple Flooring Manufacturers' Association was held at the Hotel La Salle, Chicago, Thursday, July 29, 1920, at 10:00 A. M.

The meeting was called to order by the President.

All the members of the Association were present with the exception of I. Stephenson Co. Trustees, and Flanner-Steger Land & Lumber Co.

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Survey of Costs.—The Secretary reported that the Survey of Costs for the first quarter of 1920 showed an increase of $2.22 per M or 12% in Manufacturing and Marketing Costs compared with the last quarter of 1919 with the certainty of still higher average costs during the second quarter of 1920, because of general increases in wages all along the line, reduced output at many of the mills on account of strikes and labor conditions and the smaller volume of shipments owing to lack of adequate transportation facilities all of which must inevitably increase the overhead and the cost of doing business.

The Secretary was instructed to collect and compile data regarding Manufacturing and Marketing Costs during the second quarter of 1920.

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[fol. 203] Labor and manufacturing conditions at the mills and trade and general conditions affecting the flooring industry, were discussed informally, whereupon the meeting adjourned subject to the call of the President.

George W. Keehn, Secretary.

[fol. 204] GOVERNMENT'S EXHIBIT No. 15-O

Memorandum of General Meeting, September 9, 1920

A general meeting of the Maple Flooring Manufacturers' Association was held at the Hotel La Salle, Chicago, Thursday, September 9, 1920, at 1:00 P. M., pursuant to the call of the President.

All of the members of the Association were present with the exception of W. D. Young & Co., I. Stephenson Co. Trustees, East Jordan Lumber Company and Foster-Latimer Lumber Co.

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The Chairman made a few brief remarks regarding business conditions generally, after which conditions in the Maple Flooring industry were discussed by the meeting.

While our statitstics for the month of August were not complete, the reports in the hands of the Secretary indicate that—

Stocks are accumulating and would be about 3 millions more than on August 1st.

Unfilled orders are diminishing and would be about 5 millions less than on August 1st.

Shipments for August would be about 1 million less than July.

Production for August would be about ½ million more than July.

New business booked would be about 1 million less than July.

Flooring data covering the first week in September received from 13 mills indicate the following forecast for September:

Shipments.—The July and August shipments of the 13 mills were 7 millions and 6 millions, respectively, with September shipments running at the rate of about 40% of July and 45% of August.

Production.—The Production of the 13 mills averaged 8 millions in July and August, with September Production running at the rate of about 70% of July and August.

New Business Booked.—The new orders of the 13 mills were 3 millions in July and only 2 millions in August, with September running at the rate of about 40% of July and 60% of August. Six of the mills reported no New Business Booked at all during the first week in September.

Surveys of Manufacturing and Marketing Costs during the second quarter of 1920, compare with the first quarter of 1920 and the last quarter of 1919 as follows, after deducting the value of the wood in each case;

Second Quarter 1920	$23.93
First Quarter 1920	20.61
Last Quarter 1919	18.39

being an increase of $3.32 over the preceding quarter and an increase of $5.54 over the last quarter of 1919.

The advances in freight rates effective August 26th were also discussed and it was suggested that pending the revision of the Rate Book one-third of the old rate, as represented by the symbols in the Rate Book, be added to take care of the additional cost of freight

to destination. For example: 21¢ represented by B A in Rate Book plus one-third would be 28¢ and would be represented by B H in Rate Book.

[fol. 205] GOVERNMENT'S EXHIBIT No. 15-P

Memorandum of Special Meeting, January 6, 1921

A Special Meeting of the Maple Flooring Manufacturers' Association was held at the Hotel La Salle, Chicago, January 6, 1921, pursuant to adjournment of the General Meeting held on December 22, 1920.

The Meeting was called to order by the President and all the members of the Association were present excepting East Jordan Lbr. Co.

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The President announced that in accordance with the action taken at the last meeting, the following Special Committee had been appointed to formulate a plan to stabilize conditions in the Flooring [fol. 206] Industry with the view of doing our part to assist in the resumption of building operations:

Mr. Thomas, Chairman, and Mr. Ralston, representing Western Lower Michigan.

Mr. Whedon and Mr. Kerry representing Eastern Lower Michigan.

Mr. A. C. Wells and Dr. Earle representing the Northwest.

The Committee then made its report and the Plan as formulated, to be known as the Minimum Price Basis, was read to and fully discussed by the meeting and on motion was accepted. It was ordered that the Minimum Price Basis, as accepted, be made a part of the Minutes of the Meeting and that copies of same be sent to each member of the Association.

The report of the Committee on spreads, in the "M. P. B.," between the different woods, grades, thicknesses and faces of 13/16" and thicker, and on representative values of 3/8", special grades and extra shorts, was accepted.

The Chairman stated that the advisability had been considered of appointing a Committee to appear before the Ways and Means Committee at the Tariff Hearings to be held in Washington this month, and that inasmuch as Mr. C. A. Bigelow of Bigelow-Cooper Company is a member of a Committee representing the National Lumber Manufacturers Association and would be in Washington when the hearings are held, that he be requested to look after the interests of Maple, Beech and Birch Flooring.

It was the sense of the meeting that a duty should be levied on Canadian flooring coming into the United States and that the rate of duty should be the same as the Canadian Government levies upon

Maple, Beech and Birch Flooring shipped from the United States into Canada.

Mr. Dewey of Bigelow-Cooper Company was requested to inform Mr. Bigelow of the action taken by the meeting.

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George W. Keehn, Secretary.

[fol. 207] GOVERNMENT'S EXHIBIT No. 15-Q

Minutes of Special Meeting—April 27, 1921

Special meeting of the Maple Flooring Manufacturers Association held at the Hotel La Salle, Chicago, April 27, 1921, pursuant to the call of the President, Dr. George W. Earle.

The meeting was called to order by the President and 19 members of the Association were present. Five members were absent, namely, Nos. 7, 24, 26, 30 and 45.

The minutes of the general meeting held on February 25, 1921, were read and, on motion, duly seconded, were approved.

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The statistical reports for the month of March 1921 were submitted to the meeting and briefly discussed, and several plans to remedy the present deplorable conditions in the industry were suggested and considered, but no definite conclusions were arrived at.

It was suggested that the plans proposed be given further thought and that the meeting adjourn subject to the call of the President with the understanding that the President would call such meeting to be held at as early a date as possible. On motion, duly seconded, the meeting thereupon adjourned subject to the call of the President.

George W. Keehn, Secretary.

[fol. 208] GOVERNMENT'S EXHIBIT No. 15-R

Minutes of General Meeting, July 8, 1921

A general meeting of the Maple Flooring Manufacturers Association was held at the Hotel La Salle, Chicago, July 8, 1921, pursuant to the call of the President of the Association.

The meeting was called to order by the President and all the members of the Association were present excepting Nos. 1, 26, 37, 45 and 49.

The minutes of the general meeting held on May 20th, were read and, on motion, duly seconded, were approved.

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Mr. Kerry further reported that a communication had been received from Mr. W. P. Porter of the East Jordan Lumber Company, suggesting that the name "Factory" as applied to the third grade of Maple, Beech and Birch flooring, should be changed. Mr. Porter's letter was thereupon read to the meeting, and is as follows:

"The very limited demand for, and ruinously low price of Factory Maple Flooring raises the question whether the name "Factory" as applied to this grade does not create the impression that it is suited only to a factory building, and is of too low grade and too poor quality to be used in house building, and thus limits its use.

We all remember when the present grade of No. 3 Maple lumber went under the name of "Mill Culls," and though this grade then was much better than the present grade of No. 3, it had almost no value until its name was changed to No. 3.

We know from local experience that this grade of flooring makes a very good and serviceable floor for moderate priced houses, and we strongly believe if it were called No. 2 Flooring and special effort made to extend its use, we could not only unload part of our immense surplus of this grade, but could get a price much nearer its cost.

With Factory flooring selling as low as $22.00, which is a loss of $40.00 on every thousand feet, it would seem worth while to find a remedy if possible for this condition.

Please advise us what you think of this question."

Mr. Kerry stated that copies of Mr. Porter's letter and of the Secretary's reply had been mailed to all the members of the Grades Committee, and that it was the opinion of the Committee that the matter be referred at this meeting to the entire Association.

The subject was fully discussed and considered by the meeting, and it was the sense of the meeting that it would not be advisable to make any changes at this time in any of the names of the grades of our flooring and, on motion, duly seconded, it was voted that definite action be deferred for the present.

[fol. 209] Mr. Robertson thereupon made a brief report of his observations of grading conditions at the Association mills considered as a whole, and congratulated the members upon their maintaining the standard grades as established by the Association, and stated that all the grades now averaged practically at standard, there being an average of only

1.9% of No. 1 in the Clear.

0.4% of Clear and 1.4% of Factory in the No. 1.

0.3% of the No. 1 grade and 0.2% of No. 2 Factory in the Factory.

Advertising Committee.—The report of the Advertising Committee was submitted by Mr. Whedon, Chairman of the Committee, who stated that since the last general meeting a contract had been made with Sweet's Catalog for three pages in its 1921 edition, and Mr. Whedon recommended that the Association commence some new advertising work and that we advertise in the Textile World, a

publication having a large circulation among cotton and other textile mills which are large users of Maple flooring. The recommendation was approved.

Mr. Whedon also reported that a communication had been received from Mr. Ralston of William Horner, containing information that there seemed to be an effort to substitute rift yellow pine flooring for Maple flooring in New York City school buildings, and that the matter had been presented to and considered by the Advertising Committee and that it was the unanimous opinion of the Committee that Mr. Robertson as our Field Representative should make a special trip to New York City to see the architect of the Board of Education of New York City in the interests of Maple flooring.

Mr. Robertson then made a comprehensive report of his interview with the Architect of the New York City School Board and, on motion, Mr. Robertson was requested to reduce his report to writing so that a copy of it could be sent by the Secretary to all the members of the Association.

On motion, duly seconded, Mr. Ralston of William Horner was given a vote of thanks for bringing the matter to the attention of the Advertising Committee, and Mr. Robertson was complimented and thanked for the efficient manner in which he handled the situation.

Tariff Hearings.—The Secretary stated that at the general meeting of the Association held on January 6th, Mr. C. A. Bigelow of Bigelow-Cooper Company, had been requested to look after the interests of Maple, Beech and Birch flooring in the Tariff hearings before the Ways and Means Committee at Washington, D. C., and that a letter had been received from Mr. Bigelow, stating as follows:

"We are pleased to advise that while we did not get all we wanted in the tariff bill yet, we did get the reciprocity feature and this, if finally enacted into law, will force the Canadians to abolish their tariff, or if they do not, the President will impose a similar tariff on imports from Canada."

On motion, duly seconded, a vote of thanks was given Mr. Bigelow as an appreciation of his efforts at the Tariff hearings in behalf of Maple, Beech and Birch flooring.

The Secretary was instructed to advise Mr. Bigelow of this action of the Association.

[fol. 210] GOVERNMENT'S EXHIBIT No. 15-S

Minutes of General Meeting, August 19, 1921

A general meeting of the Maple Flooring Manufacturers Association was held at the Hotel La Salle, Chicago, August 19, 1921, pursuant to the call of the President of the Association.

The meeting was called to order by the President and 19 members of the Association were present, No. 49 being represented by verbal

proxy to Mr. Whedon. Three members were absent, namely, Nos. 26, 37 and 42.

The Oval Wood Dish Corporation of Tupper Lake, New York, who have made application for membership in the Association, were present, being represented by Mr. Frank M. Hodges, and Mr. August C. Beck, representing the August C. Beck Company of Milwaukee, Wisconsin, was also present upon special invitation. The Chairman stated that invitations to attend the meeting had also been sent to R. Connor Company, Marshfield, Wisconsin, and Robbins Flooring Company, Rhinelander, Wisconsin, both of whom replied that it was impossible for them to be here on the day of the meeting.

The reading of the minutes of the last meeting held July 8th, was dispensed with, a memorandum of the proceedings of the meeting having been sent to the membership soon after the meeting was held.

Market Conditions Committee.—Mr. Thomas, Chairman of the Market Conditions Committee, stated that his Committee had nothing special to report as a Committee, no meeting having been held prior to the convening of the general meeting, as the members of the Committee felt that trade conditions and our July Statistics could be discussed to just as good if not better advantage by the Association as a whole, as to hold a separate meeting of the Committee.

Trade conditions as reflected by the July reports were then fully discussed and considered, and it was the consensus of opinion that current market values of flooring are represented by Concessions from the Table of Values dated May 21, 1921, of

$5.00 on No. 1, all faces, 13/16″ Maple and Birch flooring.

$5.00 on Factory, all faces, 13/16″ Maple and Birch flooring.

The concessions on 13/16″ Beech flooring are increased $5.00 on all faces of No. 1 and Factory grades only, above the concessions named in the Concession Sheet dated May 21, 1921.

No changes were suggested in the Clear grade 13/16″ and thicker, or in the ⅜″ Clear and No. 1, as it was the consensus of opinion that their current market values are represented by the Table of Values Based upon Average Cost and the sheet showing Concessions, Additions and Differentials, all dated May 21, 1921.

Cost Data.—The Secretary stated that a compilation had been made from our Cost records and data, old and new, reviewing in a general way the Trend of Market Values of Rough Maple Flooring Lumber, Manufacturing and Marketing Costs and of Average Prices Realized for Maple Flooring F. O. B. Michigan and Wisconsin Mills, beginning with the year 1916, and including the first half of 1921, and that copies of the compilation would be sent to the members for their information.

[fol. 211] August Forecast.—Flooring data received from 11 mills covering the first 17 days of August indicate that August business compared with July business is likely to show an increase of about 10% in Shipments and an increase of about 50% in New Business Booked, with August Production running about the same as July Production, assuming that the remainder of the month of August averages about the same as the first 17 or 18 days. The improvement

in the volume of New orders taken is gratifying considering that this is vacation time and a period of seasonal dullness in the trade, and while the volume is far below normal, it is hoped that the demand will continue to improve during the fall months.

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Federal Trade Commission.—The Secretary reported that information in detail regarding the activities of our Association had been requested by the Federal Trade Commission and that, in accordance with the long established policy of the Association, full, frank and complete replies had been made to the questionnaire sent us by the Commission.

Pacific Coast Shipments.—At the request of the Michigan Hardwood Manufacturers Association our members were requested to give data regarding their shipments of flooring to the Pacific Coast during the calendar year 1920. Several members stated that their statistics would come forward in a few days and the Secretary was instructed to transmit the totals only, when completed to Mr. J. C. Knox, Secretary of the Michigan Hardwood Manufacturers Association, with the suggestion that perhaps it would be advantageous to get statistics of Pacific Coast shipments during the year 1916, which would afford a basis of comparison and would show to what extent the high rates of freight to Pacific Coast Terminals had affected the shipments of flooring. When the data is completed a memorandum will be sent to our members showing the total shipments and a synopsis of the opinions expressed by the members on the subject of excessive rates westbound and the reasonableness and the absolute necessity of reducing them to a parity with eastbound rates on lumber, if our flooring in any volume is to move to the Pacific Coast.

Forest Products Laboratory.—The Secretary stated that a communication had been received from the Forest Products Laboratory, Madison, Wisconsin, regarding air seasoning of lumber and that ten copies of the proposed plan of Air Seasoning Study had been received from the Laboratory and the Secretary was instructed to distribute same among such of our members who have saw mills and flooring plants and who may be more directly interested in the subject.

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[fol. 212] Revise Articles of Association.—After a prolonged discussion of the demoralized conditions in the flooring industry, the Secretary was instructed to prepare a draft revising the Articles of Association with the view of securing greater co-operation in the industry, and to have the draft of the revision ready to submit to the next general meeting of the Association.

New Member.—The Oval Wood Dish Corporation was admitted to membership in the Association upon recommendation of the Board of Trustees, their membership to date from August 1, 1921. It was understood that the Secretary would give them full and complete information regarding the work of the Association and that Mr. Robertson, our Official Inspector, would be requested to visit their

plant at Tupper Lake, New York, and give them such assistance as they may desire in standardizing their grades of flooring.

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[fol. 213] GOVERNMENT'S EXHIBIT No. 15-U

Memorandum of General Meeting, September 23, 1921

A general meeting of the Maple Flooring Manufacturers Association was held at the Hotel La Salle, Chicago, September 23, 1921, pursuant to the call of the President of the Association.

The meeting was called to order by the President and 19 members of the Association were present. Four members were absent, namely, Nos. 1, 30, 47 and 49.

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Report of Special Committee.—The report of the Special Committee, consisting of Dr. Earle, Mr. Whedon, Mr. Thomas, Mr. Wilce and the Secretary which was appointed sometime ago to revise the Articles of Association, was submitted by Mr. Whedon as Chairman of the Committee. The report of the Committee was discussed at considerable length, but no definite or final action was taken.

August Statistics.—The August statistics and trade conditions as reflected in our statistical reports were briefly discussed. It was noted that stock conditions had improved considerably during the past month, particularly in Clear and No. 1 Maple 13/16 x 2¼" face, the former being sold 161%, an improvement of 53 points since August 1st, while the No. 1 was sold 72%, an improvement of 27 points since August 1st.

The 13/16 x 2¼" Clear Maple in the hands of 24 members on September 1st was only 1,800 M with Unfilled Orders of 2,900 M, so it was oversold 1,100 M—a very strong condition indicating that the demand is considerably in excess of supply and production.

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The Factory continues to be in bad shape there being 6,400 M of 13/16 x 2¼" on hand with only 700 M sold, leaving 5,700 M with no place to go but home.

The results of August business compare with July as follows, using the statistics of the same 22 members as a basis of comparison:

August-July, 1921, Statistics of 22 Members Compared

1921	Stocks	Unfilled orders
September 1	32,407 M	10,601 M
August 1	33,452 "	9,009 "
Decrease	1,045 M	
Increase	.....	1,592 M
Per cent	3.1%	17.7%

1921	Shipments	Production	N. B. B.
August	9,582 M	8,620 M	10,740 M
July	7,875 "	7,798 "	7,149 "
Increase	1,707 M	822 M	3,591 M
Per cent	21.7%	10.5%	50.2%

[fol. 214] Three Test Runs of 1921.—The Secretary stated that the members of the Association were deeply indebted to the North Branch Flooring Company for complete details regarding the results of Three Test Runs made in January 1921 and between May 1 and September 10, 1921, in which 1,539 M feet of rough Maple lumber was used, consisting of 77% Wisconsin and Upper Michigan stock and 23% Lower Michigan stock, and a careful and accurate count was kept of the flooring product by grades and faces. The Secretary further stated that with the permission of the North Branch Flooring Company an analysis of the Three Test Runs had been made and that copies of same would be given to the members of the Association for their information.

More Discussion of Special Committee's Report.—The report of the Special Committee was then further discussed, but as no definite or satisfactory conclusions were arrived at, the meeting adjourned.

[fol. 215] GOVERNMENT'S EXHIBIT No. 15-V

Memorandum of General Meeting, November 17, 1921

Pursuant to the call of Dr. Earle, President of the Maple Flooring Manufacturers' Association, a general meeting of the Association was held at the Hotel LaSalle, Chicago, November 17, 1921.

In the absence of Dr. Earle, the Vice-President of the Association, Mr. Whedon acted as chairman of the meeting. All the members of the Association were present with the exception of Nos. 1, 7, 30 and 45.

The reading of the minutes of last meeting was dispensed with, a memorandum of the proceedings of that meeting having been sent to the members soon after the meeting was held.

Stronger Market.—Trade conditions and our statistical reports for the month of October were discussed. Clear and No. 1 Maple Flooring 13/16" x 2¼" face are both in a very strong position, as indicated by their oversold condition, the Clear being sold 232% and the No. 1 sold 208%. The improvement in the demand for No. 1 is particularly noticeable, as it was sold only 45% on August 1st compared with 208% sold on Nov. 1st.

In view of recent advances in the market value of rough Maple Flooring lumber and taking into account Manufacturing and Marketing Costs and the relations of supply and demand as indicated by the heavily oversold condition of Clear and No. 1, it was the consensus of opinion as follows:

1. That present market values of Maple Flooring 13/16" are represented by Frame "A" Basis, Table of Values dated 5-21-21, at Full List for Clear and No. 1 and a concession of $5.00 on Factory.

2. That the spread of $7.00 between 2" and 2¼" in Clear and No. 1 is excessive and that a spread of $3.00 would be more representative of the difference in the intrinsic value of the two faces.

3. That the spread between Clear 3¼" and 2¼" be reduced from $10.00 to $5.00, and the spread between Factory 3¼" and 2¼" be changed from $2.00 to $5.00.

4. That the market values of Birch are equal to Maple, and that Beech Clear and No. 1 are $10.00 less than Maple and Birch, and that Beech Factory is equal in value to Maple and Birch Factory.

5. That the Table of Values dated May 21, 1921, covering 3/8" represents the present market value of 3/8".

November Forecast.—Flooring data received from 14 mills covering the first half of November indicate that November Shipments are running 5% more than in October, with Production 3% more and New Business 4% more than in October, so it would seem that the demand for flooring is well sustained. The New Business Booked in October reached the very large total of 16 millions, and as the bookings so far this month indicate a small increase, it is possible that November may equal or even surpass October in the volume of New Orders.

Grades Committee.—The Secretary reported that certain changes had been made by the Grades Committee in the Grading Rules in accordance with the vote by mail of the members of the Association, and that a new edition of the Grading Rules would be printed in which the changes, as adopted, would be incorporated.

The Secretary stated that because the Rules read * * * "to 3½ feet," the question had arisen as to whether the 3½ feet is included in the percentages of short lengths permissible in each grade. For [fol. 216] example: the Grading Rule for Clear reads "the proportion of lengths 2 to 3½ feet shall be what the stock will produce up to 20%. In order to avoid any doubt or misunderstanding that the 3½ feet is included in the percentages of short lengths, it was sug-

gested that the word "inclusive" be inserted in the Grading Rules for Clear, No. 1 and Factory after the words * * * "to 3½ feet," making them read * * * "to 3½ feet inclusive." On motion, it was so ordered.

* * * * * * *

Status on August 1 and on November 1, 1921, of 13/16" x 2¼" Face Clear and No. 1 Maple Flooring Based Upon Statistics of Same 22 Members.

	Clear		No. 1	
	Aug. 1, 1921	Nov. 1, 1921	Aug. 1, 1921	Nov. 1, 1921
Stocks on Hand....	2,073 M	1,660 M	4,432 M	2,083 M
Unfilled Orders....	2,232 "	4,323 "	2,015 "	4,328 "
Unsold	.....	.....	2,417 M	.....
Oversold	159 M	2,663 M	.....	2,245 M
Per Cent Sold	108%	260%	45%	208%

October-September Statistics of Same 24 Members Compared

1921	Stocks	Unfilled orders
November 1	31,196 M	15,437 M
October 1	31,330 "	11,669 "
Decrease	134 "	.....
Increase	....	3,768 "
Per Cent	0.4%	32.3%

1921	Shipments	Production	New business booked
October	12,024 M	12,024 M	15,910 M
September	10,409 "	8,515 "	10,523 "
Increase	1,615 "	3,509 "	5,387 "
Per Cent	15.5%	41.2%	51.2%

[fol. 217] GOVERNMENT'S EXHIBIT No. 15-W

November 17, 1921.

To Members.

GENTLEMEN: Referring to the discussion of trade conditions at the general meting of the Association held today, it was the consensus of opinion that in view of the relations of supply and demand for flooring, as reflected by our October statistics, and also in view of

recent advances in the market value of rough Maple Flooring lumber, that the present market values of flooring would be represented as follows according to a new Table of Values to be printed under date of November 17, 1921:

Frame A, F. O. B. Cadillac, Michigan, Basis, 11-17-21

For 13/16" Maple and Birch D. & M.

	1½" face	2" face	2¼" face	3¼" face
Clear	85.00	87.00	90.00	85.00
No. 1	68.00	72.00	75.00	75.00
Factory	20.00	28.00	30.00	35.00

Full List on Clear, all faces.
Concession on No. 1, all faces—$10.00.
Concession on Factory, all faces—$5.00.

Beech Clear, $10.00 less than Maple & Birch Clear of same face.
Beech No. 1, $10.00 less than Maple & Birch No. 1 of same face.
Beech Fcty., same price as Maple & Birch Factory of same face.

With no changes in the present differentials respecting Thick Flooring and Jointed Flooring.

This would work out as follows, using the Table of Values of May 21, 1921, until you receive the new Table of Values for 13/16" and Concession Sheet, which we will have printed at once under date of November 17th:

13/16" Maple and Birch

	13/16" x 1½" face	2" face	2¼" face	3¼" face
Clear	Full List	Add $4.00	Full List	Add $5.00
No. 1	" "	" 4.00	" "	Full List
Fcty	Concsn. 5.00	Concsn. 5.00	Concsn. 5.00	Consen. 2.00

Beech Clear, $10.00 les than Maple & Birch Clear of same face.
Beech No. 1, $10.00 less than Maple & Birch No. 1 of same face.
Beech Fcty., same price as Maple & Birch Factory of same face.

With no changes in the present differentials respecting Thick Flooring and Jointed Flooring.

⅜" Table of Values 5-21-21

Clear—Full List.
No. 1—Full List.

Please be sure and send us promptly your sales report for the week ending November 19th, so that this information showing the trend of the market can be exchanged promptly among those of you who make this report.

Yours very truly, George W. Keehn, Secretary.

[fol. 218] GOVERNMENT'S EXHIBIT No. 15-X

Memorandum of General Meeting, December 22, 1921

Pursuant to the call of Dr. Earle, President of the Maple Flooring Manufacturers Association, a general meeting of the Association was held at the Hotel La Salle, Chicago, December 22, 1921.

The meeting was called to order by the President. Sixteen members were present in person and one member, the Strable Lumber & Salt Co., was represented by verbal proxy to Mr. Whedon. Six members were absent, namely: Nos. 3, 5, 14, 30, 37 and 45.

On motion, it was ordered that the reading of the minutes of the last meeting held November 17th, be dispensed with inasmuch as a copy of the minutes of that meeting had been mailed to each member soon after the meeting was held.

November Statistics.—Trade conditions and the flooring situation in general as reflected by our November statistics were discussed. As a result of the large volume of New Business Booked in November stock conditions on December 1st showed a decided improvement over November 1st, especially in the Clear and No. 1 grades of 13/16 x 2¼" Maple flooring, the Unfilled Orders for Clear being 6¼ millions with Stocks of only 2¼ millions, and the Unfilled Orders for No. 1 being over 5½ millions with Stocks of only 1½ millions. In the following table the statistics of the same 24 members for November and October 1921 are compared:

November-October, 1921, Compared, Same 24 Members

1921	Stocks	Unfilled orders
December 1	31,246 M	18,884 M
November 1	31,196 "	15,437 "
Increase	50 M	3,447 M
Per cent		22.3%

	Shipments	Production	N. B. B.
November	12,417 M	12,539 M	16,110 M
October	12,024 "	12,024 "	15,910 "
Increase	393 M	515 M	200 M
Per cent	3.3%	4.3%	1.3%

December Forecast.—Flooring data received from thirteen mills covering the first twenty days of December indicate a less active demand for flooring than during last month. This is to be expected, of course, at this season of the year because of the approach of the holidays and inventory time when the placing of new orders is usually deferred. It looks as if the December Shipments will be

about 20% less than in November, December Production about 5% less than in November, and December New Business Booked about 50% or 60% less than in November.

* * * * * * *

[fol. 219] Memphis Case.—Reference was made to the decision of the U. S. Supreme Court in the so-called Memphis case and it was the sense of the meeting that our Association should abide by the spirit and meaning of the decision and that as soon as full text of the decision has been made public so that its bearing upon the work of our Association can be interpreted and fully understood that a general meeting of the Association be called to be held as soon after the holidays as can be arranged.

On motion, the meeting adjourned subject to the call of the President.

George W. Keehn, Secretary.

[fol. 220] GOVERNMENT'S EXHIBIT No. 15-Y

January 5, 1922.

To members.

GENTLEMEN: In accordance with the action taken at the last general meeting of the Association, that the Association hold another meeting sometime in the second week in January, a general meeting is hereby called to be held at the Hotel La Salle, (Suite 209) Chicago, Thursday, January 12th, at 10:30 A. M. Sharp, to discuss the general affairs and work of the Association.

Mr. Newman, our attorney, is making a careful study of the decision of the U. S. Supreme Court in the Memphis Case, and will give us in a few days a written opinion as to what bearing the decision has upon the activities of our Association. If we get his opinion by the 7th we will send you a copy of it so you will receive it before you leave home for the meeting.

It goes without saying that it is of the utmost importance that every member of the Association be represented at this meeting, so please be certain to attend.

We hope you will advise us by return mail whether or not you will be present at the meeting.

Very truly yours, George W. Keehn, Secretary.

[fol. 221] GOVERNMENT'S EXHIBIT No. 15-Z

Minutes of Meeting January 12, 1922

A general meeting of the Maple Flooring Manufacturers Association was held at the Hotel La Salle, Chicago, Thursday, January 12, 1922.

In the absence of Dr. Earle, President of the Association, Mr. Whedon, the Vice-President, acted as Chairman of the meeting.

Seventeen members of the Association were present and six members were absent, the absent members being Nos. 1, 4, 7, 26, 30 and 37.

The reading of the Minutes of the meeting held on December 22, 1921 was waived, copies of the Minutes of that meeting having been mailed to the membership soon after the meeting was held.

The Chairman stated that in accordance with the wishes expressed by the members at the previous meeting, the Secretary had requested Mr. Jacob Newman, as counsel of the Association, to give his written opinion regarding the decision of the U. S. Supreme Court in the so-called "Memphis Case or Open Competition Plan". The Secretary reported that Mr. Newman's written opinion had been obtained and it was thereupon read to the meeting and it is attached hereto and made a part of these Minutes. The Secretary was instructed to send a copy to each member of the Association.

After discussing the opinion, it was suggested that Mr. Newman be invited to attend the meeting to answer any questions the members might wish to ask regarding the Court's decision.

After further discussion of the whole subject with Mr. Newman it was the sense of the meeting, that in view of his legal opinion and his analysis and interpretation of the spirit and meaning of the Supreme Court's decision, that the statistical work of the Association, which was immediately suspended when the decision of the Court became known, be resumed and proceeded with in accordance with Mr. Newman's legal advice in his written opinion.

On motion, it was ordered by unanimous vote that new Articles of Association be prepared and the Secretary was instructed to confer with Mr. Newman in drafting new Articles of Association and have them ready in time to submit to the next general meeting of the Association.

* * * * * * *

[fol. 222] GOVERNMENT'S EXHIBIT No. 15-AA

Maple Flooring Manufacturers Association, 1045 Stock Exchange Bldg., Chicago

Copy of Legal Opinion of Newman, Poppenhusen, Stern & Johnson Regarding the Decision of the United States Supreme Court in the Case Known as "The Memphis Case or the Open Competition Plan"

January 13, 1922.

To the Maple Flooring Manufacturers Association, Chicago, Illinois.

GENTLEMEN: As your counsel we have been asked to construe the opinion of the Supreme Court of the United States in the case of

American Column & Lumber Co. et al. vs. The United States of America, and advise you whether, in the light of that opinion, the plan under which you are now operating is lawful.

Justices Brandeis, Holmes and McKenna dissented from the opinion rendered by the majority of the court, but the decision of the majority is now the law of the land and must be obeyed.

Broadly speaking, the members of the Supreme Court did not differ with respect to the law, which is plain and direct. The difficulty lay in the application of the law to the facts of the case then before the court. The Federal Anti-Trust Act declares that:

"every contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce among the several States * * * is * * * illegal."

The majority and minority decisions are in irreconcilable conflict with respect to the application of the Anti-Trust Act to the particular facts involved in the American Hardwood case. In this conflict the majority of the court reached the conclusion and held that the record in the case shows that the American Hardwood Association had formed and operated the "Open Competition Plan" for the purpose of increasing prices, limiting production and suppressing competition.

All the decisions of the Supreme Court under the Federal Anti-Trust Act show that each case was decided upon its own particular facts. No general rule can be laid down which will cover all situations and conditions. The controlling question in each case always is, do the facts of the particular case show the violation of the Federal Anti-Trust Act? The particular facts in the American Hardwood case led the Supreme Court to the conclusion that the members of the "Open Competition Plan" had operated that Plan in a way and manner and for a purpose, which, when considered together as an entire plan or scheme, plainly show not only that they violated but had deliberately intended to violate the Anti-Trust law.

The court in so holding is not to be understood as condemning any one particular act, but as condemning the purpose and effect of all the things done by the members of the Association, on the ground that when taken together they constitute a general plan or scheme to increase prices, limit output and suppress competition. [fol. 223] Let us now take up and consider what were the things done under the "Open Competition Plan," which, considered as a whole made the Supreme Court declare the Plan unlawful. The facts as found are as follows, viz.:

(a) That the defendants who produced one-third of the hardwood manufactured in the United States were members of an Association, most of whom were members of what was called an "Open Competition Plan;" and

(b) That the members of this "Open Competition Plan" exchanged detailed information concerning almost every phase of the

business operation in which they were respectively engaged; and that this information was sent to their representative, Mr. Gadd, who combined, classified, summarized, analyzed and interpreted the same; that this infomation so combined, classified, summarized, analyzed and interpreted by Mr. Gadd was forwarded weekly or monthly to the members of the Plan; and

(c) That the meetings of the members were held almost weekly for the purpose of discussing the foregoing information, and that the subject of prices, output, etc. were fully discussed at these meetings and the members urged and influenced to accept and act upon the views as to prices and output discussed and approved at these meetings; and

(d) That the foregoing information sent to the members was not made public in any general way and that, therefore, the buyers were at a disadvantage; and

(e) That F. R. Gadd, the representative of the members, sent each member of the Plan a monthly "market report letter" which discussed in a very elaborate way existing conditions in the Hardwood Lumber Industry as to output, price, competition, etc., and that this letter attempted to forecast the future as to output, price, competition, etc.; and

(f) Finally, that all the foregoing means were used for the purpose of limiting production, increasing prices and suppressing competition, and succeeded in so doing.

In endeavoring to ascertain just what the court did decide, we must keep in mind that it was the combined effect, not of two or three of the foregoing things, but of all of the things done and the purpose for which they were done, that led the Supreme Court to hold that the Federal Anti-Trust Act had been violated.

The court in its opinion said:

"This elaborate plan for the interchange of reports does not simply supply to each member the amount of stock held, the sales made and the prices received, by every other member of the group, thereby furnishing the data for judging the market, on the basis of supply and demand and current prices. It goes much farther. It not only furnishes such information, with respect to stock, sales, and prices, but also reports, giving the views of each member as to 'market conditions for the next few months;' what the production of each will be for the next 'two months;' frequent analyses of the reports by an expert, with, we shall see, significant suggestions as to both future prices and production; and opportunities for future meetings for the interchange of views, which the record shows [fol. 224] were very important. It is plain that the only element lacking in this scheme to make it a familiar type of the competition suppressing organization is a definite agreement as to production and prices. But this is supplied: by the disposition of men

'to follow their most intelligent competitors,' especially when powerful; by the inherent disposition to make all the money possible, joined with the steady cultivation of the value of 'harmony' of action; and by the system of reports, which makes the discovery of price reductions inevitable and immediate. The sanctions of the plan obviously are, financial interest, intimate personal contact, and business honor, all operating under the restraint of exposure of what would be deemed bad faith and of trade punishment by powerful rivals."

The first seven lines of the foregoing quotation from the opinion of the court show plainly that the court did not hold that the mere interchange of information by competitors is in and of itself unlawful, but what the court held was that such interchange of information, when taken in combination with all the things done by the members and their representatives under the "Open Competition Plan" and the purpose for which such things were done, is the thing that made the plan as a whole unlawful. Nor does the court hold that the weekly meetings of the members were in themselves unlawful, but it does hold that such meetings became unlawful when they were made part of a general plan or scheme to increase prices, limit output and suppress competition.

After quoting at length from the records of the Hardwood Association, the correspondence of its members and F. R. Gadd, Esq., their representative, the reports of the weekly meetings and of various Committees, the court says:

"These quotations are sufficient to show beyond discussion that the purpose of the organization and especially of the frequent meetings was to bring about a concerted effort to raise prices regardless of cost or merit, and so was unlawful, and that the members were soon entirely satisfied that the Plan was 'carrying out the purpose for which it was intended.'"

It is true that further on in the opinion the court says:

"Genuine competitors do not make daily, weekly and monthly reports of the minutest details of their business to their rivals, as the defendants did; they do not contract, as was done here, to submit their books to the discretionary audit and their stocks to the discretionary inspection of their rivals for the purpose of successfully competing with them; and they do not submit the details of their business to the analysis of an expert, jointly employed, and obtain from him a 'harmonized' estimate of the market as it is and as, in his specially and confidentially informed judgment, it promises to be. This is not the conduct of competitors but is so clearly that of men united in an agreement, express or implied, to act together and pursue a common purpose under a common guide that, if it did not stand confessed a combination to restrict production and increase prices in interstate commerce and as, therefore, a direct restraint upon that commerce, as we have seen that it is, that conclusion must inevitably have been inferred from the facts which

[fol. 225] were proved. To pronounce such abnormal conduct on the part of 365 natural competitors, controlling one-third of the trade of the country in an article of prime necessity a 'New form of competition' and not an old form of combination in restraint of trade, as it so plainly is, would be for this court to confess itself blinded by words and forms to realities which men in general very plainly see and understand and condemn, as an old evil in a new dress and with a new name."

The foregoing language is a sort of summary by the court and must be read and considered in the light of all the facts involved in the case. This language was used after the court had carefully analyzed all things done by the Hardwood Association in the course of operating its "Open Competition Plan," and after the court had found that the underlying motive of the members of the Plan was (in the language of the court) "to bring about a concerted effort to raise prices regardless of cost or merit, and so was unlawful.

This opinion plainly shows that the court placed great emphasis upon the innumerable acts of the members and their representative in the course of carrying into effect the "Open Competition Plan" and especially upon the purpose the members had in mind in all that they did under the Plan.

The members of the Association and its representative, Mr. Gadd, added many unusual features to the "Open Competition Plan" as originally drawn. These unusual features, together with the Plan and the unlawful purpose which the members had in mind in originating and executing the same, were the things the court condemned, and not the mere interchange of information. If the record in the Hardwood case had shown nothing but an interchange of information concerning past and completed transactions relating to stocks on hand, prices received and material manufactured, we are of the opinion that the court would not have held that the members of the Hardwood Association had violated the Federal Anti-Trust Act.

In dealing with this subject, the court says:

"In the first quarter of the year the problem was to maintain the war prices then prevailing rather than to advance them, and although the minutes of the various meetings were kept in barest outline, we find that beginning within a month of the consideration of the awo associations, the members of the 'Plan' began actively to cooperate, through the meetings, to suppress competition by restricting production. This is very clearly shown by the excerpts following from the minutes of meetings and from the market letters and sales reports distributed at them."

Further on in the opinion the court reached the conclusion that the members and their representative practically admitted not only that the plan was unlawful, but that the purpose of the Plan to increase prices, limit output and suppress competition had been achieved.

On this subject the court says:

"But not only does the record thus show a persistent purpose to encourage members to unite in pressing for higher and higher prices without regard to cost, but there are many admissions by members, not only that this was the purpose of the 'Plan,' but that it was fully realized."

[fol. 226] The court in its opinion declares that many of the members as well as their representative, Mr. Gadd, proclaimed their purpose under the "Open Competition Plan" from the house-tops and boasted that they had succeeded in raising prices and suppressing competition.

The Supreme Court affirmed the decree of the trial court at Memphis which was very broad in its terms; but when the decree of the lower court is carefully analyzed, you will find that the interchange of information concerning stocks, sales and prices was forbidden, not because the interchange in itself was unlawful, but because it was used as a part and parcel of an unlawful scheme to increase prices, limit output and suppress competition.

We understand that the members of your Association are merely interchanging information concerning past and completed transactions relating to stocks on hand, prices received and quantities manufactured, and that no one classifies, analyzes, interprets, comments upon or makes any recommendation concerning the same, or makes any prophesies as to future stocks on hand, prices, output or other matters and that there is no agreement, combination or understanding between you to fix or increase prices, or to limit output or suppress or destroy competition.

Conclusion

1. After carefully considering the decision of the court in this case, we are of opinion that you have the lawful right to interchange information concerning the following matters, provided that the information so interchanged is not for the purpose of fixing or increasing prices, limiting production or suppressing competition and is confined wholly to past and completed transactions, viz.:

(a) The amount of stock on hand;

(b) The amount of unfilled orders on hand;

(c) Total amount of shipments made;

(d) Total amount of production;

(e) Total amount of actual new business on your books;

(f) The average prices realized by you at your mill;

(g) Surveys of the average cost of manufacturing and selling Maple Flooring.

But in interchanging the foregoing information, you must see to it that no one classifies, analyzes, interprets, comments upon or makes any recommendations concerning the same, or makes any prophesies as to future prices, output or other matters. Each Maple flooring manufacturer must be allowed to interpret, in his own way, the information he receives, and draw his own conclusions and run his own business, free from the control, influence or domination of any outside agency or agencies.

2. We recommend that the foregoing information to be so interchanged should be published in one or more trade journals so that the consumer of Maple Flooring may have equal knowledge with the manufacturer as to the condition of the Maple Flooring industry and as to all questions of supply and demand. By so publishing the information, you meet the objection urged by the Supreme Court in its opinion that in the American Association case, the information was given to the manufacturers and not disclosed to the consumers, and for that reason the manufacturers had a decided advantage over the consumers.

[fol. 227] 3. We urge that the utmost care should be exercised by you to avoid doing any of the things condemned by the Supreme Court in the American Hardwood Manufacturers' case, and to which we have called your attention in this opinion.

And in closing we beg to call your attention to the fact, that even if you interchange the foregoing information in absolute good faith and with no intention whatever to fix or increase prices, limit output or suppress competition, some over zealous officer of the Government may nevertheless charge you with having done so for an unlawful purpose. All we can say is that if you follow our instructions as outlined in this opinion, we believe the Supreme Court will not condemn your conduct.

Respectfully yours, Newman, Poppenhusen, Stern & Johnston. By J. Newman.

JN: MEB.

[fol. 228] GOVERNMENT'S EXHIBIT No. 15-BB

January 14, 1922.

Weekly Sales Report

GENTLEMEN: As stated in the minutes of the meeting held on the 12th, a copy of which was sent you yesterday, statistical work of the Association is to be resumed and proceeded with in accordance with Mr. Newman's legal advice in his written opinion, a copy of which was also sent you yesterday.

Will you please, therefore, send us, by return mail, your Weekly Sales Report for the week ending today the 14th, blank form for which is enclosed.

Very truly yours, George W. Keehn, Secretary.

[fol. 229] GOVERNMENT'S EXHIBIT No. 15-CC

Chicago, February 8, 1922.

General Meeting, February 24, 1922

To Members.

GENTLEMEN: Pursuant to advices from Dr. Earle as President of the Association, a general meeting of the Association is hereby called to be held on Friday, February 24th, at 10:30 A. M. sharp, and in accordance with the suggestion at the last general meeting, it will be held at the Congress Hotel. We have reserved rooms 1124-1128 for the meeting and luncheon. The rooms are on the 2nd floor—not on the 11th floor as one would naturally suppose.

There is much important business to come before this meeting and every member of the Association should be represented. Among the subjects to be considered are the following:

1. New Articles of Association.—The adoption of the proposed new Articles of Association to take effect as at January 1, 1922.

While quite a number of the members have expressed their approval of the Articles as drafted, some of the members have suggested modifications but, as stated in our previous communications, modifications can easily be made before the Articles are signed. We can have them re-printed afterwards, so that each member will have a copy as finally adopted.

2. Annual Meeting.—If the proposed new Articles are adopted, the meeting of the 24th should be considered the first annual meeting of the new Association, and the election of Officers and Trustees and the appointment of Committees would be in order.

3. General Expenses.—As the question of the General Expenses of running the Association may be considered and as the new Articles provide for an Expense Fund Assessment of 25 cents per M feet on Shipments, we have prepared for your information a statement showing the cost in cents per M feet of the various items of general expenses during the last half of 1921, based upon estimated Shipments of 63 millions during that period.

4. Survey of Costs.—At this writing we have received 8 Surveys of Costs for the last quarter of 1921 and they show a substantial reduction. The average cost is about $17.00.

It is earnestly urged that other members will send in their Surveys in a few days, so that our compilation to be submitted to the meeting will be more complete and represent a larger proportion of the industry.

5. Advertising Campaign.—Our Advertising Campaign is now well under way and the Chairman of your Advertising Committee will have an interesting report to present to the meeting.

6. Rate Book.—The question of the method to be used in compiling and publishing our Rate Book, which was discussed at the

last general meeting and referred to in our circular letter of January 23rd, will be open for discussion.

7. Trade conditions as reflected by our statistics and the prospective demand for flooring in 1922.

* * * * * * *

[fol. 230] GOVERNMENT'S EXHIBIT No. 15-DD

February 18, 1922.

To MEMBERS.

GENTLEMEN: This is to remind you of the general meeting of the Association to be held at the Congress Hotel (Rooms 1124-1128 on the Second Floor), Chicago, Friday, February 24th, at 10:30 **A. M. Sharp.**

We mailed you the December Reports on the 15th and mailed you yesterday the Annual Reports for the calendar year 1921. Please remember to bring them with you to the meeting so you will have them to refer to.

Five of the members have not yet sent in their reports for January, but we hope to receive them by the 20th and if so we will have our reports for January made out in time for the meeting.

Please bring with you the flooring data as outlined in the blank form below so we can see how the business is running this month.

Hoping to see you at the meeting, we are

Very truly yours, George W. Keehn, Secretary.

Flooring Data, February 1st-22nd or 23rd, Incl.

Shipments	....	Ft.
Production	....	"
New Business	....	"

No. —.

[fol. 231] GOVERNMENT'S EXHIBIT No. 15-EE

To MEMBERS.

GENTLEMEN: On account of the severe storm which blockaded and stopped the running of trains in the northwest and in western lower Michigan north of Grand Rapids, very few members were able to attend the general meeting yesterday. The only ones from the storm area who were here were Mr. Shepeck, who happened to be in Chicago the day before, and Mr. Greene, who got here by way of Bay City. Mr. Blodgett managed to get here from St. Paul and Mr. Nichols arrived here the day before. Saginaw Valley and Tup-

per Lake were more fortunate in respect to train service and the members from there were all here.

Ten members in all were present, namely: Nos, 2, 7, 22, 24, 30, 33, 37, 48, 49, 51. As there was less than a quorum, no official business was transacted, but the proposed new Articles of Association were read and discussed in detail and some few changes and modifications were suggested. It was thought best to have the Articles reprinted, inasmuch as the forms have been held intact at the printers, and send new copies to the membership so each member will know how the Articles will read with all suggested revisions incorporated. These reprints will be mailed you on the 27th or 28th.

We did not receive the last missing January reports until Thursday, the 23rd, so we have not yet completed all of our reports for last month, but we succeeded in finishing three of them in time for the meeting and gave them to the members who were present and mailed them after the meeting to the absent members. The balance of the January reports will follow early next week.

The members who were here consider it of the utmost importance that another meeting be held Thursday, March 9th, so that definite and final action can then be taken regarding the proposed new Articles of Association. Our new meeting rooms in the Congress Hotel were found very pleasant and satisfactory, so arrangements were made to hold the next meeting there on March 9th, and if the other members also like the meeting rooms, our meetings will be held there regularly hereafter.

It was the unanimous opinion of the meeting yesterday that hereafter general meetings of the Association should be held regularly each month, and that this matter should be taken up at the general meeting on March 9th and a day and date fixed for the monthly meetings. It was suggested that perhaps the Thursday nearest the middle of each month would be a convenient time in the month to hold meetings.

Please set aside Thursday, March 9th, and make your arrangements now to be here on that day, "weather permitting."

Yours very truly, George W. Keehn, Secretary.

[fol. 232] GOVERNMENT'S EXHIBIT No. 15-FF

March 4, 1922.

General Meeting, March 9th

To MEMBERS.

GENTLEMEN: Referring to our letter of February 25th please be sure and come to the general meeting of the Association to be held at the Congress Hotel (Rooms 1124-1128 Second Floor), on Thursday, March 9th, at 10:30 A. M. Sharp.

The business to come before the meeting is to take definite action regarding the adoption of the proposed new Articles of Association,

and also to take action on the other matters mentioned in the call of February 8th for the general meeting of February 24th, which meeting could not be held on account of the storm and which was adjourned to March 9th by the ten members who managed to get to Chicago.

If you have not already done so we hope you will send us, by return mail, your statistical reports for the month of February so that we can compile and submit to the meeting as much data as possible regarding the February business. It will also be of interest to know how March business is running, so kindly bring with you to the meeting the flooring data as per blank form below.

It is imperative that every member of the Association be represented at this meeting and if any of you find that it will be impossible for you to be here, please send a written proxy to some other member of the Association to act for you so that definite results can be accomplished at the meeting.

Very truly yours, George W. Keehn, Secretary.

Flooring Data, March 1st to 7th or 8th, Incl.

Shipments	.... M	Feet.
Production	.... M	"
New Business	.... M	"

From No. —.

[fol. 233] GOVERNMENT'S EXHIBIT No. 15-GG

March 10, 1922.

Memorandum of General Meeting, March 9, 1922

A general meeting of the Maple Flooring Manufacturers Association was held at the Congress Hotel, Chicago, Thursday, March 9, 1922, pursuant to adjournment of the meeting held February 24, 1922.

In the absence of Dr. Earle, President of the Association, the meeting was called to order by Mr. Whedon, Vice President of the Association, who acted as Chairman of the meeting.

Fourteen members of the Association were present in person, namely: Nos. 2, 4, 22, 23, 24, 30, 34, 37, 42, 44, 47, 48, 50 and 51. One member, No. 33, was represented by written proxy to Mr. Whedon.

The following members were absent: Nos. 1, 3, 5, 7, 14, 17, 26, 45 and 49.

The proposed new Articles of Association, as revised at the meeting held on February 24th and reprinted and mailed to the members on February 28th, were read article by article and section by section and were discussed in detail, and the following modifications

were suggested and adopted by the members present at the meeting, namely:

The word "May" was substituted for the word "April" in section 3 of Article IV. The following words were added to Section 1 of Article XVIII: 'and said Trademark Contract shall form a part of these Articles of Association but it shall not be subject to amendment under the provisions of Article XXII.'

The Trademark Contract referred to in the foregoing addition to Section 1 of Article XVIII was submitted, discussed and adopted, and the Secretary was instructed to send a copy of same to the absent members.

The following members of the Association then signed the proposed new Articles of Association as revised at this meeting, subject to the condition that the signatures of the other members be obtained: Nos. 2, 22, 23, 24, 30, 34, 37, 42, 44, 48, 50 and 51.

Mr. Gibson, who represented the Wisconsin Land & Lumber Co., said that he preferred not to sign the Articles in the absence of Dr. Earle and that the matter be taken up with the Doctor.

Mr. Ralston, representing William Horner, said that while the Grand Rapids Trust Company, Receiver for William Horner, was in favor of continuing their membership in the Association, he felt that the Trust Company should sign the Articles as Receiver for William Horner.

Mr. Whedon stated that while No. 33 had sent in a written proxy giving him power to act for them, and that No. 49 had given him a verbal proxy to the same effect, that he preferred to have Nos. 33 and 49 themselves sign the Articles.

After a general discussion of trade conditions, the meeting adjourned to Wednesday, March 29th, and the Secretary was instructed to communicate in the meantime with the absent members, either by correspondence or personal visits, in regard to getting their signa-
[fol. 234] tures to the new Articles of Association.

It was also suggested that the Secretary communicate with certain non-member manufacturers with a view to getting them to join the Association, so that more cooperation can be secured for the impovement of conditions in the industry.

George W. Keehn, Secretary.

P. S.—March 13, 1922. Since the above was dictated the signatures of Strable Lumber & Salt Company, Bigelow-Cooper Company and I. Stephenson Company Trustees have been obtained to the proposed new Articles of Association, making 15 signatures in all at this writing.

Next general meeting Wednesday, March 29th, at 10:30 A. M. sharp, Rooms 1124-1128 Congress Hotel.

Mr. Thomas writes us as follows under date of March 10th explaining why he was not at the meeting:

"I seemed to be out of luck the last two meetings and missed attending each time. Expected to leave here Wednesday afternoon, but was unable to go on account of ill health.

Do not assume that this is going to be a habit. I expect to be there next time."

[fol. 235] GOVERNMENT'S EXHIBIT No. 15-HH

March 23, 1922.

Reminder

To MEMBERS.

GENTLEMEN: This is to remind you of the general meeting of the Association to be held at the Congress Hotel, Rooms 1124-1128 (Second Floor) Wednesday, March 29th, at 10:30 A. M. sharp.

It is earnestly hoped that every member of the Association will be represented at this meeting so that definite action can be taken regarding the proposed new Articles of Association.

We have word from Mr. Ralston that the Receiver for William Horner has decided to continue their membership in the Association so I have arranged to be in Grand Rapids, Saturday morning the 25th to get their signature to the new Articles of Association conditional, of course, upon getting the signatures of the other members who have not yet signed up.

It will be interesting to know how the flooring business has been going in March so please fill out and bring with you to the meeting the data as outlined in the blank form below.

Very truly yours,

George W. Keehn, Secretary.

Flooring Data, March 1st-27th or 28th, Incl.

Shipments	.... M	Feet.
Production	.... M	"
New Business	.... M	"

From No. —.

[fol. 236] GOVERNMENT'S EXHIBIT No. 15-II

Minutes of General Meeting March 29, 1922

A general meeting of the Maple Flooring Manufacturers Association was held at the Congress Hotel, Chicago, Wednesday, March 29, 1922, pursuant to adjournment of the meeting held March 9th.

In the absence of Dr. Earle, President of the Association, the meeting was called to order by Mr. Whedon, Vice President of the Association, who acted as Chairman of the meeting.

Nineteen members of the Association were present in person and one member, the Oval Wood Dish Corporation, was represented by

written proxy to Mr. Charles A. Brand, making twenty members in all represented at the meeting.

The following members were absent: Wilce Flooring Company, John Schroeder Lumber Co., Holt Hardwood Co., and East Jordan Lumber Co.

The reading of the Minutes of the last meeting held on March 9th was dispensed with, a memorandum of the business transacted at that meeting having been sent to the members immediately after the meeting was held.

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The Chairman stated that since the last meeting the following other members had signed the proposed new Articles of Association: Strable Lumber & Salt Co., Bigelow-Cooper Company, I. Stephenson Co. Trustees, and the Grand Rapids Trust Company, Receiver for William Horner. The Chairman then requested the members who were present at this meeting but who had not yet signed the proposed new Articles of Association on account of having been absent from the meeting of March 9th, to affix their signatures to the new Articles, whereupon the following members signed the new Articles: Mitchell Brothers Co., Cobbs & Mitchell, Inc., Cummer-Diggins Co., and Flanner-Steger Land & Lumber Co.

Mr. Gibson, representing the Wisconsin Land & Lumber Co., stated that Dr. Earle had fully expected to attend the meeting but was unable to do so, but that he felt certain the Wisconsin Land & Lumber Company would continue their membership and their hearty cooperation in the work of the Association, having done so ever since the first association was organized about 25 years ago, and that the matter of their signing the new Articles could be deferred until the next general meeting of the Association.

The Secretary reported that he had received a letter from the John Schroeder Lumber Company, stating that they had practically decided to discontinue manufacturing flooring of any kind and if there should be a change in their program they will be glad to take the matter up again with the Association.

The Secretary also reported that he had called upon the Wilce Flooring Company in regard to getting their signature to the new Articles and that Mr. George Wilce and Mr. Harvey Wilce stated that inasmuch as they were running Oak Flooring almost entirely and were manufacturing very little Maple Flooring, (consisting of practically all 3/8″) that it was a question in their minds whether or not it was desirable to continue their membership in the Association. It was the unanimous opinion of the members that for old times' sake and in view of the active and helpful cooperation of the Wilce Company in the work of the Association ever since its organization, that it would be very desirable to have them continue their membership, even though they may not manufacture much Maple Flooring. The Secretary was instructed to see them again and to request and urge them to continue their membership.

[fol. 237] The Secretary was instructed to communicate with the East Jordan Lumber Company in regard to getting their signature to the new Articles of Association.

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The meeting then proceeded to the election of President, Vice President and Treasurer, under the new Articles of Association, to serve until the next annual meeting and until their respective successors are elected and have qualified. Mr. Whedon stated that while it was the desire of every member of the Association that Dr. Earle continue as President, that the Doctor had written to the Secretary sometime ago tendering his resignation as President, feeling that while he fully appreciated the honor, that he should no longer serve as President and that he should be relieved from the duties of that office. Mr. Gibson informed the meeting to the same effect regarding the wishes of Dr. Earle about continuing on as President of the Association.

On motion, duly seconded, B. P. Whedon was nominated for President, M. E. Thomas for Vice President and A. C. Wells for Treasurer, and on motion duly made and seconded, it was voted unanimously that the rules be suspended and that the Secretary be instructed to cast the unanimous ballot of the meeting for B. P. Whedon for President, M. E. Thomas for Vice President and A. C. Wells for Treasurer. This was done, whereupon they were declared duly elected to their respective offices to serve until the next annual meeting of the Association and until their successors are elected and have qualified.

On motion, duly made, seconded and carried, Messrs. Whedon, Thomas and Wells were requested to act as a Nominating Committee to nominate four members of the Association to serve as the remaining four members of the Board of Trustees as provided in Articles V and VII.

The Nominating Committee nominated Dr. George W. Earle, Charles T. Kerry, T. M. Ralston and J. D. Staple to serve as the remaining four members of the Board of Trustees until the next annual meeting of the Association and until their successors are elected and have qualified. On motion, duly made and seconded, it was ordered by unanimous vote that the rules be suspended and that the Secretary be instructed to cast the unanimous ballot of the meeting for the candidates named to serve as Trustees of the Association. This was done, whereupon Dr. George W. Earle, Charles T. Kerry, T. M. Ralston and J. D. Staple were declared duly elected as members of the Board of Trustees to serve as Trustees of the Association until the next annual meeting and until their successors are elected and have qualified.

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It was then requested that the Board of Trustees hold a meeting immediately following the adjournment of this general meeting to

appoint standing committees to serve until the next annual meeting and until their successors have been appointed. The Secretary was instructed to notify the members respecting the action of the Board of Trustees in the appointment of Committees.

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The meeting then proceeded to the informal discussion of trade conditions. Flooring data received from 14 mills covering the first 27 days of March indicated that March Shipments are likely to show an increase of about 15% over the February Shipments, March Production about 10% less than February Production and the New Business Booked in March about 40% greater than the New Business Booked in February.

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The Secretary was instructed to write to non-member manufacturers and invite them to join the Association under its new Articles of Association.

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There being no further business, the meeting on motion adjourned to meet Thursday, April 20th at the Congress Hotel, Chicago.

George W. Keehn, Secretary.

[fol. 238] GOVERNMENT'S EXHIBIT No. 15-JJ

Maple Flooring Manufacturers Association

Officers, Trustees, and Committees, Year 1922

Officers

President ..... B. P. Whedon
Vice-President ..... M. E. Thomas
Treasurer ..... A. C. Wells
Secretary ..... George W. Keehn

Board of Trustees

B. P. Whedon, Chairman

Dr. George W. Earle,
C. T. Kerry,
T. M. Ralston,
J. D. Staple,
M. E. Thomas,
A. C. Wells.

Grades Committee

W. L. Saunders, Chairman

Chas. A. Brand,
W. L. De Witt,
W. H. Greene,
H. I. Latimer,
Fred R. Welsh.

Advertising Committee

Wm. E. Cox, Chairman

Clayton Gibson,
John J. Porter,
H. H. Shepeck,
M. E. Thomas.

Committee on Cost Surveys

J. E. Dewey, Chairman

J. L. Colby,
Philip D. Flanner,
C. H. Law,
P. S. McLurg,
F. I. Nichols,
J. D. Staple,
George Strable.

The President of the Association is ex-officio member of all Committees.
March 29, 1922.

[fol. 239] GOVERNMENT'S EXHIBIT No. 15-KK

March 30, 1922.

East Jordan Lumber Company, Mr. John J. Porter, East Jordan, Michigan.

GENTLEMEN: The general meeting held yesterday was well attended, the only members who were not represented being yourselves, the Holt Hardwood Company and the Wilce Flooring Co. It was a good meeting and all the members were very sorry that you were not present.

The new Articles of Association have now been signed by all the members excepting yourselves, the Wilce Flooring Company and the Wisconsin Land & Lumber Co. Dr. Earle has not been in good health lately and while he fully intended to attend the meeting yesterday, he did not feel able to make the trip. Mr. Gibson represented them and said there was no question in his mind about the Wisconsin Land & Lumber Company continuing their membership and their cooperation in the work of the Association, having been among the founders of the first Association way back in 1895 or 1897, and they have always been active members ever since in the various forms of Association work.

The Wilce Flooring Company are manufacturing very little Maple Flooring, as they are running mostly Oak. Last year they manufactured only half a million feet of Maple, practically all 3/8", and they may decide to discontinue altogether the manufacture of Maple. For that reason they are undecided whether or not it is worth while to continue their membership, although we would all like very much to have — do so for old times' sake, even though they manufacture very little Maple Flooring.

The other members are all counting upon your continued co-operation under the new Articles of Association so we are sending you a copy of the Articles for your signature and we shall be glad to have you sign them and return them to us by registered mail.

When I was at Grand Rapids on the 25th I tried to get you over the long distance telephone to tell you how matters were progressing in regard to the new Articles, but was unable to reach you. The telephone operator told us that some of the wires to East Jordan were still down.

With regards,

Very truly yours, —— ——, Secretary.

[fol. 240] GOVERNMENT'S EXHIBIT No. 15-LL

Reminder

General Meeting Apr. 20

To Members.

GENTLEMEN: This is to remind you of the general meeting of the Association to be held at the Congress Hotel (Rooms 1120-24), Chicago, Thursday, April 20, at 10:30 a. m. sharp.

It is earnestly hoped that every member of the Association will be represented at the meeting, as subjects of interest and importance will be discussed. It is expected that the Committee on Cost Surveys and the Advertising Committee will make reports regarding matters coming within the scope of their work.

The Secretary will also have a report to make regarding the conference he attended at Washington on April 12th, which conference was called by Secretary Hoover of the Department of Commerce and to which all trade associations whose activities are national or interstate were invited to send representatives. It was a very interesting conference, and the necessity and usefulness of trade associations and the statistical data compiled by them were fully recognized in the addresses delivered by Mr. Hoover as Secretary of Commerce and by Mr. Gaskill as Chairman of the Federal Trade Commission.

Please bring with you to the meeting the flooring data as outlined on the blank form below, so we shall know what has happened in the flooring business so far in April.

Yours very truly, George W. Keehn, Secretary.

Flooring Data, April 1-18 or 19, Incl.

Shipments	....	M
Production	....	"
New Orders	....	"

tical data in condensed form covering past years as shown in our annual reports, namely the annual Barometers and the annual statements in which are given by months;

(a) Stocks on Hand.
(b) Unfilled Orders.
(c) Total Shipments.
(d) Total Production.
(e) Total New Orders Booked.

The Department of Commerce would also like to have if possible the total normal capacity of all the flooring plants in the Association, expressed in annual and monthly averages, for the purpose of comparing the total Production each month and each year with the total normal capacity each month and each year, and in order to know to what extent of normal capacity the plants as a whole are being operated, as shown by the Production compared with the normal capacity.

The Secretary stated that the representatives of trade associations who attended the conference were requested to fill out a questionnaire. The questionnaire as filled out by him was then read to the meeting and is as follows:

Department of Commerce

Washington

(1) Name of representative: George W. Keehn.

(2) Home address: 1045 Stock Exchange Bldg., Chicago.

(3) Name of Association represented: Maple Flooring Manufacturers Association.

(4) Principal products: Maple, Beech and Birch Flooring.

(5) Number of members of Association: 23.

(6) Percentage of productive capacity of industry represented by Association: About 70%.

(7) Is your Association interested in foreign trade? Some members are.

(8) Has your Association appointed a committee for co-operation with this Department on foreign trade matters? No.

(9) Is your Association interested in the dissemination of statistical? Yes.

(10) Has your Association appointed a committee for cooperation with this Department on statistical matters? No, but will do so.

(11) Does your Association compile statistics? Yes.

(a) Of commodities? Yes.
(b) Of prices? Yes.

If so, what period of time do the reports cover? (a) monthly, (b) weekly and monthly.
[fol. 243] (12) Is your Association interested in questions of simpli-cation and standardization? Yes. Our product is standardized.

(13) Has your Association appointed a committee for cooperation with this Department on matters of simplification and standardization? No, but will do so.

It was suggested that in accord with question 10, a Committee be appointed to be known as "Statistical Committee to Cooperate with the Department of Commerce," and it was further suggested that such Committee consist of the President, Vice-president, Treasurer and Secretary of the Association. It was so ordered.

It was also suggested that inasmuch as the Department of Commerce is deeply interested in matters of simplification and standardization, as evidenced by question 13, that our Grades Committee cooperate in that direction with the Department of Commerce. On motion it was so ordered.

The Secretary reported that a complete report of the proceedings of the conference had been received from the Department of Commerce and on motion, duly seconded, he was instructed to have same printed in pamphlet form and send copies to the members of the Association for their information.

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Mr. Colby of Cummer-Diggins Company stated that Mr. Saunders as Chairman of the Grades Committee had requested him to bring to the attention of the members the question of the advisability and desirability of creating an intermediate grade of flooring between the No. 1 grade and the Factory grade, believing that it would be beneficial to both manufacturers and consumers of flooring. It was suggested that the matter be referred to the Grades Committee with the request that the Committee investigate the subject fully and make a report with recommendations to the next general meeting of the Association. On motion, duly seconded, the Grades Committee was requested to do so.

The question was then discussed of having Mr. Robertson, our Official Inspector, make a trip among the Association flooring mills to oversee the grading, and on motion duly seconded the Grades Committee was requested to have Mr. Robertson make the trip at his early convenience.

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In the absence of Mr. Cox, Chairman of the Advertising Committee, Mr. Whedon reported that the advertising campaign is being actively proceeded with and that the results are very encouraging, judging by the number of requests received by the Secretary for flooring literature. Mr. Whedon stated that the Committee would hold a meeting later in the day to work out further details in connection with the advertising campaign.

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Flooring data received from 15 members covering the first 18 days of April indicate that April shipments are averaging about 10% less than in March with Production and New Orders Booked in April averaging about the same as in March.

Stock conditions of 13/16 x 2¼" Clear, No. 1 and Factory Maple Flooring on April 18th as reported by 15 members were as follows:

	Stocks on hand	Unfilled orders	Unsold	Oversold	April 18, % sold	March 31, % sold
Clear	2,935 M	3,465 M	.....	530 M	118%	110%
No. 1.....	1,294	4,196	.....	2,902	324	196
Factory	3,018	1,348	1,670 M	.....	45	38
Total ..	7,247	9,009	(net)	1,762	124	95

[fol. 244] Trade Conditions and the relations of supply and demand as reflected by our statistical reports for the month of March, the first quarter of 1922 and the first 18 days of April, were then discussed and there being no further business the meeting, on motion, adjourned to Wednesday, May 17th, at 10:30 A. M.

George W. Keehn, Secretary.

Statistics for First Quarter 1922 Compared with First Quarter 1921

	Stocks on hand		Unfilled orders			Shipments		Production		New orders	
	1922	1921	1922	1921		1922	1921	1922	1921	1922	1921
Avge.	34,843	32,103	13,723	5,828	Total	28,126	17,174	30,635	18,930	28,618	18,062
Incr.	2,740	.....	7,895	.....		10,952	.....	11,705	.....	10,556	.....
%	8.5%	.....	135.5%	.....		63.8%	.....	61.8%	.....	58.4%	.....

Based upon reports of 23 members in January and February and 22 members in March, in both 1922 and 1921.

Statistics of Entire Membership (24) During the First Quarter of 1922

	Stocks on hand	Unfilled orders		Shipments	Production	New orders
Jan. 1	34,081 M	15,231 M				
" 31	36,731	13,364	Jan.	9,025 M	11,848 M	7,479 M
Feb. 28	38,296	13,174	Feb.	8,473	10,023	9,019
Mar. 31	37,491	15,717	Mar.	11,681	10,258	13,194
Average ..	36,650	14,372	Total	29,179	32,129	29,692

Next general meeting Wednesday, May 17th, at 10:30 A. M. sharp, rooms 1120-1124 Congress Hotel.

[fol. 215] GOVERNMENT'S EXHIBIT No. 15-NN

Chicago, May 10, 1922.

To Members:.

GENTLEMEN: This is to remind you of the general meeting of the Association to be held at Congress Hotel (Rooms 1120-1124), Chicago, Wednesday, May 17, at 11:00 A. M. Sharp, Chicago daylight saving time.

Among the subjects to be discussed at the meeting are the following:

* * * * * * *

3. The Committee on Cost Surveys will meet on the afternoon of the 16th and will make a comprehensive analysis of the Average Cost of Manufacturing and Marketing Maple Flooring as ascertained according to Article XIV of the Articles of Association, and will make a report to the general meeting.

If you have recently purchased any rough Maple Lumber on the open market or if you have any information regarding any purchases or sales of same, will you please send the information on the 15th to the Seretary, giving the prices F. O. B. saw-mill (omitting the location of the saw-mill), and the cost of freight from the saw-mill to your flooring plant? This information will be very useful to the committee in its work and it will be held strictly confidential and no information will be given, revealing the identity of the buyer or seller, or the source of the information, if you so desire.

There has been a good volume of New Orders Booked since the last meeting and it will be very interesting to know how buiness has been running during the first half of May. It looks as if the 13/16" x 2¼" face No. 1 Maple flooring will be oversold to a greater extent than on April 18th, the date of our last compilation.

Please remember to bring with you to the meeting the flooring data as per blank form below, so the data can be summarized and the members fully informed as to actual stock conditions, etc., on May 15th.

Yours very truly, George W. Keehn, Secretary.

Flooring Data May 1-15, Incl.

Shipments	M
Production	"
New Orders	"

Stock Conditions of 13/16 x 2¼" Face Maple Flooring

On May 15	Clear	No. 1	Factory	Total
Stock on Hand	M	M	M	M
Unfilled Orders	"	"	"	"
Unsold	"	"	"	"
Oversold	"	"	"	"

[fol. 246] GOVERNMENT'S EXHIBIT No. 15-OO

Minutes of General Meeting May 17, 1922

A general meeting of the Maple Flooring Manufacturers Association was held at the Congress Hotel, Chicago, Wednesday, May 17, 1922, pursuant to adjournment of the meeting held April 20th.

The meeting was called to order by the President.

Eighteen members of the Association were present and four members were absent, namely: Cummer-Diggins Company, Osgood & Blodgett Mfg. Company, Holt Hardwood Company and Flanner-Steger Land & Lumber Company.

On motion, it was ordered that the reading of the Minutes of the meeting held on April 20th be dispensed with.

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The Secretary then reported as follows:

1. That since the meeting on April 20th he had talked with George Wilce of the Wilce Flooring Company in regard to continuing their membership in the Association and that Mr. Wilce had stated that inasmuch as they are not manufacturing any Maple Flooring at all now and have not been manufacturing any for some time and as it is doubtful whether or not they will resume the manufacture of Maple Flooring, he requested that their membering be considered terminated as at April 1st and that the question of resuming their membership in the Association be held in abeyance to await further developments regarding their manufacturing operations.

2. Correspondence with Ward Brothers in regard to joining the Association was then read to the meeting and the Secretary was instructed to follow up the matter as soon as H. J. Ward, who is now ill, is well enough to give the subject further consideration.

3. That Mr. Gibson of the Wisconsin Land & Lumber Company had sent the Secretary some correspondence with the R. Connor Company in which it was stated that W. D. Connor had returned from the Pacific Coast and would like further information in regard to the work of the Association. The Secretary was instructed to communicate further with R. Connor Company.

4. The Secretary then read to the meeting correspondence with the Department of Commerce, Bureau of the Census, Washington, D. C., concerning the statistics which have already been furnished to the Department and which are to be furnished from time to time. The Secretary was instructed to furnish like statistics to Lumber Trade papers for the information of the public.

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[fol. 247] Mr. Dewey, Chairman of the Committee on Cost Surveys, reported that the Committee had held a meeting on the afternoon of the 16th and he briefly outlined the present situation respect-

ing the supply of rough Maple Flooring lumber and its market value as established by recent sales on the open market. It was the opinion of the Committee that the actual market values of rough flooring stock delivered F. O. B. cars at the flooring mill would average $50.00 for No. 1 Common, $35.00 for No. 2 Common, and $20.00 for No. 3 Common A, and it was found that the Average Cost of Manufacturing and Marketing Maple Flooring during the first quarter of 1922 according to reports received from 6 or 7 representative flooring mills was $17.99 per M feet of flooring produced.

* * * * * * *

Flooring data received from 15 members covering the first half of May indicate that May Shipments are likely to be about 18% greater than April Shipments, May Production about 6% greater than April Production, and New Orders Booked during May about 11% more than New Orders Booked during April.

[fol. 248] Stock conditions of 13/16 x 2¼" Clear, No. 1 and Factory Maple Flooring on May 15th as reported by 15 members were as follows:

	Stocks on hand	Unfilled orders	Unsold	Oversold	May 15, % sold	April 30, % sold
Clear	3,519 M	5,056 M		1,537 M	144%	127%
No. 1	928	5,568		4,640	600	385
Factory ..	2,674	2,239	435 M		84	61
Total	7,121	12,863	(net)	5,742	181%	142%

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[fol. 249] GOVERNMENT'S EXHIBIT No. 15-PP

Chicago, June 15, 1922.

To Members.

GENTLEMEN: Please be reminded that pursuant to adjournment of the general meeting of the Association on May 17th, the next general meeting of the Association will be held Wednesday, June 21st, at 11:00 a. m. sharp, Chicago time, at the Congress Hotel (Rooms 1120-1124), Chicago.

* * * * * * *

Flooring data as outlined on the blank form below will be of interest, so please fill out the blank form and bring it with you to the meeting, so the members will know how the flooring business is running this month in respect to supply and demand.

Hoping that we shall have a good attendance at the meeting, we are

Yours very truly, George W. Keehn, Secretary.

Flooring Data June 1-20, Incl.

Shipments	.... M
Production	.... M
New Orders	.... M

Stock Conditions of 13/16 x 2¼" Face Maple Flooring

On June 20	Clear	No. 1	Factory	Total
Stock on Hand	.... M	.... M	.... M	.... M
Unfilled Orders	.... "	.... "	.... "	.... "
Unsold	.... "	.... "	.... "	.... "
Oversold	.... "	.... "	.... "	.... "

No. —.

[fol. 250] GOVERNMENT'S EXHIBIT No. 15-QQ

Minutes of General Meeting June 21, 1922

A general meeting of the Maple Flooring Manufacturers Association was held at the Congress Hotel, Chicago, Wednesday, June 21, 1922, pursuant to adjournment of the meeting held May 17th.

The meeting was called to order by the President.

Nineteen members of the Association were present and three members were absent, the absent members being: Osgood & Blodgett Mfg. Company, East Jordan Lumber Company and Flanner-Steger Land & Lumber Company.

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Mr. Dewey, Chairman of the Committee on Cost Surveys, made a brief verbal report regarding the available supply of rough maple flooring stock and its present market values as established by recent sales on the open market according to best information obtainable, and stated that a Survey of Manufacturing and Marketing Costs during the second quarter of 1922 would be made early in July. He urged that every member of the Association make this report so that the data on this subject will be as complete as possible and be representative of average conditions in the industry.

The Secretary reported that the compilations pertaining to the Surveys of Cost which were made in accordance with Article XIV of the Articles of Association had been completed under date of May 31st and would be mailed to the members of the Association on June 24th for their information.

* * * * * * *

Mr. Saunders, Chairman of the Grades Committee, reported that his Committee had held a meeting just before the general meeting convened and had fully discussed the question of creating and establishing an intermediate grade of flooring between the No. 1 grade

and the Factory grade, and that the Committee had decided not to recommend to the Association that it be done at this time. The report of the Committee was received and approved.

Mr. Saunders also gave a very interesting account of the proceedings of the Standardization Conference at Washington, D. C. which he had attended and which conference had been arranged under the auspices of Mr. Hoover as Secretary of the Department of Commerce.

* * * * * * *

[fol. 251] The Chairman stated that correspondence had been received from Frank F. Fish, Secretary-Treasurer of the National Hardwood Lumber Association and from Earl Palmer, Chairman of the Sales Code Committee, of that Association, and that in accordance with their request a Committee would be appointed to represent our Association at the conference to be held to discuss the so-called proposed National Sales Code.

* * * * * * *

[fol. 252] The Secretary reported that in accordance with the request of the Department of Commerce, Bureau of the Census, Washington, D. C., data regarding the normal capacity of the Association flooring plants were being collected, and that up to this time such data had been received from 17 members of the Association. The members who have not yet furnished the data to the Secretary were requested to do so as soon as possible.

According to flooring data respecting Shipments, Production and New Orders Booked during the first 20 days in June, received from 14 members, the indications are that June Shipments are running about 13% less than in May, June Production about 4% less than in May, and New Orders Booked about 23% less than in May.

Statistics regarding Stock Conditions on June 20th of 13/16" x 2¼" face Maple Flooring, received from 15 members, indicated the following conditions on that date.

	Stocks on hand	Unfilled orders	Oversold	% sold
Clear	3,134 M	6,462 M	3,328 M	206%
No. 1	444 "	6,092 "	5,648 "	1372 "
Factory	1,918 "	2,471 "	553 "	129 "
Total	5,496 M	15,025 M	9,529 M	273%

* * * * * * *

There being no further business the meeting adjourned to Wednesday, July 19, 1922.

George W. Keehn, Secretary.

[fol. 253] GOVERNMENT'S EXHIBIT No. 15-RR

Chicago, July 13, 1922.

To MEMBERS.

GENTLEMEN: In accordance with adjournment of the meeting of the Association held on June 21st, the next general meeting of the Association will be held at the Congress Hotel, Chicago (Rooms 1120-1124), Wednesday, July 19th, at 11:00 a. m. sharp, Chicago daylight savings time. Reports will be in order from the following Committees:

1. Advertising Committee M. E. Thomas, Chairman.

2. Committee on National Sales Code proposed by National Hardwood Lumber Association, W. L. Saunders, Chairman.

3. Committee on Cost Surveys, J. E. Dewey, Chairman.

It is hoped that the members who have not yet sent in their reports of Manufacturing and Marketing Cost during the second quarter of 1922 will do so at once so that the data can be compiled in advance of the meeting.

Any information you can send us regarding current market values of rough flooring stock as established by recent sales on the open market will be useful to the Committee.

It is important to know how the flooring business is running so far this month and we wish to suggest that if the members will supply the data as outlined on the blank form below covering the first half of July and mail the data to us at the close of business July 15th, or on Monday the 17th at the latest, that we will compile same and have it ready as soon as the meeting is called to order. This will save time and give you a better opportunity to consider the relations of supply and demand as reflected by the data than if the matter is delayed by our not getting these reports until the members arrive in Chicago and then not getting them compiled until late in the afternoon.

We are glad to say that for the first time on record every member of the Association made the Weekly Sales Report for the Week ending July 8th, as you will see by the report we are mailing you today.

Hoping that all the members will be represented at the meeting, we are

Very truly yours, George W. Keehn, Secretary.

Flooring Data, July 1-15, Incl.

Shipments	.... M
Production	.... M
New Orders	.... M

Stock Conditions of 13/16 x 2¼" Face Maple Flooring

On July 15	Clear	No. 1	Factory	Total
Stocks on Hand	.... M	.... M	.... M	.... M
Unfilled Orders	.... "	.... "	.... "	.... "
Unsold	.... "	.... "	.... "	.... "
Oversold	.... "	.... "	.... "	.... "

No. —.

[fol. 254] GOVERNMENT'S EXHIBIT No. 15-SS

Minutes of General Meeting July 19, 1922

A general meeting of the Maple Flooring Manufacturers Association was held at the Congress Hotel, Chicago, Wednesday, July 19, 1922, pursuant to adjournment of the meeting held June 21st.

The meeting was called to order by the President.

Seventeen members of the Association were present and five members were absent, the absent members being Cummer-Diggins Company, Osgood & Blodgett Manufacturing Company, East Jordan Lumber Company, Flanner-Steger Land & Lumber Company and North Branch Flooring Company.

The reading of the Minutes of the meeting held on June 21st was dispensed with, a copy of same having been mailed to each member soon after the meeting was held.

* * * * * * *

Mr. Thomas, Chairman of the Advertising Committee, briefly reviewed the work of the Committee and reported that the Committee had just held a meeting and had fully discussed and carefully considered Advertising plans for the last half of 1922. He stated that the Advertising Fund, consisting of the amount remaining in the Old Advertising Fund plus the amount derived from assessments during the first half of 1922, was sufficient to complete and carry out all contracts entered into by the Committee in December 1921 and in the Spring of 1922 and leave a balance of nearly $2,000.00, so that the Committee had kept within its income.

He stated that the new booklets "Winning Friends for Floors of Maple, Beech and Birch" and "Color Harmony in Floors" and the various Dealers' Helps which have been arranged for would cost in the neighborhood of $9,000.00, and that if the Advertising Assessment for the last half of 1922 was continued at only 10 cents per M on shipments, there would be no funds left over with which to carry on now advertising in the various publications used during the first half of 1922.

He reported that the Committee was unanimous in the opinion that the Advertising Campaign as undertaken and carried on in the various publications up to this time should be continued dur-

ing the Fall of 1922, so that the interest of consumers and lumber dealers in M. F. M. A. flooring would be steadily increased and so that the benefits already derived from our advertising would not be lost, as would be the case if the advertising was not continued. He stated that the Committee was of the unanimous opinion that the Advertising Assessment during the last half of 1922 should be at the rate of 25 cents instead of 10 cents per M ft. on shipments, in order to provide an additional fund of about $12,000.00, about two-thirds to be used for advertising in national publications, lumber trade and building trade papers, and about one-third for Dealer's Helps of various kinds. Mr. Thomas' report was complete and comprehensive and after other members of the Committee had spoken on the subject, it was fully discussed by the meeting, and on motion duly seconded it was voted that the Advertising Assessments from July 1st to December 31st, 1922 be at the rate of 25 cents instead of at the rate of 10 cents per M ft. on the shipments of Maple, Beech and Birch Flooring. The roll was called and all the members present voted in the affirmative with the exception of G. Harold Earle of the Wisconsin Land & Lumber Company, who refrained from voting, stating that he wished to wait until Dr. Earle returned home from the Pacific Coast so he could discuss the matter with him before the vote of the Wisconsin Land & Lumber Company was recorded.

* * * * * * *

At the meeting of the Association held on June 21st a Committee [fol. 255] consisting of Messrs. Saunders, Harder and Dregge, and Mr. Whedon, ex-officio, was appointed to represent the Association at the conference of the National Sales Code Committee of the National Hardwood Lumber Association. In the absence of Mr. Saunders, Chairman of the Committee, Mr Whedon reported that our Committee approved the Sales Code and recommended it for adoption by our Association. The Secretary was instructed to obtain copies of the National Sales Code and send them to the members for their consideration so that the question of the adoption of the Sales Code could be taken up at the next meeting of the Association.

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Mr. Dewey, Chairman of the Committee on Cost Surveys, stated that the report of the Committee made at the last meeting covered in a general way the situation at this time in respect to the present available and probable future supply of rough flooring lumber. He requested the members who have not yet sent to the Secretary their reports of Manufacturing and Marketing Costs during the second quarter of 1922, to do so as soon as possible, and it was the sense of the meeting that every member of the Association should make this report.

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The Secretary reported that in accordance with the request of the Department of Commerce, Bureau of the Census, Washington, D. C., data regarding the normal capacity of the flooring plants had been collected and would be at once forwarded to the Bureau of the Census.

The replies of the members indicate that the Normal Capacity, for the manufacture of Maple, Beech and Birch Flooring, of the 20 mills whose statistics appear on our monthly Barometer sheets, the Average Days Run per Year and the Average Working Hours per Day, are as follows:

Normal capacity per year	146,400 M
" " " month	12,200 "
Average days run per year	281 days
" working hours per day	9.8 hours

Also that similar data of the mills of the 22 members, being our present total membership, are as follows:

Normal capacity per year	158,400 M
" " " month	13,200 "
Average days run per year	281 days
" working hours per day	9.8 hours

* * * * * * *

The Secretary then submitted and read to the meeting the following communication from the Secretary of the Department of Commerce, Washington, D. C.:

Department of Commerce,

Office of the Secretary,

Washington

July 11, 1922.

Maple Flooring Manufacturers' Association, Stock Exchange, Chicago, Illinois.

GENTLEMEN: The preliminary lumber conferences with this Department in May showed the wide interest of all lumbermen in questions of guaranteed inspection, uniform grading, nomenclature and simplification of sizes. The next step is for the lumber industry to determine what recommendations in each of these subjects it can offer this department with the unanimous concurrence of producers, distributors and users. To develop such recommendations, some centralizing committee or bureau is essential and I believe that the general conference called at Chicago for July 20, 21 and 22, through the agency of the National Lumber Manu- [fol. 256] facturers' Association, will give full opportunity for every interest to have proper voice in arranging this executive unit and indicating the general lines of its action.

I sincerely trust you will give this conference and the necessary subsequent work your complete support, and that through such general meeting of minds constructive action of lasting value to the industry and the nation will result.

For the Secretary:

Cordially yours, (signed) Wm. A. Durgin.

It was the sense of the meeting that inasmuch as our product is already standardized, trademarked, and guaranteed as to grade and quality, with guaranteed inspection, and simplified as to the number of sizes to as great an extent as possible and at the same time conserve the raw material, that it did not seem necessary to appoint a Committee to attend the conference.

It will be recalled that at the general meeting of the Association held April 20th, the Grades Committee was appointed to act in this connection should the Committee deem it necessary to do so in reference to our product.

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The Secretary reported that Financial Statements had been prepared covering the finances of the old Association which was terminated as of December 31, 1921, and of the new Association organized as of January 1, 1922, and that copies of same would be mailed in due course to each member of the Association.

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According to flooring data of Shipments, Production and New Orders Booked during the first half of July, received from 15 members, the indications are that July Shipments are running about 20% less, Production about 21% less and New Orders Booked about 22% less than in June.

Statistics regarding Stock conditions on July 15th of 13/16" x 2-¼" face Maple Flooring, received from 15 members, indicated the following conditions on that date:

	Stocks on hand	Unfilled orders	Oversold	% sold
Clear	2,189 M	6,330 M	4,141 M	289%
No. 1	337 "	5,713 "	5,376 "	159 "
Fct.	1,332 "	2,433 "	1,101 "	183 "
Total	3,858 M	14,476 M	10,618 M	375%

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[fol. 257] GOVERNMENT'S EXHIBIT No. 16-TT

July 28, 1922.

To members.

GENTLEMEN: At the last general meeting of the Association, it was suggested that if the quantities of Stocks of, and Unfilled Orders for, regular standard grades and lengths were entered separately on the report covering the different grades, thicknesses and faces, and if the odds and ends like surplus shorts, extra shorts, etc., were entered in the column "Other Kinds", that we have an accurate showing of the actual conditions existing at the end of each month, respecting Stocks of, and Unfilled Orders for, standard grades and lengths.

For example and as an illustration, the reports of Stocks of 13/16 x 2¼" face Clear Maple Flooring would include only the Stocks of regular standard lengths of that grade and face and the Unfilled Orders for that item would include only the Unfilled Orders for regular standard lengths of that grade and face. Then under "Other Kinds" in next to the last columns, the Stocks of, and Unfilled Orders for, surplus shorts, extra shorts, etc., would be entered. The same method to be followed of course, in reference to all other items of Stocks and Unfilled Orders, so that in all cases the Stocks of, and Unfilled Orders for, regular standard grades and lengths would be comparable.

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[fol. 258] GOVERNMENT'S EXHIBIT No. 15-UU

August 10, 1922.

To members.

GENTLEMEN: Pursuant to adjournment of the meeting held on July 19th, the next general meeting of the Association will be held at the Congress Hotel, Chicago (Rooms 1120-1124), Wednesday, August 16th, at 11.00 a. m. Sharp, Chicago daylight saving time.

The first order of business will be to take action regarding the adoption of the National Sales Code of the National Hardwood Lumber Association which you will recall was recommended by our Committee for adoption by our Association. A copy of the Sales Code was sent to each member of the Association with the minutes of the last meeting, so if you have not yet read the Code, will you please do so, in order that you will all be familiar with it and will be in a position to vote on the question of its adoption at the meeting on the 16th?

The Advertising Committee will also have a report to make regarding the progress of the advertising work since the last meeting. In this connection, we wish to say that we are mailing you today a sample set of the two new Booklets and other advertising matter, just coming off the press, and which will go forward in a few days to our mailing list of 17,000 lumber dealers.

The Committee on Cost Surveys will be glad to have any information you can send us regarding current market values of rough flooring stock as established by sales on the open market up to the time of the meeting, in order that the information may be included in the report of the Committee.

You will be glad to know that up to this time, ten members in all have sent in their Surveys of Manufacturing and Marketing Costs during the second quarter of 1922. We are expecting Surveys from other members between now and the meeting on the 16th, so we feel certain that we shall have enough Surveys to indicate average conditions in the industry.

Please be sure and bring with you to the meeting the flooring data as per blank form below so that you will have as complete information as possible regarding statistical conditions on the day of the meeting.

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[fol. 259] GOVERNMENT'S EXHIBIT No. 15-VV

Minutes of General Meeting, August 16, 1922

A general meeting of the Maple Flooring Manufacturers Association was held at the Congress Hotel, Chicago, Wednesday, August 16, 1922, pursuant to adjournment of the meeting held on July 19th.

The meeting was called to order by the President.

Fifteen members of the Association were present and seven members were absent, the absent members being: Cummer-Diggins Company, East Jordan Lumber Company, Flanner-Steger Land & Lumber Company, Kerry & Hanson Flooring Company, Osgood & Blodgett Manufacturing Company, West Michigan Flooring Company and Wisconsin Land & Lumber Company.

* * * * * * *

The first order of business was to take action regarding the National Hardwood Lumber Sales Code of the National Hardwood Lumber Association, a copy of which Sales Code had been sent to each member of our Association with the minutes of the previous meeting. After the subject had been fully discussed and sections of the Sales Code had been read to the meeting, on motion, duly seconded, the following resolution was adopted:

Resolved, That the Maple Flooring Manufacturers Association hereby approves the National Hardwood Lumber Sales Code of the National Hardwood Lumber Association in respect to transactions pertaining to the purchase and sale by our members of Hardwood Lumber.

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Mr. Thomas, Chairman of the Advertising Committee reported in behalf of the Committee that the work in connection with the Ad-

vertising campaign was being carried on as outlined in his report to the Association at the general meeting on July 19th; and that the following advertising literature, namely:

1. Booklet "Winning Friends for Floors of Maple, Beech and Birch".

2. Booklet "Color Harmony in Floors".

3. Form letters "A Message to Lumber Dealers".

4. Printer's Proofs (on one large sheet) of advertising copy, etc., for the use of Lumber Dealers in their local newspaper advertising.

was being mailed to the following mailing list of Lumber Dealers, etc.:

Lumber Companies (Line)	634
" Exporters	315
" Retail Dealers rated $5,000.00 and up	11,992
" Wholesale	3,514
" " , Hardwood	750
	17,205

And also that about 10,000 copies of "Color Harmony in Floors" (or such quantity as may be required), would be mailed to the following mailing list:

Architects' Libraries, Colleges and Universities, Manual Training Schools, Boards of Education.

[fol. 260] And that the Advertising Committee recommended that there be divided among the members of the Association for their own personal use about 10,000 copies of "Winning Friends for Floors of Maple, Beech and Birch" (in multiples of 50) and about 5,000 copies of "Color Harmony in Floors" (in multiples of 25), using as the basis for the division of the booklets the shipments for the first half of 1922.

The report of the Committee and the division of the booklets for the personal use of the members of the Association as proposed by the Committee were approved and adopted by unanimous vote.

The question of the best method of handling inquiries for flooring received at the office of the Association as the result of our Advertising Campaign was discussed and on motion was referred to the Advertising Committee, with the request that the Committee fully consider the subject and report to the next general meeting of the Association.

Mr. Dewey, Chairman of the Committee on Cost Surveys reported that his Committee had no recent data regarding sales of rough flooring lumber on the open market which indicated a material difference from the data submitted by the Committee at the last meeting of the Association.

Mr. Dewey also stated that the reports from eleven members giv-

ing their Manufacturing and Marketing Costs during the second quarter of 1922, showed an average of $16.93 compared with $17.99 for the first quarter of 1922, and that the average waste in the second quarter was 23.5% compared with 22.4% in the first quarter.

The question of the Average Cost to the manufacturer of furnishing small quantities of Maple, Beech and Birch flooring, loaded in cars for LCL shipment, was discussed and on motion was referred to the Committee on Cost Surveys for such recommendations as the Committee may wish to make to the next general meeting of the Association.

The Secretary reported that revisions of freight rates to the following states have been completed and reprinted and were mailed to the members on August 14th: Illinois, Indiana, Michigan, Minnesota, Ohio and Wisconsin, and that revisions of freight rates to the following states had been completed and were now in the hands of the printer, namely: Connecticut, Delaware, District of Columbia, New York, Vermont and Virginia and that Casey and Learned, Inc. (Successors to Elkington), who are handling our Rate Book work are now working on Pennsylvania and the New England States and would finish same in a few days and that other states would be revised as rapidly as possible.

Flooring data of Shipments, Production and New Orders Booked during the first half of August received from fourteen members indicated that August Shipments are running about the same as in July, August Production about 13% greater than in July and New Orders in August about 7% greater than in July.

Statistics regarding stock conditions on August 14th and 15th of 13/16 x 2¼" face Maple flooring received from fifteen members indicated as follows:

	Stocks on hand	Unfilled orders	Oversold	% sold
Clear	2,344 M	6,213 M	3,869 M	265%
No. 1.....	333	5,648	5,315	1696%
Fety.....	1,118	2,220	1,102	199%
Total.	3,795	14,081	10,286	370%

The general statistics for the month of July and the relations of supply and demand as reflected by the statistics were reviewed and there being no further business the meeting, on motion, adjourned, subject to the call of the President.

George W. Keehn, Secretary.

[fol. 261] GOVERNMENT'S EXHIBIT No. 15-WW

[Omitted in printing]

[fol. 262] GOVERNMENT'S EXHIBIT No. 15-XX

[Omitted in printing]

[fol. 263] GOVERNMENT'S EXHIBIT No. 15-YY

September 21, 1922.

To members.

GENTLEMEN: We are mailing you today the statistical reports for the month of August and as it would be interesting to know how the flooring business is running this month, we thought we would suggest that you send us data as per blank form below so we can compile it and let you have the results early next week. You can then compare same with stock conditions, etc., at the end of August.

When it was decided not to hold our regular meeting this month, we spoke to the Congress Hotel Company about reserving our rooms for the October meeting and we found that our rooms were engaged a long time ago for every day during the week beginning October 15th, except Saturday, the 21st, which would not be a convenient day for our meeting. Our rooms are also engaged for every day during the week beginning October 22nd, except Tuesday the 24th, so we made reservations for that day and date, subject to cancellation, if necessary. Will Tuesday, October 24th be satisfactory to you as the date of our next general meeting?

Yours very truly, George W. Keehn, Secretary.

[fol. 264] GOVERNMENT'S EXHIBIT No. 15-ZZ

October 17, 1922.

General Meeting October 24, 1922

To members.

GENTLEMEN: The next general meeting of the Maple Flooring Manufacturers Association will be held at the Congress Hotel, Chicago (Rooms 1120-1124), Tuesday, October 24th, at 10:30 a. m. sharp.

At the last meeting held on August 16th, the question of the Average Cost to the manufacturer of furnishing small quantities of Maple, Beech and Birch flooring for LCL shipment was discussed and was referred to the Committee on Cost Surveys for such recommendations as the Committee may wish to make, so this matter will be open for discussion at this meeting, as unfinished business.

At this writing, only a few members have sent in their reports of their Manufacturing and Marketing Costs during the third quar-

ter of 1922, but it is hoped that other members who can do so will make this report by the end of this week so that the Committee on Cost Surveys will have sufficient information upon which to base a report that will represent average conditions in the industry during the past three months. If you know of any recent sales of rough Maple flooring lumber, please let us have the information as it will be useful to the Committee in computing the average cost of Maple flooring F. O. B. flooring plants.

The Advertising Committee will also have a report to make regarding its work which has been carried on diligently and along the lines reported by the Committee at previous meetings of the Association.

It has now been two months since there has been a "gathering of the clan" and it is hoped that every member of the Association will be represented at the meeting so that trade conditions and the relations of supply and demand for flooring can be discussed and considered.

Will you please mail us on Friday the 20th, your flooring data as per blank form below so we can compile same on Monday the 23rd, and have it ready when the meeting convenes on the 24th?

We expect to have our statistical reports for the month of September made out and in the mail for you on the 19th or 20th, so that you will have an opportunity to look them over in advance of the meeting, and see how the September business turned out.

Kindly let us know whether or not you will be present and how many from your company will attend the meeting and luncheon.

Yours very truly, George W. Keehn, Secretary.

Flooring Data October 1-20th, Incl.

Shipments .... M
Production .... M
New Orders .... M

Stock Conditions of 13/16 x 2¼" Face Maple Flooring

On October 20	Clear	No. 1	Factory	Totals
Stocks on Hand.....	.... M	.... M	.... M	.... M
Unfilled Orders	.... "	.... "	.... "	.... "

No. —.

[fol. 265] GOVERNMENT'S EXHIBIT No. 15-AAA

Minutes of General Meeting October 24, 1922

A general meeting of the Maple Flooring Manufacturers' Association was held at the Congress Hotel, Chicago, Tuesday, October 24, 1922, pursuant to the call of the President of the Association.

The meeting was called to order by the President, and upon call-

ing the roll, it was found that sixteen members were present and six members were absent, the absent members being Wisconsin Land & Lumber Company, I. Stephenson Company Trustees, Cummer-Diggins Company, Osgood & Blodgett Manufacturing Company, East Jordan Lumber Company and Flanner-Steger Land & Lumber Company.

* * * * * * *

Committee on Cost Surveys.—Mr. Dewey, Chairman of the Committee on Cost Surveys, reported that there had been no opportunity to hold a meeting of his Committee to discuss the question of the Average Cost (to the manufacturer) of Maple, Beech and Birch Flooring for LCL Shipments, but that the Committee would hold a meeting after the general meeting adjourned and would make a recommendation to the next general meeting of the Association.

Mr. Dewey further reported that according to reports of Manufacturing and Marketing Costs received from ten members of the Association covering the third quarter of 1922, that the "Average Cost of Manufacturing and Marketing Maple, Beech and Birch Flooring" during that period was $18.42 compared with an average of $16.93 during the second quarter of 1922, an increase of $1.49, and that according to information obtained regarding the current market value of rough Maple Flooring lumber as established by recent sales on the open market, there had been quite an advance in the cost of raw material during the past sixty days, and that there seemed to be a growing scarcity in the visible supply of rough flooring stock for the coming winter and spring months.

Grades Committee.—The Secretary reported that at a meeting of the Grades Committee held during the summer at which practically all the members of the Committee were present and at which Mr. Robertson, our Official Inspector, was also present, the question of our reinspection service was fully discussed and considered. It was the opinion of the Committee that inasmuch as Mr. Robertson is engaging a considerable portion of his time in Field Representative Work, besides being in Florida during the winter months, and as the services of Mr. Tucker, our other Official Inspector, are not always available, that it would be desirable to have Mr. Singler work into the Reinspection service and that with this object in view, Mr. Singler had spent considerable time in the mill of the Kerry & Hanson Flooring Company with Mr. Robertson and also with Mr. Fred R. Welsh, of the Grades Committee, studying the more technical features in the manufacture and grading of our product and working towards a more intimate knowledge of Association grades; and that he had also put in some time to good advantage at the mills of Cummer-Diggins Company, Cobbs & Mitchell, Inc., and William Horner, and that it is the intention to have Mr. Singler spend as much time as possible and as opportunity offers in the mill of the North Branch Flooring Company with Mr. Charles A. Brand, of the Grades Committee, in order that he can act as an Official Inspector for the Association, should the occasion arise.

[fol. 266] Advertising Committee.—Mr. Thomas, Chairman of the Advertising Committee, reported that the work of his Committee had been carried on in accordance with the general plan mapped out by the Committee and as reported to the Association at its previous meetings; and that the Committee had in preparation a "Sales Manual" for the use of lumber dealers which would give specific information and suggestions which would aid them in selling Maple, Beech and Birch Flooring; how to handle the flooring and take care of it so that troubles would be avoided after the flooring was laid and how best to remedy any trouble or dissatisfaction which may rise because of misunderstandings as to grades or lack of proper care in laying or finishing the flooring; the "Sales Manual" to also contain general information and specific recommendations as to woods, grades, thicknesses and faces best adapted for use in each particular case. Mr. Thomas further stated that work on the proposed "Sales Manual" would be proceeded with by Wm. H. Rankin Company, our Advertising Agents, and would be in more tangible form by the time the Association meets again.

Mr. Thomas also stated that Mr. Robertson had completed the Field Representative work in the West and Northwest, reports of which had been sent to the members from time to time, and that Mr. Robertson was now on his Eastern-Southern trip, starting at Cleveland, then to Pittsburgh, then through Pennsylvania to Harrisburg, moving Northeast to Wilkes Barre, Scranton, then to Binghamton, N. Y. and from there into New England, then South along the Atlantic Coast, visiting all the large cities into the Carolinas and close the trip there where it will meet the trip of one year ago. Mr. Robertson's first report from Albany, N. Y. regarding his eastern trip had just been received and copies were distributed among the members present and the Secretary was instructed to mail copies to the absent members.

The report of the Advertising Committee was received with approval and the members present expressed themselves as much pleased with the progress of our advertising campaign and the results accomplished and as also greatly pleased with Mr. Robertson's Field Representative work and the useful and valuable information contained in his reports.

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Rate Book.—The Secretary reported that revisions of the Rate Book were being made as rapidly as possible considering the large number of towns in our Rate Book and also in view of having to again revise certain states affected by the September 1st changes in rates.

* * * * * * *

Statistics.—The Secretary reported that a compilation of statistics covering the first nine months of 1922 embracing the reports of all members during that period show as follows in round figures:

Statistics First Nine Months 1922, All Members

Stocks were at the high point March 1st	38,300 M
" " " " low " October 1st	26,000 "
Unfilled Orders were at the low point Mar. 1st	13,200 "
" " " " " high " July 1st	28,000 "
" " totaled on October 1st	24,200 "
Shipments totaled	112,800 M
Production "	105,600 "
New Orders "	116,400 "

Statistics Third Quarter 1922, Same 22 Members

1922	Stocks on hand	Unfilled orders		Shipments	Production	New orders
July 1	29,338 M	28,042 M				
" 31	27,504 "	26,929 "	July	13,818 M	11,310 M	11,876 M
Aug. 31	26,343 "	24,616 "	Aug.	15,110 "	14,072 "	13,090 "
Sept. 30	26,050 "	24,186 "	Sept.	13,707 "	13,528 "	12,467 "
Avge.	27,309 "	25,943 "	Total	42,635 "	38,910 "	37,433 "

[fol. 267] The statistics of Shipments, Production and New Orders Booked of the same members who reported in both 1922 and 1921, compare as follows:

For the Third Quarter of 1922-1921

	Shipments		Production		New orders	
	1922	1921	1922	1921	1922	1921
July-Aug., Sept.	41,773 M	28,434 M	38,034 M	25,478 M	36,635 M	28,927 M
Increase—3 mos.	13,339 "	47%	12,556 "	49%	7,708 "	27%

For the First Nine Months of 1922-1921

	Shipments		Production		New orders	
	1922	1921	1922	1921	1922	1921
Jany. to Sept.	108,416 M	68,546 M	100,349 M	69,236 M	112,102 M	73,881 M
Increase—9 mos.	39,870 "	58%	31,113 "	45%	38,221 "	52%

* * * * * * *

October Business.—Flooring data received from 16 members covering the first 20 days of October indicate that Shipments are running about 13% less, Production about 2% more, and New Orders about 11% less than in September.

Statistics of 16 members regarding stock conditions on October 20th of 13/16x2 1/4" face Maple Flooring show up as follows:

	Stocks on hand	Unfilled orders	Oversold	% sold	% Oct. 1st
Clear	1,412 M	5,992 M	4,580 M	424%	282%
No. 1	741 "	5,233 "	4,492 "	706%	798%
Factory	1,213 "	2,625 "	1,412 "	216%	283%
Total ..	3,366 "	13,850 "	10,484 "	411%	375%

* * * * * * *

[fol. 268] GOVERNMENT'S EXHIBIT No. 15-BBB

November 10, 1922.

Reminder

To Members.

GENTLEMEN: This is to remind you that the next general meeting of the Association will be held at the Congress Hotel, (Rooms 1120-1124), Chicago, Wednesday, November 15th, at 10:30 a. m. sharp, pursuant to adjournment of the meeting held on October 24th.

Your Advertising Committee will hold a meeting the day before to formulate further details regarding our advertising campaign for the year 1923 and will make a report to the general meeting of the Association.

* * * * * * *

Please remember to bring with you to the meeting or mail same so we will receive it by the morning of the 15th, the statistical information as per blank form below to show how the flooring business is running so far this month.

Hoping we shall have a good attendance at the meeting, we are,

Yours very truly, George W. Keehn, Secretary.

Flooring Data November 1st-11th or 13th, Incl.

Shipments .... M
Production .... M
New orders .... M

Stock Conditions of 13/16 x 2¼" Face Maple Flooring

On November 11th or 13th	Clear	No. 1	Factory	Totals
Stocks on Hand	M	M	M	M
Unfilled Orders	"	"	"	"

No. —.

[fol. 269] GOVERNMENT'S EXHIBIT No. 15-CCC

Minutes of General Meeting November 15, 1922

A general meeting of the Maple Flooring Manufacturers' Association was held at the Congress Hotel, Chicago, Wednesday, November 15, 1922, pursuant to adjournment of the meeting held on October 24, 1922.

Before the meeting convened, the Secretary explained to the officers of the Association that Horace A. Lewis and Hugh G. Garber of the Department of Justice, had been at the office of the Association for several days getting additional information, etc., regarding the work of the Association to supplement the information obtained through previous investigations in November 1921 by Thomas J. Howe and James D. Rooney, and in May and June 1922, by Alfred A. Franck, all of the Department of Justice, and that in accordance with the long established policy of the Association to be open and above board in all its dealings with the Government, that whatever information, documents, correspondence, etc., was asked for by Messrs. Lewis and Garber had been furnished them the same as had been done with Messrs. Howe, Rooney and Franck of the Department and also James McKeag, Attorney and Examiner for the Federal Trade Commission when he made his examination for the Commission in April, 1919.

The Secretary further stated that he had invited Messrs. Lewis and Garber as representatives of the Department of Justice to attend the Advertising Committee meeting to be held on the 14th and the general meeting of the Association to be held today the 15th, in order that the Government would know at first hand what transpires at our meetings, and that Mr. Lewis had accepted the invitation and would attend our general meeting and luncheon. Upon the arrival of Mr. Lewis at 11:30 A. M., he was introduced to all the members present and the meeting was then called to order by the President. All the members of the Association were present with the exception of the following six members: Wisconsin Land & Lumber Company, Cummer-Diggins Company, Osgood & Blodgett Manufacturing Company, East Jordan Lumber Company, Strable Lumber & Salt Company and Flanner-Steger Land & Lumber Company.

* * * * * * *

Tariff Canadian Flooring.—The Secretary reported that the following letter, dated November 4, 1922, had been received from Mr.

Charles A. Bigelow, who represented our Association at the numerous tariff hearings held in Washington, D. C., in 1921:

"As the New tariff law has been in effect now for some time there has been no action taken. Under paragraph 1700 in which there is the following clause:

Provided, That if there is imported into the United States any of the foregoing lumber, planed on one or more sides and tongued and grooved, manufactured in or exported from any country, dependency, province, or other subdivision of government which imposes a duty upon such lumber exported from the United States, the President may enter into negotiations with such country, dependency, province or other subdivision of government to secure the removal of such duty, and if such duty is not removed he may by [fol. 270] proclamation delare such failure of negotiations, and in such proclamation shall state the facts upon which his action is taken together with the rate imposed, and make declaration that like and equal rates shall be forthwith imposed as hereinafter provided; whereupon and until such duty is removed, there shall be levied, collected and paid upon such lumber, when imported directly or indirectly from such country, dependency, province, or other subdivision of government, a duty equal to the duty imposed by such country, dependency, province, or other subdivision of government upon such lumber imported from the United States,"

and we wish to suggest that the Maple Flooring Manufacturers' Association bring this to the attention of the President and request that action be taken either in the way of having Canada remove her duty on importations of hardwood flooring or that the United States impose the same duty on hardwood flooring going into the United States as Canada imposes on our product going into that country. I believe this to be our plain duty to protect our industry."

Very truly yours, (Signed) Chas. A. Bigelow.

The Secretary stated that a copy of Mr. Bigelow's letter had been mailed to the members on November 7th in order that appropriate action could be taken at this general meeting of the Association.

After the subject had been fully discussed, it was the sense of the meeting that inasmuch as Canada levies a duty of 25% ad-valorem on Maple, Beech and Birch flooring manufactured in this country and shipped into Canada and that inasmuch as Canadian Maple, Beech and Birch flooring is being shipped from Canada into the United States free of duty and is being sold in considerable quantities, to the detriment of our members and other manufacturers of Maple, Beech and Birch flooring and is making serious inroads in our business in our home markets, that a petition should be prepared and addressed to the President of the United States requesting that he take action in accordance with the provisions of the new tariff law under paragraph 1700.

On motion, duly seconded, a Committee consisting of Charles A. Bigelow, Chairman, Frank M. Hodges and the Presideent and the Secretary of the Association was appointed to make a thorough

investigation of the facts and conditions respecting importations of Canadian Maple, Beech and Birch flooring, the prices said flooring is being sold at in our markets and the extent to which such importations are depriving our product of its own home market and to draw up petition to the President of the United States in behalf of the industry.

* * * * * * *

I. C. C. Service Orders 24 & 25.—The Secretary then read to the meeting telegrams and correspondence with Strable Lumber & Salt Company and W. D. Young & Company regarding Service Orders Nos. 24 and 25 issued by the Interstate Commerce Commission, Washington, D. C., which compel the loading of all Western box cars either to Chicago, Peoria and St. Louis or beyond. It was further stated that several of the members had telegraphed protests to the Interstate Commerce Commission, requesting modifications of the Service Orders and that as some modifications had been made, that the Association take no further steps in the matter, or take any action which might tend to interfere with the movement of grain and food stuffs, which the Interstate Commerce Commission considers of paramount importance.

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[fol. 271] Field Representative Work.—The Secretary informed the meeting that M. H. Robertson was closing his Field Representative trip in Eastern and Southern territory and that a report had just been received from him dated at Richmond, Va., November 11th, telling of conditions in Philadelphia, Baltimore, Washington and Richmond, and that a copy of his report would be sent to each member in due course; and that he would be in Atlanta, Ga., in a few days and from there would go to St. Petersburg, Fla., to spend the winter and would make short trips from there at any time if so desired by the Advertising Committee.

Cost Surveys.—The Chairman then asked Mr. Dewey as Chairman of the Committee on Cost Surveys if he had any information regarding recent sales of rough Maple flooring lumber on the open market. Mr. Dewey stated that in his opinion there had been no material change in the situation since the last meeting and that since the previous report of his committee, he had not heard of any large or important sales, but that there seemed to be less flooring stock offered and that some of the sellers were asking higher prices and that he thought the cost of rough flooring stock delivered FOB cars at flooring mills would average about the same as 30 days ago.

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October Statistics.—The statistical reports for the month of October were then distributed among the members present and a set of the reports was given to Mr. Lewis of the Department of Justice to bring his files up to date.

[fol. 272] Advertising Committee.—The Chairman then stated that the report of the Advertising Committee would be made by Mr.

Thomas immediately after luncheon and that Messrs. Nordburg and Ellis of Wm. H. Rankin Company, who are handling our advertising campaign would be present to supplement Mr. Thomas' report with any further information the members may desire. The meeting then adjourned to luncheon.

After luncheon the meeting reconvened and Mr. Thomas ma le the report of the Advertising Committee, in substance as follows:

"Your Advertising Committee met yesterday and prepared a program for the first half of 1923 which we recommend to the members for approval. As we see it, the outlook for business for at least the first half of 1923 is promising. It looks as though there is enough interest at the present time and the current inquiry indicates that there will be a larger volume of business in the first half of 1923 than there was in the first half of 1922. Consequently we have mapped out a program with that in mind and Mr. Nordburg and Mr. Ellis of Wm. H. Rankin Company have prepared and worked out details, to all of which we gave much thought and consideration at our meeting yesterday. According to the program suggested, the space advertising for the first six months would cost about $28,000 and we plan to expend the remainder of the Advertising Revenue during the first half of 1923 for Dealers' Helps, the Sales Manual, folders, etc., and it is of course intended to have Mr. Robertson continue his Field Representative Work in accordance with the wishes of the Association, as expressed at its recent meetings.

This means that we are going to ask you to grant us for the first six months of 1923 an Advertising Assessment of 50 cents per M on your flooring shipments, and we can try it out for six months and if we do not make good the assessment can be reduced for the second half of 1923. Now this amount may seem more than it really means, but as a matter of fact it amounts to only five-eighths of one per cent on your sales of flooring. We understand that a canvass was recently made by the American Lumberman of the amount spent by Retail Lumber Dealers in their individual advertising, and it was found that the range was from one-half of 1% to 3% on sales and that the average for the many sections of the country covered by the canvass was 1½% on sales. We also understand that in some lines of industry manufacturers are expending for advertising as high as 5% on their sales.

The Committee feels that we must advertise to hold our place in the market and to increase the demand for our product. We cannot stand still and competition is getting keener every year. It was brought out at the last meeting that Armstrong's linoleum is crowding us out in some markets and that they now have on a very extensive advertising campaign. The Committee also feels that advertising our product is after all really an investment and that it is certain to increase the volume of demand and we feel that we are justified in pushing our product as it has the intrinsic value and all the merits we claim for it in our advertising. So far our advertising has been productive of good results as evidenced by the many requests received at the office of the Association for Color Harmony in Floors and other flooring literature in response to our advertising campaign.

Details regarding the Sales Manual for the dealer and the little folders to use as stuffers are being worked out by the Committee and Wm. H. Rankin Company. The folders will be devoted to various subjects like "short lengths," actual tests of cost of laying short lengths, about "⅜" Flooring," how it can be used not only for new work but also to modernize old homes by laying it over old floors, etc. The main thing is to arouse consumer interest and get the Retail Lumber Dealers back of our campaign through the active assistance of our own members. It seems certain that there will be a large amount of residential building during the first half of 1923 and that many residences now under construction will be ready for flooring in the spring of 1923 and there is no reason why our product, particularly Beech and Birch, should not find their rightful place in the home. This can be brought about by advertising. [fol. 273] Mr. Nordburg of Wm. H. Rankin Company then presented and explained a chart showing the scope of the proposed advertising campaign for the first half of 1923 and recommended that the Literary Digest be the keystone of the campaign and take the place of some of the other publications that we have been using. This seems desirable because of the very large and diversified circulation of the Literary Digest among all classes of readers. It was also urged that we go into Women's magazines and make a direct appeal to women because the home is a big field for our floorings. In addition to these publications, that we continue to use some of the others from which we have derived the best results from our advertising during the past year, measured by the number of inquiries received for Color Harmony and other flooring literature. All of our advertisements are keyed, so the source of every inquiry is known. Mr. Ellis then briefly spoke of the importance of carrying our message to the women in women's magazines and explained further details regarding the folders or insert stuffers, etc., as outlined by Mr. Thomas.

It was suggested that blue prints be made of the charts displayed by Mr. Nordburg, including the one which shows that, according to government statistics, the production of Oak flooring during the first six months of 1922 was double the production of Maple, Beech and Birch flooring during that period. It was so ordered and the Secretary was instructed to send blue prints to the members.

After the report of the Committee had been further discussed, it was moved and seconded that an Advertising Assessment of 50 cents per M feet be levied on shipments of Maple, Beech and Birch flooring during the first six months of 1923. Twelve of the members voted in the affirmative and the other four members stated that they wished to consult with their associates before having their votes recorded and that they would advise the Secretary within a few days after their return home. The Secretary was instructed to communicate with the members who were not present at the meeting and get their views on the subject.

Statistical Committee.—The Chairman stated that at the meeting of the Association held on April 20, 1922, a Statistical Committee to Cooperate with the Department of Commerce had been appointed and that the Committee consisted of the President, Vice-President,

Treasurer and Secretary of the Association. He suggested that the duties of the Committee be extended to include cooperation with the Department of Justice by furnishing any information regarding the activities of the Association which the Department may desire. It was so ordered.

There being no further business, the meeting on motion adjourned to Tuesday, December 19, 1922, and Mr. Lewis of the Department of Justice was invited to attend the meeting.

George W. Keehn, Secretary.

[fol. 274] GOVERNMENT'S EXHIBIT No. 15-DDD

December 14, 1922.

Reminder

To Members.

GENTLEMEN: Pursuant to adjournment of the general meeting held on November 15th, the next general meeting of the Association will be held at the Congress Hotel (Rooms 1120-1124), Chicago, Tuesday, December 19th at 10:30 A. M. sharp.

We are endeavoring to collect data regarding importations of Canadian Maple, Beech and Birch flooring and we hope to have sufficient information at hand on the date of the meeting so that the Committee appointed at the last general meeting can proceed to draw up a petition to President Harding requesting him to take action under paragraph 1700 of the new Tariff Law.

The question of the amount of the advertising assessment for the first half of 1923 will also come before the meeting for final action, so that the Advertising Committee can make its plans in accordance with the wishes of the Association.

We now have all the November reports from all the members excepting one member, whose reports are expected today or tomorrow, so we hope to have all of our reports made out in time for the meeting, so you will know how the November business turned out.

Will you please send us by mail, so we shall receive it on the morning of the 18th, the statistical information as per blank form below, so we shall know on the day of the meeting how the December flooring business is averaging, compared with November. If you cannot mail this report on Saturday, the 16th, please remember to bring it with you to the meeting.

Hoping the membership will be fully represented at the meeting, we are

Yours very truly, George W. Keehn, Secretary.

Flooring Data December 1st-16th, Incl.

Shipments .... M
Production .... M
New Orders .... M

Stock Conditions of 13/16 x 2¼" Face Maple Flooring

On December 16th	Clear	No. 1	Factory	Totals
Stocks on Hand....	.... M	.... M	.... M	.... M
Unfilled Orders	.... "	.... "	.... "	.... "

No. —.

[fol. 275] GOVERNMENT'S EXHIBIT No. 15-EEE

Minutes of General Meeting December 19, 1922

A general meeting of the Maple Flooring Manufactururs Association was held at the Congress Hotel, Chicago, Tuesday, December 19, 1922, pursuant to adjournment of the meeting held on November 15, 1922.

The meeting was called to order by the Chairman and fourteen members of thee Association were present and eight members were absent, the absent members being Nos. 4, 14, 22, 26, 33, 34, 37 and 45.

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[fol. 276] Cost Surveys.—The Chairman then requested Mr. Dewey, Chairman of the Committee on Cost Surveys, to report for his Committee and Mr. Dewey stated that the situation respecting rough Maple flooring lumber remained about the same as reported at the last meeting, as there had been very few recent sales of any consequence which he knew of. It was suggested that it would be desirable to get as much data as possible regarding recent Test Runs in order that information regarding results obtainable under existing conditions could be made available to the Committee. Eight of the members who were present said they would supply such data based either upon Test Runs already made or which they would make as soon as possible and the Secretary was instructed to request other members to supply such data. It was suggested that in order to get a more dependable average that only such Test Runs be reported as were or are made from commercially sawed lumber and that the data from the members embrace the following:

1. The exact quantity in feet of each grade of rough lumber used in the Test Run.

2. The exact quantity in feet of each grade, thickness and face of flooring produced from this lumber.

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[fol. 277] Rate Book.—The Secretary reported that all revisions of the Rate Book had been completed and that all revisions had been sent to the members with the exception of the second revision of the state of Iowa, which was now in the hands of the printer and would be sent to the members within a few days, thus finishing the Rate Book work for the year 1922.

The Secretary further reported that the contract with Casey & Learned Inc., had expired on December 5th and stated that the question of renewing the contract for another year had been discussed with them, and outlined a new proposition received from them to run for one year from December 5, 1922. After the matter had been fully discussed, the Secretary was authorized and directed to close a new contract with Casey & Learned, Inc., for our Rate Book work.

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[fol. 278] Statistics.—The statistical reports for the month of November were then distributed among the members and the following statistics covering the first 11 months of 1922 compared with the same period of 1921 were read to the meeting:

Statistics First 11 Months 1922-1921 Compared

	Shipments	Production	New orders
1922			
Jan.-Nov.	135,559 M	128,620 M	136,788 M
1921			
Jan.-Nov.	92,538 M	93,623 M	105,470 M
Increase, 1922....	43,021 M	34,997 M	31,318 M
" %.....	46.5%	37.4%	29.7%

Flooring data received from 14 members covering the first half of December indicate that Shipments are running about 6% more. Production about 17% more and New Orders about 28% more than in November.

Statistics of 14 members regarding their stock conditions on December 16 of 13/16 x 2¼" face Maple flooring indicate as follows:

	Stocks on hand	Unfilled orders	Oversold	% sold Dec. 16	% sold Nov. 30, all members
Clear	1,832	5,683	3,851	310	265
No. 1	1,099	4,152	3,053	378	376
Fcty.	944	2,216	1,272	235	193
	3,875	12,051	8,176	311	274

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[fol. 279] GOVERNMENT'S EXHIBIT No. 15-FFF

Minutes of Annual Meeting January 24, 1923

The annual meeting of the Maple Flooring Manufacturers Association was held at the Congress Hotel, Chicago, Wednesday, January 24, 1923, pursuant to the Articles of Association and to adjournment of the general meeting held on December 19, 1922.

The meeting was called to order by the Chairman and all the members of the Association were present excepting the Wisconsin Land & Lumber Company. Much regret and sympathy was expressed because of the absence of Dr. Earle who, the Secretary informed the meeting, is ill in a hospital at Found du Lac.

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[fols. 280 & 281] Survey of Costs.—The President then made a few remarks, briefly reviewing the work of the Association during the past year and then asked Mr. Dewey if he had any report to make as Chairman of the Committee on Survey of Costs. Mr. Dewey reported that recent sales of rough Maple lumber had been made at various prices and stated that in his opinion, the averages of the various sales would not materially change our Average Cost Chart compiled in October, 1922. Mr. Dewey further stated that after more information regarding Test Runs and recent flooring operations had been received from the members and after more data regarding Manufacturing and Marketing Costs during the last quarter of 1922 had been collected and compiled by the Secretary, that it was the intention of the Committee to make a careful study of the whole situation and make a comprehensive report to the Association at its next meeting, with the view of compiling new Average Cost Charts if cost conditions warrant.

* * * * * * *

[fol. 282] Annual Election.—The meeting then proceeded to the election of Officers and Trustees to serve until the next annual meeting and until their successors are elected and have qualified, as provided in Article V, Section 1, of the Articles of Association. A motion was made and seconded that all rules be suspended and that the Secretary be instructed to cast the unanimous ballot of the meeting for the re-election of the same President, Vice President, Treasurer and the other four Trustees to serve for another year. The motion was put by Mr. Dregge, acting as temporary Chairman and was adopted by unanimous vote, whereupon the following were declared duly elected to their respective officers to serve until the next annual meeting and until their successors are elected and have qualified:

B. P. Whedon, President.

M. E. Thomas, Vice President.

A. C. Wells, Treasurer.

Board of Trustees

B. P. Whedon, Chairman

Dr. George W. Earle,	J. D. Staple,
C. T. Kerry,	M. E. Thomas,
T. M. Ralston,	A. C. Wells.

Committees.—The meeting then took a recess to give the Board of Trustees an opportunity to appoint the Committees for the ensuing year. After the Trustees had met, the meeting was again called to order and the Chairman announced the appointment of the following Committees for the year 1923:

Advertising Committee

M. E. Thomas, Chairman

Chas. A. Brand,
G. Harold Earle,
F. E. Holland,
H. H. Shepeck.

Committee on Cost Surveys

J. E. Dewey, Chairman

J. L. Colby,
Chas. Dregge,
Philip D. Flanner,
C. H. Law,
P. S. McLurg,
J. D. Staple,
George Strable.

Grade Committee

W. L. Saunders, Chairman

W. L. De Witt,
W. H. Greene,
H. I. Latimer,
John J. Porter,
Fred R. Welsh.

[fols. 283 & 284] GOVERNMENT'S EXHIBIT No. 17

[Omitted in printing]

[fol. 285] GOVERNMENT'S EXHIBIT No. 18

December 19th, 1913.

Market Conditions Committee Report

To members.

GENTLEMEN: At the meeting of the Market Conditions Committee, held in Chicago yesterday, the November reports were studied and analyzed, and it was found that our statistical conditions are surprisingly strong, and that there is nothing in our present situation that need cause discouragement or any weakness in values. These conclusions are based on the following facts revealed by the monthly reports.

Stocks on hand on December 1st show a reduction during the month of November of 1,182 M, and while the comparative statement shows that the same 27 members had 1,855 M more Flooring

on hand on December 1st, 1913, than on December 1st, 1912, as a matter of fact, the stocks on hand are no larger than a year ago if we allow for the No. 2 Factory and the Extra Shorts included in our reports of December 1st, 1913, but which were not included in the reports of December 1st, 1912.

The Unfilled Orders show a decrease from a year ago of 5,494 M, but this is largely accounted for, as explained in previous reports of the Committee, by the absence this year of the speculative buying which prevailed last year, when considerable business was booked in the summer and early fall for delivery before the end of 1912 in anticipation of advances in flooring prices.

The Shipments were larger than was anticipated, as they equal November a year ago, the Production was 710 M less than in November 1912, and the New Business Booked held up to the volume of November a year ago. As the Shipments were 1,182 M more than the Production, the Stocks on Hand of the 29 members were reduced to 30,126 M, the new lowest point of the year. These are facts worth noting.

The following table of Stocks and Unfilled Orders on Hand on December 1st and November 1st, 1913, 1912 and 1911, shows the effect the business of the three Novembers had on stock conditions on December 1st of the years under review:

On Dec. 1st	Stocks on hand	Unfilled orders	Per cent of stocks sold
1913.....	30,126 M	16,554 M	55%
1912.....	29,533 "	22,299 "	75
1911.....	39,086 "	19,166 "	49
On Nov. 1st			
1913.....	31,308 M	22,006 M	70%
1912.....	29,888 "	27,425 "	92
1911.....	36,825 "	18,660 "	51

During Nov.	Stocks on hand	Unfilled orders
1913.....	Decreased 1,182 M	Decreased 5,452 M
1912.....	" 355 "	" 5,126 "
1911.....	Increased 2,261 "	Increased 506 "

[fol. 286] It will be noted that November 1913 compares favorably with the other Novembers, and although Unfilled Orders decreased 5,452 M this year, about the same thing happened last year, while we have the advantage this year of a decrease in stocks of 1,182 M while stocks a year ago decreased only 355 M. The per cent of stocks sold on December 1st shows a recession from November 1st of 15 points this year, and 17 points last year.

A comparison of Shipments, Production, and New Business Booked during November and October of the three years, with the decreases in November compared with the previous month, appears in the table below. You will notice that the Shipments in Novem-

ber of this year fell off very slightly, compared with the heavy decreases in November of the two years previous.

	Shipments		Production		New business booked	
	Nov.	Oct.	Nov.	Oct.	Nov.	Oct.
1913	14,609 M	15,514 M	13,427 M	15,152 M	10,927 M	14,176 M
1912	14,601 "	17,751 "	14,031 "	17,059 "	11,167 "	14,054 "
1911	12,165 "	16,729 "	14,426 "	15,534 "	11,274 "	13,353 "

Decreases in Novembers Compared with Octobers

	In shipments	In production	In new business booked
1913.....	905 M	1,725 M	3,249 M
1912.....	3,150 "	3,028 "	2,887 "
1911.....	4,564 "	1,108 "	2,079 "

The record below shows that the first 11 months of 1913 compare favorably with like period of the two years previous, except that Production appears to have been too strenuous for the amount of New Business Booked, which shows a decrease of 10 millions from last year with an increase of 9 millions in Production over last year. The danger of over-production still confronts us and each member should carefully watch his own Production if stocks are to maintain their equilibrium, and if disastrous weakness in Flooring values between now and next spring is to be avoided.

11 Months, January-November

	Members	Shipments	Members	Production	Members	New business
1913....	29	161,693 M	27	153,731 M	27	145,577 M
1912....	29	163,454 "	27	144,863 "	27	155,377 "
1911....	29	148,067 "	29	152,886 "	29	148,110 "
Month of Dec.						
1913....	29	?	29	?	29	?
1912....	29	13,410 "	29	15,966 "	29	11,453 "
1911....	29	11,535 "	29	14,326 "	29	10,552 "

You will find on the last page of this report comparisons in detail of stock conditions on December 1st and November 1st, 1913 and 1912. You will notice that there is a surplus of 2¼" face, but this surplus consist of Factory, as the No. 1 is oversold enough to equalize the undersold conditions of Clear. Warehouse conditions are still good, as the stocks are so distributed that no warehouse congestion appears to exist.

[fol. 287] The Current Net Values obtained during November, as reported by 23 members, show about the same level of prices as the previous month. In analyzing the individual reports and the reports

of 17 members in Michigan and Wisconsin, we find a decrease of 14 cents on Clear, an increase of 17 cents on No. 1, and a decrease of 24 cents on Factory 13/16 x 2¼" Face, from October values.

As the present method of reporting Current Net Values was adopted by the Association, it is a matter of deep regret to the Committee that all the members do not make this report, as the Committee would then have complete data upon which to base its conclusions. As it now stands, the 23 members who exchange this report are advised of the prices obtained by each other, but they have no knowledge of the prices obtained by the six members who do not report, while each of the six members is traveling along, and in the dark as to the prices obtained by the other 28 members of the Association. These conditions cannot but have a depressing effect upon values, as all the members are not in the position to refute statements made by buyers regarding low prices, which they would be in if they knew from the reports of the member himself the prices he is getting for his Flooring. All the steps taken during the past two years in the work of the Association, tending to greater publicity and a freer and franker exchange of information among the members themselves, have been of benefit to them, and in times of slackened demand and stories and rumors of low prices, team-work among those who are vitally interested in maintaining stable conditions in their own industry, has the greatest value to them.

As the address of Mr. Arthur J. Eddy, a copy of which was mailed to the membership early this month, has been favorably commented upon by a number of the members, the Committee believes you will be interested in reading Mr. Eddy's book—"The New Competition"—which contains, at greater length, the ideas and methods outlined in his address, so you will receive a copy of the book in a few days. While we may not agree with all of Mr. Eddy's arguments and conclusions, it is worth while knowing what other industries are doing for the purpose of bettering their conditions. Chapter XV, "Vanishing Industries," should convince all of us of the wisdom of making money now in the Flooring business while there is raw material left to make money with— As the raw material goes, the opportunity goes with it forever.

In conclusion, the Committee cannot but feel convinced that Flooring conditions should be considered satisfactory, and that our statistics are as favorable as could be expected at this season of the year, when the demand always slows up with the approach of the holidays and inventory time.

Now is the time of all times to "stick tight," as trying to force sales by cutting prices below a logical basis will not increase the demand or create any new business.

Wishing you a Merry Christmas, and a Happy and Prosperous 1914, we beg to remain,

Respectfully yours, Morris E. Thomas, Chairman; Dr. George W. Earle, George C. Wilce, C. H. Land, I. N. Bushong and J. D. Staples, B. C. Whedon, of Market Conditions Committee.

[fol. 288] GOVERNMENT'S EXHIBIT No. 18-A

March 25th, 1914.

Market Conditions Committee Report

To members.

GENTLEMEN: After carefully studying flooring conditions at our meeting yesterday, we find our statistics show about the same average conditions on March 1st as on February 1st, as will appear from the following analysis in detail of our reports for the month of February.

Maple, Beech and Birch Stocks increased during February 2,305 M, but, as Unfilled Orders also increased 1,538 M, the percentage of the stock sold remains the same—69%. In Maple 2¼" Face there were recessions in the percentages sold, amounting to 12 points in Clear and 21 points in No. 1, but as the Factory moved up 17 points, there was a net loss of only 6 points in the three grades. Maple 2" Face shows gains of 21 points in Clear, 1 point in No. 1, 10 points in Factory, and a total gain of 11 points in the three grades.

The better movement in Factory should be noted because it indicates that better prices should now be obtainable for this grade, especially in view of the fact that 70% of the 2¼" Factory was sold on March 1st as against only 39% on January 1st.

The condition of 2¼" Maple has improved materially since January 1st, as you will note by the following comparison:

1914	Clear, % sold	No. 1, % sold	Factory, % sold	The 3 grades, % sold
Jany. 1	88	99	39	77
Mar. 1	133	127	70	117
Gain Points	45	28	31	40

This is certainly quite a betterment and should be responded to by a firmer feeling in respect to values.

Shipments and Production for January and February show decreases from January and February, last year, of 3,057 M and 2,952 M respectively, so the decrease in Shipments has been taken care of by the decrease in Production, and consequently, the Stocks of corresponding membership have increased no more, so far this year, than during the first two months last year.

The New Business Booked during February was of healthy volume, amounting to 14,195 M, only 3% less than in February 1913. The decrease from January 1914 was 1,129 M, but as February 1913 was 2,708 M less than January 1913, we should not feel dissatisfied with last month's bookings.

Reports of Current Net Values for February were received from 22 members, and your Committee hopes the other 7 members will follow suit next month so our data will be complete and can be exchanged in detail among the entire membership.

The following table shows the net values obtained by the members in each geographical group for new orders booked during February for 13/16 x 2¼" Face Clear, No. 1 and Factory Maple Flooring, Freights and Commissions deducted. The figures given are mathe- [fol. 289] matically correct, as the total feet sold and the net amount realized by each member in each group are added and the total net value is divided by the total number of feet sold, to find the net value per M feet for each group. You will note that the spread between 2¼" Clear and No. 1 is less in all groups than the recommended spread of $6.50. This condition has existed for sometime, and using Group E as a basis of comparison for the past six months, we find the spread has been as follows: September $4.59, October $5.21, November $4.90, December $5.16, January $4.58 and February $5.21.

	Clear	No. 1	Factory
Group A, Eastern Lower Michigan...	42.23	36.45	23.24
Group B, Western Lower Michigan..	41.29	37.43	21.08
Group C, All Lower Michigan.....	41.75	36.79	22.39
Group D, Upper Michigan and Wisconsin	43.49	38.43	21.66
Group E, All Michigan and Wisconsin	42.59	37.38	22.10

In view of this data, the present selling values of flooring may be considered $3.50 off on Clear, $2.00 off on No. 1, and $3.50 off on Factory from the Recommended List of May 21, 1913, and while these values are lower than our statistics, the demand for our goods and the market price of the raw material warrant, the Committee is convinced that without the exchange from month to month of the information in the individual reports of Current Net Values, prices would have gone much lower because of the dull season of the year and the general uncertainty and apprehension regarding the business outlook for 1914. Inquiries for flooring have been coming in more freely since the first of the month, conditions are improving, and the indications are that a healthy, normal volume of business may be expected, and now that we are through the dull winter months, we should all "perk up" and awaken to the fact that our conditions entitle us to better prices for flooring and that the only way to get them is to ask them.

We were fortunate in having with us at our meeting Messrs. Cox, Porter and W. B. Earle, of the Advertising Committee, and also Mr. Embree, all of whom took part in the discussion, and as their views coincided with the views of this Committee, this report reflects the consensus of the opinions of eleven members of the Association in regard to present trade conditions and the prospects for flooring business during the remainder of the first half of 1914.

Respectfully submitted, Morris E. Thomas, Chairman: Dr. George W. Earle, George C. Wilce, B. P. Whedon, A. C. Wells, E. J. Gillouly, J. D. Staples, of Market Conditions Committee.

[fol. 290] GOVERNMENT'S EXHIBIT No. 18-B

January 21st, 1914.

To Members.

GENTLEMEN: The enclosed reports for the month of December will be analyzed at the Annual Meeting by the Market Conditions Committee, which will meet next Tuesday the 27th, but we thought we would mail you the reports today, so you can study them over in the meantime for yourselves, and also in order to give more time at the Annual Meeting for consideration of the Annual Reports, and the transaction of other important business.

Yours very truly, George W. Keehn, Secretary.

The president expects you at the Annual meeting next Wednesday, the 28th.

[fol. 291] Chicago, January 28th, 1914.

Market Conditions Committee Annual Report, Year 1913

To the Maple Flooring Manufacturers' Association.

GENTLEMEN: In analyzing the December reports, which were mailed you a few days ago, your Market Conditions Committee, which met in Chicago yesterday, finds that stock conditions and the price situation during the month of December, were about the same as during the previous month, and that warehouse conditions seem to be easy with the entire membership. Production, however, appears to have been too strenuous during December, compared with the volume of shipments and new business booked, and the Committee wishes to again urge the members to give their attention to their individual conditions, in order that the dangers of over-production may be avoided.

There has been an improvement in the business outlook during the past thirty days, and the Committee feels optimistic about the future and can see no occasion for sacrificing values or taking on business at low prices, especially for long deferred deliveries.

In concluding this final report, a brief review of our work during the year is in order.

The Market Conditions Committee is composed of nine members, the President acting ex-officio and eight members appointed by the Trustees to represent the Association membership as comprehensively as possible. This year, eleven meetings of the Committee were held with an average attendance of nearly seven. As all of the members of this Committee are familiar with the details and experience of their respective sales departments, their large average attendance at the meetings has afforded a very complete exchange of information and views in regard to market conditions and current values from time to time. This consensus of information, together with a due consideration of the statistics, which are compiled monthly by the

Secretary, and also of such information as could be obtained from the general membership, has been the basis of our reports.

In our monthly reports of market conditions, we have endeavored to reflect, as accurately as the available data would permit, what has seemed to us a conservative average of conditions. Based upon statistical information and the prices you have reported, your Committee has submitted from month to month an estimate of the prices obtainable.

In accordance with the instructions of the Association, a Scientific Price List was made early last year, which represented a profit of 10% on f. o. b. mill prices. This had an educational value which, for a time, was reflected by a higher range of prices, although these never attained the level of the scientific list. However, prices continued strong and hopeful until mid-summer, but suffered a decline the latter half of the year on account of being exposed to the assumed uncertainty in general business conditions.

[fol. 292] At the suggestion of several members of the Association, your Committee collected information regarding the values for 3/8-inch flooring from the members who manufacture it, and at its March meeting, tabulated and reported to you the average prices and weights, and also gave the results of a test run of 3/8-inch flooring made by one of the members of the Committee.

When prices are depressed and there is a prospective upward trend in view, it is comparatively easy to book large orders at the low prices for long deferred deliveries. Such orders may look good when you get them, but the complacent feeling is forgotten after prices have advanced several dollars and you are then called upon to make shipments. While the manufacturer can consistently refuse to be worked in this manner by the speculative buyer, it is not so easy to handle orders for specific jobs where shipment cannot be made until the building is ready for the flooring. During the year, your Committee suggested several times that such contingencies could be met by quoting current prices for shipments within 30 or 60 days and adding such reasonable advance for later shipments as the market outlook would warrant. This plan has been tested by some of the members with satisfactory results. If this method of quoting became universal, it would not only add firmness to a current basis and expedite placing of orders for early shipment, but it would also prepare the buyer for consistent advances in general.

Some buyers have made a practice of using invoices of flooring purchased at an earlier date, when values were lower, to convince a salesman that his current prices were higher than his competitors and to induce him to meet the supposed competition. To prevent this practice and safeguard our members, your Committee offered the recommendation that members place upon all their invoices, close up to the price of the last item, the date when the flooring was sold. If this plan is universally adopted, one of the disturbing elements of competition will disappear.

The improved method of reporting current net values should

also be noted. The old plan was to report the sales during the month which were shipped during the same month. Now all of the sales of the specified items during the month are reported, regardless of when shipment is made. This covers a larger range of transactions and more clearly indicates the trend of prices from month to month.

Early in 1912, and likewise early in 1913, an effort was made to obtain an estimate of the output of the various Association factories for the current year. In both cases the Committee was unable to get complete information, because some of the members failed to answer the request for data. If data of this kind were supplied when asked for, it would be very helpful to the Committee in forecasting the future. Looking forward is sometimes quite as profitable in results as looking backward.

Stocks on hand have been fairly well distributed during the year, so we have not suffered materially from overcrowded warehouses and the consequent demoralization in prices.

[fol. 293] The foregoing, in addition to our usual monthly reports, comprises the salient features of our effort to serve you during the year. In this brief review, statistical matter has been omitted, as you have been furnished it in abundance from month to month and because the annual statistica, compiled by our Secretary, are already in your hands. In our judgment, some progress has been shown, and a larger service in the future depends upon a more general and specific response to the committee's request for data. Closer trade relations can be brought about in no other manner.

In conclusion, your Committee wishes to express its appreciation of the assistance you have afforded by the information and statistics you have furnished, and to acknowledge its indebtedness to Mr. Keehn, whose efficient co-operation and tireless zeal are largely the cause of whatever has been accomplished.

Respectfully submitted, Morris E. Thomas, Chairman; Dr. George W. Earle, Charles T. Kerry, Earle L. Crossman, J. D. Staples, George C. Wilce, for Market Conditions Committee.

[fol. 294] GOVERNMENT'S EXHIBIT No. 18-C

April 24, 1914.

John Schroeder Lumber Co., Milwaukee, Wisconsin.

GENTLEMEN: I would like to particularly call your attention to the enclosed extract from the last report of the Market Conditions Committee, in regard to the new plan of exchanging quotations among the members who quote on the same business, if the inquiry is for 50 M feet or more of Maple, Beech or Birch flooring.

It seems to me that this plan will promote greater stability in flooring values and that it will tend to prevent many of the foolish variations in quotations which now so frequently happen, and which,

in many cases, are not at all necessary to obtain the order in question, as very often the bidder lowers his quotation on the representations of the buyer that he has lower prices, when the bidder's quotation is already the lowest the buyer has.

I certainly hope you will co-operate in this plan and give it a try-out, and you can rest assured that everything will be handled in this office strictly in accord with the plan as outlined in the Committee's report, and that only the members who quote on certain business will be advised of the quotations on that business, and that no information will be given respecting the idenity of the source of such quotations.

Yours very truly, Geo. W. Keehn, Secretary.

[fol. 295] Extract from Market Conditions Committee Report of April 23rd, 1914

"Rumors of lower prices, however, have been brought to our attention, and we feel that some plan should be adopted that will protect us all from needless and foolish competition among ourselves. There is no reason why competition among the membership should not be tempered, and a practical way to bring this about would be by the exchange among the members, through the Secretary's office, of quotations made on the same business, so all the members who make quotations on the same inquiries will know immediately what prices have been quote by other members, but without revealing the identity of such other members. As a start, the Committee recommends that an extra carbon of all quotations on lots of 50 M feet or more be sent to the Secretary's office on the day such quotations are made, and the members who send these carbon copies will be advised at once by the Secretary of all quotations made on the same inquiry; for example: if A, B and C quote on 50 M feet of 2¼" Clear to John Smith, Toledo, Ohio, each of them will send to the Secretary, on the same day he quotes, an extra carbon of his letter, and the Secretary will at once advise A, B and C that three members of the Association, not giving their names or numbers, have quoted the following prices to John Smith at Toledo on 50 M feet of 2¼" Clear. If carbon copies of quotations made by other members come in subsequently, all the members who quoted will be at once advised of all quotations. In this way the members who quoted on the business will know the prices that other members of the Association have quoted, and if John Smith writes A that he is quoted $2.00 or $3.00 less, A will not get stampeded and panicky and foolishly lower his quotation, for he will know that John Smith has no such price from any member of the Association, because A will know the prices B and C quoted.

As members of the Market Conditions Committee, we heartily recommend the adoption of this plan, and as we are in favor of trying it out, we have agreed to begin at once the exchange of this information among ourselves, as a start, but in order to make the plan effective and get the best results, every member of the Associa-

tion should co-operate. It is self-evident that more can be accomplished for all of us by closer co-operation in the work of the Association, and we cannot see any disadvantages in the plan, or that it will in any way increase competition among the members for any particular order, because only the members who have quoted, and consequently know all about the order, will be advised of the prices quoted, but not who made the quotations."

[fol. 296] GOVERNMENT'S EXHIBIT No. 18-D

June 25th, 1914.

Market Conditions Committee Report

To Members.

GENTLEMEN: Your Market Conditions Committee met in Chicago yesterday and after discussing in detail flooring conditions as shown by our May statistics, we wish to report as follows:

While stocks on hand on June 1st are 10% greater than a year ago, they are only 63 M more than on May 1st, 1914, the production and shipments having held even during the month of May; Unfilled Orders show a decrease of 2,638 M from last month's report, and a decrease of 5,799 M from June 1st a year ago. Our May shipments were 828 M more than for the month of April and 1,499 M or 10% less than in May 1913, but this reduction in shipments is helped out considerably by the decrease of 934 M in production from May a year ago. New Business Booked shows a falling off of 2,592 M compared with May 1913.

Our statistical position in every essential feature, with the exception of the increase in stocks on hand, to which reference will be made later in this report, has materially improved since January 1st, as you will notice by analyzing the attached statement "Comparative Statistics." This improvement is the most marked in 2¼" Factory Maple Flooring, 100% of which was sold on June 1st as against only 39% on January 1st, and there is no reason visible to the Committee why Factory Maple Flooring should not be bringing better values, as we do not recall that at any previous time the Association was ever sold out on 2¼" face Factory. A comparison of Shipments, Production and New Business Booked for the first five months of 1912, 1913 and 1914 is as follows:

Shipments			Production			New business		
1912	1913	1914	1912	1913	1914	1912	1913	1914
63,378	69,864	61,430	60,729	72,257	65,525	68,290	73,979	68,667

1914 shows decreases from 1913 in Shipments of 8,434 M, 12.1%, in Production of 6,732 M, 9.3%, and in New Business Booked of 5,312 M, 7.2%, and compared with 1912, 1914 shows a decrease in

Shipments of 1,948 M, 3%, and increases in Production of 4,796 M, 7.9%, and in New Business Booked of 377 M, ½ of 1%.

While 1914 Production has decreased 6,732 M from a year ago, it would seem that the Production is still too large compared with the Shipments and the volume of New Business Booked. When we consider that stocks on hand since January 1st have increased over five million feet, or at the rate of one million feet a month, it would seem prudent that each member of the Association give thought and study to the question of production in his own individual case, because if stocks continue to increase at this rate during the next seven months, the flooring on hand at the close of the year would amount to 45½ millions, and none of us needs to consult a clairvoyant to find out what would happen to values in the meantime, should this occur.

[fol. 297] In analyzing Current Net Values obtained during the month of May, as shown by the reports of the members, and taking into account other information that came to the Committee in the Exchange of Quotations, we find that selling prices for flooring are represented by concessions from the Logical Basis of Values Table of May 21st, 1913, of $4.50 on Clear, $3.00 on No. 1 and $4.50 on Factory 2¼" face Maple Flooring. While rumors of larger concessions have been heard of in a few isolated cases, the Committee was not able to trace the quotations to authentic sources, and, therefore, believes that the concessions mentioned above show the market values obtainable. These values are lower than the flooring situation warrants and show declines from a year ago of $1.00 on Clear, 85 cents on No. 1 and $1.45 on Factory, using Michigan and Wisconsin mills as the basis for comparison. From the standpoint of statistics, what more could reasonably be expected than our present stock conditions of 2¼" face Maple Flooring, of which 133% of the Clear, 107% of the No. 1, 100% of the Factory, and 118% of the total were sold on June 1st? Weakness in the value of these staple items can only be "psychological," to borrow a White House expression, because our statistics and the prospects for better business in the Fall when the record breaking crops begin to turn into money, do not warrant the present low level of values.

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[fol. 298] GOVERNMENT'S EXHIBIT No. 18-E

July 31st, 1914.

Semi-annual Report of Market Conditions Committee

General Market Conditions.—General business has been quiet during the first half of 1914. The improvement which was confidently expected would materialize in 1914 was not realized during that period. There has been a general downward tendency of values in

the commodity market, a general retrenchment by the Railroads in buying and building and by curtailing forces, a reduction of forces in industrial operations and uncertainty as to ultimate effect of tariff changes, a general feeling of conservatism and a disposition to go slow until the outcome of these conditions could be more clearly foreseen.

On the other hand, there has been an easy money market, unusually good crop prospects and a favorable outlook for building activity that uses lumber and flooring. While the trade conditions of our industry are intimately related to general business conditions and while the market during the last six months has been quite listless most of the time, there has not been any serious tendency to make radical reductions in prices. In reviewing the results of the half year, our industry has been comparatively prosperous and we have realized much better values for our products than have been enjoyed by our competitors who manufacture and market Oak and Yellow Pine. This is a time for us to count our blessings as we have fared so much better than many others.

The outlook now seems to be clearing and we can consistently hope for better conditions during the next six months than during the first half of this year.

Production and its Relation to Consumption.—During the first half of the year there was a decrease in both production and shipments as compared with one year ago. The following table will show the situation.

	Production	Shipments	Stock increase
1913	87,804 M	84,592 M	3,212 M
1914	80,020 "	75,800 "	4,220 "

This is a comparison of corresponding membership and shows a net increase of stock this year of a trifle more than one million feet. In view of the general market conditions this year, a better showing at this time could not reasonably be expected.

Warehouse Conditions.—The statistical report shows three and one half million feet more stock on hand July 1st, 1914, than July 1st, 1913. The increase, however, is very well distributed and twenty members show more on hand now than one year ago while nine show less on hand than July 1st, 1913. Only four members, however, numbers one, five, seven, fourteen show over one half million feet more on hand now than one year ago. During the last four months the volume of stock on hand has remained practically the same, the variation being less than four hundred thousand feet and the smallest quantity of stock on hand during that period being shown the first of July. In general, therefore, warehouse conditions at the present time are comparatively very satisfactory.

Unfilled Orders and Stocks on Hand.—Last year the largest volume of unfilled orders was shown April 1st, and during this year the largest volume was shown May 1st, and on July 1st, 1914, the unfilled [fol. 299] orders were nearly five million less than one year ago.

This year the buying has been more largely for rush or early shipment than was the case during the first half of 1913. During February, March and April of both years the volume of new business was practically the same, but it was less during January and May in 1914 than in 1913, but during June 1914 the new business exceeded the new business during June 1913 nearly one half million feet. The tabulated statements, which you have already received from the Secretary, show in detail comparative stock conditions the first half of 1913 and 1914. Particular attention is called to the present condition of 13/16" x 2¼" face Factory Maple Flooring which July 1st was 114% sold, this being the highest point ever reached. This prospective condition was mentioned in our report dated March 25th and also in our report dated June 25th. It clearly indicates that better prices are obtainable for this item on account of the statistical condition.

The condition of the Flooring industry is essentially sound and healthy at present and with the bumper crops assured, the outlook for the last half of the year should be very encouraging.

Current Net Values.—An analysis of Current Net Values obtained for new business booked during the month of June shows the following comparison with May, using the average of Group E, Michigan and Wisconsin mills, as the basis:

Clear 48 cents less, No. 1 23 cents more, and Factory 27 cents less than May.

In the Committee's report of June 25th it was stated that selling values at that time, based on May statistics, were represented by concessions from the delivered table of values of May 21st, 1913, of $4.50 on Clear, $3.00 on No. 1 and $4.50 on Factory. It would seem, considering present conditions and the outlook for the future, that flooring ought to move at materially better prices, especially for No. 1 and Factory of which 114% in each grade of 2¼" face Maple was sold on July 1st. When we consider that the production of No. 1 (34%) is limited, and of Factory is very limited, being only 13% as shown by our records of production by grades, it is reasonable to believe that both these items, particularly the Factory, should respond to higher values. While the 2¼" Clear showed a recession from May values, the percentage sold on July 1st is 128%, which condition is too good to justify any greater concession than $4.50, as the difference of 48 cents in the average price obtained may have been caused more by adverse freight rates on the June bookings compared with May than any actual weakness in selling prices.

Exchange of Quotations.—The Committee finds that the method of Exchanging Quotations on lots of 50 M feet or more has been greatly limited in its value, because of the establishment of the minimum of 50 M feet, as many of the members who are willing to exchange quotations say they receive very few inquiries for lots of 50 M feet or more. The Committee, therefore, recommends that quotations be exchanged on all inquiries for one carload or more of Maple, Beech or Birch Flooring, in order that the greatest possible benefit may be derived from this method of imparting information regarding mar-

ket conditions. As heretofore this exchange of quotations is strictly reciprocal and is only sent to the members who quote on identical inquiries for identical items.

[fol. 300] GOVERNMENT'S EXHIBIT No. 18-F

August 22nd, 1914.

Market Conditions Committee Report

GENTLEMEN: The Association should be more than satisfied with the splendid showing presented by our July reports. That the flooring situation is in an extremely strong position, from the standpoint of statistics, is clearly indicated by the following analysis of our July reports:

The outcome of the July business resulted in a decrease of 3,694 M in the Stocks on Hand of 28 members, bringing the total stocks down to 33,163 M, the low point of the year, and this reduction in stocks should indicate easy warehouse conditions. The volume of Unfilled Orders on August 1st decreased only 604 M from July 1st. Compared with the month of June, July Shipments were 1,742 M more, Production 1,574 M less, and New Business Booked 2,111 M greater, as will be seen by the table below:

June and July, 1914, Compared, 28 Members

	End of June	End of July	Increase	Decrease
Stocks on Hand.....	36,857 M	33,163 M	....	3,694 M
Unfilled Orders	24,951 "	24,347 "	.....	604 "
Shipments	13,832 "	15,574 "	1,742 M	.....
Production	13,454 "	11,880 "	.....	1,574 "
New Business Booked.	12,529 "	14,640 "	2,111 "	.....

Comparing July, 1914, with July, 1913, we find the Shipments, 15,574 M, were 1,129 M more this July than last July, and is the largest volume of shipments we have had since the month of September; the Production, 11,880 M, is 1,553 M less than July, 1913, and is the lowest point in production since April, 1912; the New Business Booker, 14,640 M, is 2,924 M more than in July, 1913, and with the exception of January is the largest amount of New Business Booked in any one month so far this year. This fact is worthy of mention because July is usually a dull month, while in January the bookings are generally quite heavy, because provision is frequently made at that time for requirements for the year.

July, 1913, and July, 1914, Compared, 28 Members

	End of July, 1913	End of July, 1914	Increase	Decrease
Stocks on Hand.....	32,554 M	33,163 M	609 M	....
Unfilled Orders	26,583 "	24,347 "	.....	2,236 M
Shipments	14,445 "	15,574 "	1,129 "	.....
Production	13,433 "	11,880 "	.....	1,553 "
New Business Booked.	11,716 "	14,640 "	2,924 "	.....
Stock decrease in July, 1913.....				1,012 "
Stock decrease in July, 1914.....				3,694 "

As the 2¼" face Maple is the largest item in our production and sales, it deserves special consideration, and we would, therefore, like [fol. 301] to call your particular attention to its stock condition on July 1st and August 1st, 1913 and 1914.

Status of 2¼" Face Maple

	Clear		No. 1		Factory		All grades	
% sold	1913	1914	1913	1914	1913	1914	1913	1914
July 1.....	137%	128%	170%	114%	71%	114%	128%	121%
Aug. 1.....	126	174	152	142	71	98	117	146
Loss	11	...	18	...	even	16	11	...
Gain	...	46	...	28	...	...	...	25
Betterment in points..	...	57	...	46	...	...	...	36

While the Factory shows a recession of 16 points during July, 1914, as compared with an even break during July, 1913, this is no doubt due to the fact that old orders have been filled and new orders have been coming in more slowly because the manufacturers have been quoting higher for this grade. This would naturally result in buyers holding off in placing new business.

Current Net Values during July, based on reports from Michigan and Wisconsin mills, compared with June, show losses of 75 cents on Clear, and 38 cents on No. 1, and a gain of 72 cents on Factory. In our report last month we stated that 2¼" Factory should respond to higher values, and this prediction has been verified. Based on our statistics, July selling values are represented by concessions from the Table of Values of May 21st, 1913, of $5.00 on Clear, $3.00 on No. 1 and $4.00 on Factory. It would seem, however, that flooring should now move at better prices because we all know now how favorable our statistics are, and that they fully justify holding for a higher level of values.

Exchange of Quotations.—If you are not sending in carbon copies of your quotations on inquiries for one carload or more of Maple, Beech or Birch Flooring, will you please do so, in order that you may have the benefit of this excellent method of exchanging information in regard to current market values. The members who are co-operating in this plan are well pleased with the results, but better results will follow if all the members will join in.

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[fol. 302] GOVERNMENT'S EXHIBIT No. 18-G

September 24th, 1914.

Market Conditions Committee Report

To Members.

GENTLEMEN: Every member of the Market Conditions Committee, with one exception, attended the Committee Meeting held yesterday, so this report reflects the consensus of opinion of practically the entire Committee.

After a thorough study of the flooring situation, as shown by our August statistics, we are glad to report that the favorable conditions existing on August 1st were continued during the month, and our stock conditions on September 1st are materially better than on September 1st last year.

We find our stocks on September 1st were 439 M less than a year ago, and 951 M less than a month ago.

Shipments held up even with August, 1913, amounting to over 15½ millions for both Augusts. Production was 800 M less than last August, and it was a genuine surprise to find that the New Business Booked, amounting to 13 millions, exceeded August a year ago by 117 M. The July and August shipments of about 32 millions, against Production of about 27 millions (including No. 36 for both July and August) have reduced stocks from 38 millions on July 1st to less than 33 millions on September 1st, resulting in easy warehouse conditions all around.

It is especially encouraging and gratifying to compare the first eight months of 1914 and 1913. You will note by the table below that our Shipments and New Business Booked show decreases of only 6.7% and 1.2%, respectively, while our Production decreased 8.7%.

	Shipments		Production		New business		Members
	1913	1914	1913	1914	1913	1914	
First Half.	84,592	75,800	87,804	80,020	86,568	82,208	29
July	14,445	15,574	13,433	14,880	11,716	14,460	28
August ...	15,538	15,504	15,349	14,553	12,857	12,974	29
	114,575	106,878	116,586	106,453	111,141	109,822	
Decrease ..	.....	7,607	.....	10,133	.....	1,319	
Per cent...	.....	6.7%	.....	8.7%	.....	1.2%	

This showing will be still more favorable when the missing statistics of No. 36 for July are included.

While the percentage sold of Maple, Beech and Birch stocks on September 1st, 1913, and 1914, were 74% and 65%, respectively, the stock conditions of 2¼" face Maple are stronger now than a year ago, viz:

% sold	Clear	No. 1	Fact'y	All grades
Sept. 1, 1913.....	117%	137%	71%	109%
Sept. 1, 1914.....	148	143	88	129
Gain, points.....	31	6	17	20

[fol. 303] Altho the total stocks show a less percentage sold now than a year ago, this is by no means a discouraging feature, and should cause no weakness in the value of 2¼" face Maple, because the surplus stocks are made up of items that are not competitive with 13/16" x 2¼" face Maple.

Maple, Beech and Birch Surplus Stocks on Sept. 1st

Year	1¼"	2"	3¼"	1 1/16"	3/8"	¼"	Other kinds	Total
1913	1,017 M	None	2,296 M	1,592 M	912 M	285 M	2,476 M	8,578 M
1914	1,447	1,992 M	2,852	2,594	1,725	358	2,578	13,546

Current Net Values for August, as indicated by Group E, Michigan and Wisconsin mills, show gains over July of 26 cents on Clear, 49 cents on No. 1 and 19 cents on Factory, so it would seem that our last report giving the status of the Market at $5.00 off on Clear, $3.00 on No. 1 and $4.00 on Factory may be modified for the better, at least to the extent of 50 cents on No. 1, or $2.50 off instead of $3.00 off.

The present system of reporting Current Net Values was Commenced with September, 1913, so a comparision of August, 1914, with September, 1913, may be of interest to you. While it is not exact, it is more reliable than a comparison of the two Augusts would be, because of the difference in the method of reporting last August and this August.

Group E	Clear	No. 1	Factory
Sept. 1913	$42.25	$37.66	$22.64
August 1914	41.11	36.51	21.85
Decline	1.14	1.15	.79
% of Decline	2.7%	3%	3.5%

Exchange of Quotations.—The plan of exchanging quotations is a useful feature in the Association work, but its value to the industry would be far greater if all the members who quote and sell for carload shipments would participate in this method of exchanging information. All but ten members who make carload shipments are now exchanging quotation, and the Committee wishes to respectfully urge upon them to join in the plan, not only for the benefit it will be to them, but also for the benefit it will be to the entire Association.

The following is a copy of an Exchange of Quotations made on September 22nd, of six quotations, to —— (an AJ point in Wisocisnn) on 2¼" Clear and No. 1 Maple Flooring:

Clear	No. 1
$49.00	$40.00
44.50	40.00
44.50	40.50
44.00	40.00
44.00	39.00
46.00	42.00

Commissions @ $1.50 are added to net quotations to equalize basis of comparison with AJ delivered values of $48.50 on Clear, and $42.00 on No. 1.

Forecast.—It is always difficult to accurately forecast the future, but it is impossible to do so now because of the complex conditions that may result from the great war in Europe. Some authorities predict an era of greater prosperity for this country, while others fear that if the high rates for money continue that building opera- [fol. 304] tions may be greatly restricted which would result in a decided falling off in the demand for flooring. In view of the compli-

cated situation, it would indeed seem prudent to go slow and be guided by a careful study of our statistics from month to month, pursue a policy of "watchful waiting" in respect to production, and safeguard ourselves all we can by a liberal echange among ourselves of all available information regarding trade conditions as they develop.

[fol. 305] GOVERNMENT'S EXHIBIT No. 18-H

October Thirtieth, 1914.

Market Conditions Committee Report

To members.

GENTLEMEN: All but one member of the Market Conditions Commitee attended the Commitee Meeting held yesterday, and flooring conditions at this time were studied and analyzed and very careful thought was also given to the outlook for flooring business during the coming winter and spring.

Our September reports are unfavorable, as they show heavy decreases in Shipments and New Business Booked compared with September a year ago, Shipments falling off 3,133 M, or 19%, while New Business Booked fell off 3,450 M, or nearly 25%; Production decreased only 425 M (less than 3%), so our stocks on hand increased 1,117 M during this September as against a decrease in September a year ago of 1,591 M, an adverse condition of 2,700 M. Our Stocks on October 1st were 33,585 M, or 1,915 M more than on October 1st, 1913.

Comparing with August of each year we find the Shipments in September 1913 were 1 million more than in August 1913, while September 1914 was over 2 millions less than August 1914, and that bookings of New Business show up still more unfavorably, September 1913 being 1,100 M more than August 1913, while in this September nearly 2½ millions less of New Business was booked than in August 1914.

The members of the Committee report very light shipments and new bookings during October, most of them saying that they are not averaging much better than 50% to 60% of last month.

Stock conditions also show a decided falling off in the per cent sold on October 1st, compared with September 1st, 1914.

Maple 2¼"	Sept. 1, 1914	Oct. 1, 1914	Decreased, points
Clear	159%	129%	30
No. 1	143	107	36
Factory	88	75	13
All Grades	133	109	24
M. B. & B.			
Clear	71	62	9
No. 1	70	57	13
Factory	47	36	11
All Grades	65	54	11

September building statistics reported from 121 cities indicate a decrease of 35% from September a year ago, and the prediction is [fol. 306] made that October building permits will probably be 50% less than last October.

In view of these facts, and the general outlook, it is impossible to see where much flooring business is coming from during the next six months. A condition and not a theory now confronts us, and it is one that demands radical individual action on the part of each member of the Association regarding his own production if Stocks on Hand are to be in harmony with the state of trade.

In estimating the probable volume of shipments for the last quarter of 1914 and the first quarter of 1915, it was the consensus of opinion that the most optimistic view does not warrant a higher expectancy than 50% to 60% of the shipments during like periods in 1913-1914.

Our Shipments from October 1st, 1913, to April 1st, 1914, were 76 millions, an average of about 12½ millions a month, with Production of 81 millions, an average of 13½ millions a month. Our Production for 9 months this year has also averaged 13½ millions monthly. If this rate of Production is continued, and Shipments fall off say 40% it will spell ruin to everyone engaged in the flooring industry, and the time to think and to act is NOW.

With more than ample Stocks on Hand of 33½ millions, it would be suicidal to produce 81 millions more to meet a prospective demand of 45 or 50 millions, and the only remedy is not to manufacture more flooring than the market needs, as indicated by our statistics and the prospects for business between now and April 1st. As a matter of fact, the Production should average a greater decrease than the anticipated decrease in Shipments, because our present stocks of 33½ millions are overlarge by 8 or 10 millions for the probable volume of Shipments.

The following table demonstrates what stock conditions will be on April 1st, 1915, if Shipments decrease 40%, and if Production is continued at the same rate as during the half year October 1913-March 1914, and during the first 9 months of this year:

Stocks on Hand October 1st, 1914	33½	Millions
Production 6 months at 13½ millions	81	"
	114½	"
Shipments, say 60% of 76 millions	45½	"
Stock on Hand April 1st would be	69	"

As iron and steel are considered a reliable barometer of general business conditions, you may be interested in knowing the policy the steel manufacturers are adopting to meet their condition, as stated in the Chicago Herald yesterday:

"The general rate of steel mill operations at Pittsburgh is only 40 to 45 per cent of capacity, while the Chicago mills are likely to

drop to 30 per cent this week. For part of the week no Chicago plate mills will be in operation. Prices are giving way."

* * * * * * *

[fol. 307] While reports from Michigan and Wisconsin mills, Group E, show that September values were on a level with August, a weaker feeling has developed during October, and from the best information obtainable, selling values today of 2¼" Maple Flooring are $6.00 off on Clear, $4.00 off on No. 1 and $5.00 off on Factory from the Table of Delivered Values of May 21st, 1913. This condition is to be deplored, not only because of the immediate loss it represents to the flooring manufacturers, but also because of the depressing influence it is bound to have on values during all of next year, as unless its effect is counteracted the result will be to establish a low level of prices from which it will take a long time to recover.

A comparison of the first 9 months of 1914 with the first 9 months of 1913 shows that Shipments and Production have traveled on a parity, as while Shipments decreased 7.8%, Production decreased 8.3%. This relation between Production and Shipments is reflected in the Current Net Values that have prevailed during the year. Comparing September 1913 and 1914, Group E, we find decreases of only $1.30 (3.1%) on Clear, $1.04 (2.8%) on No. 1, and 78 cents (3.5%) on Factory. It is safe to say that no other branch of the lumber industry can show such favorable results, but it will be impossible for these conditions to continue unless a sane policy is pursued of keeping the Prduction below the Shipments, no matter how small the Shipments may be.

Slaughtering values never has increased consumption, and cutting prices is not going to create any new business, certainly not under present conditions.

The thing to do is to sit tight and not rock the boat.

Next General Meeting

The next general meeting of the Association will be held on Friday, November 20th, instead of during the last week in the month, because of Thanksgiving Day coming on the 26th.

It is always important to get together and talk things over, but in times like these it is imperative.

Will you please make your plans now to attend the meeting?

George W. Keehn, Secretary.

[fol. 308] GOVERNMENT'S EXHIBIT No. 18-I

November Twentieth, 1914.

Market Conditions Committee Report

To members.

GENTLEMEN: At our Market Conditions Committee Meeting held yesterday the October statistics were studied and analyzed, and we

find conditions on November 1st, 1914, are much more unfavorable than a year ago, and than on October 1st, 1914.

The Stocks on Hand on November 1st total 35,676 M, and are 4,368 M (14%) more than on November 1st, 1913, and they increased during the month of October 2,091 M, against a decrease in October 1913 of 362 M, an adverse condition equal to about 2½ million feet. Unfilled Orders are only 14,372 M, and show a startling decrease of 7,634 M (34.7%) from November 1st, last year, and are nearly 4 million feet less than on October 1st, 1914. October 1914 Shipments were 13,455 M against 15,514 M in October a year ago, a decrease of 2,059 M (13.3%), while Production this October, 15,546 M, was 2,091 M more than the October Shipments and 394 M more than the Production in October of last year. The New Business Booked, 10,617 M, was very light, and was 3,559 M (25.2%) less than in October 1913. The decreases in Shipments and in the New Business Booked strongly emphasize the fact that our October Production was altogether too large in view of the meager outlook for flooring business the coming winter and spring, and it seems self evident that nothing less than a 50% basis of the present rate of production can save the flooring industry from complete demoralization in values. If our Production during the next five months continues to exceed the rate of Shipments to the extent of 2,100 M per month, as happened in October, our present Stocks on Hand of 35½ millions will exceed 46 millions on April 1st, and equal the high point reached in stocks on March 1st, 1912, as shown by our Annual Report of January 22nd, 1913.

The following table shows the trend of Stocks on Hand, the percent sold, and the Shipments and Production from November 1st, 1911, to April 1st, 1912:

Date	M. B. & B. stocks	% sold	Month	Shipments	Production
Oct. 1, 1911....	38,020 M	60			
Nov. 1, "	36,825	51	Oct.	16,729 M	15,534 M
Dec. 1, "	39,086	49	Nov.....	12,165	14,426
Jan. 1, 1912....	41,877	42	Dec.	11,535	14,326
Feb. 1, "	44,783	44	Jan.....	9,276	12,182
Mar. 1, "	46,314	49	Feb.....	9,636	11,167
Apr. 1, "	46,192	54	Mar.....	13,333	13,211
Average..	41,871 M	50	Total	72,674 M	80,846 M

Increase:

Oct. 1-Apr. 1	8,172 M	Excess Production...	8,172 "
Nov. 1-Apr. 1	9,367 M		

[fol. 309] You will notice that the percent of the total stock sold on November 1st, 1911, was 51%, while on November 1st this year it was only 40%. A comparison of the percent sold of 2¼" face Maple

on November 1st and October 1st, 1914-1913, is still more discouraging from the November 1st, 1914 standpoint:

Maple 2¼"	November 1st		October 1st	
	1914	1913	1914	1913
Clear	85%	117%	129%	102%
No. 1	83	149	107	163
Factory	41	85	75	70
All grades	74	113	109	107

It has seldom happened in the history of the Association that the unfilled orders for our most staple item, 2¼" face Clear Maple, has been only 85% of the stock on hand, as was the case on the first of this month.

Another fact that demonstrates our condition of overproduction is the number of surplus stocks of Maple Flooring, the surpluses having increased from 49 on October 1st to 61 on November 1st. On November 1st the surpluses were Clear 28, No. 1 20, Factory 13, Total 61, as against 23, 18, 8 and 49 respectively on October 1st.

Values obtained during October, Group E Michigan and Wisconsin mills, show recessions from September of 9 cents on Clear, 67 cents on No. 1, and 71 cents on Factory, but from the best information obtainable the Committee believes that values at this writing are weaker than in October. Reports of quite low prices in some markets are current, while in other territory better values appear to be obtained, but taking the field as a whole, present average selling values for flooring are represented by concessions of $6.50 on Clear, $5.00 on No. 1, and $6.00 on Factory from the delivered values in the table of May 21st, 1913.

Unless each member begins now to carefully consider his own production, and regulates it from now on to conform with trade conditions, we shall repeat the disastrous experience caused by the overproduction during the last quarter of 1911 and the first quarter of 1912 when stocks increased from 37 millions on November 1st, 1911, to 46 millions on March 1st, and April 1st, 1912, and as a result of which Clear and No. 1, 2¼" Face Maple Flooring, sold at $9.00 less, and Factory at $9.50 less than our present table of values. Your Committee's report of March 21st, 1912, shows that market values at that time, using Frame A Cadillac basis, were $37.50 for Clear, $31.00 for No. 1 and $17.00 for Factory 2¼" face, and unless the rate of production is harmonized with the rate of Shipments during the next five months, so that the stocks on hand are kept proportionate to the requirements of the trade, the low prices that prevailed in the spring of 1912 will look high to all of us next spring. Flooring stocks are now excessive for the prospective demand, and it stands to reason that if the October rate of Production is continued in the face of the certain falling off in Shipments, which a common sense view of business conditions convinces us is inevitable, the result will be nothing less than a calamity.

[fol. 310] GOVERNMENT'S EXHIBIT No. 18-J

December Eighteenth, 1914.

Market Conditions Committee Report

To members.

GENTLEMEN: Your Market Conditions Committee met yesterday and after a thorough study of the November statistics, we wish to report the following as our analysis of flooring conditions as we see them:

Stocks on Hand, 38 millions, are nearly 8 millions more than a year ago, and show an increase of 2,275 M during November, as against a decrease of 1,182 M in November 1913 a relative adverse condition of practically 3½ millions this November compared with last November. Stocks are now at a dangerously high point, and if they continue to increase at the same rate during December, January and February they will be 45 millions on March 1st; in fact they will then exceed that amount if the November rate of decrease in shipments, 32%, continues or becomes greater. As the prospects for flooring business during the coming three months are extremely poor, it is self evident that the only hope of salvation is to keep the rate of production below the rate of shipments if the present excessive stocks on hand are to be reduced by March 1st.

You will note that Unfilled Orders on December 1st were 5 millions less than a year ago, and nearly 3 millions less than on November 1st, and it seems likely that the Unfilled Orders on January 1st will be at a still lower point.

Shipments, 9,941 M, are 4,668 M, 32%, less than in November 1913, and show a decrease of 3,514 M, 26%, from October 1914.

The New Business Booked shows a decrease of 1,132 M, 10.4%, from November 1913, and a decrease of 822 M, about 8%, from October 1914, and the bookings so far this month are said to be very light.

The reduction in the output during November, compared with November a year ago, was only 1,211 M, 9%, but as one member, No. 5, was shut down during November 1913, a more accurate way to measure the individual efforts of the manufacturers to meet the decrease in demand by reducing their production is to compare November 1914 with October 1914 production. The October Production was 15,546 M, and the November Production was 12,216 M, a gratifying decrease of 3,330 M or 21%.

The percent of the total stock sold on December 1st was only 30%, the lowest point in the history of the Association, and the percent [fol. 311] sold of 2¼" face Maple is also most discouraging, as shown by the tables below:

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The request for Flooring Manufacturing Information for the month of December 1914 has met with generous responses from the membership, all but three members having made complete reports.

The attached table will show the manufacturing plans for December of 26 members, together with comparisons of their production for December 1913 and for November and October 1914, and also with their shipments for December 1913.

You will note that the estimated production for December 1914 of these 26 members is 10,109 M, which is 21% less, 5½% less and 26% less than their production in December 1913, November 1914 and October 1914 respectively. Their shipments in December 1913 were 9,495 M, and if we estimate a decrease of one-third in shipments, their shipments would amount to 6,330 M, as against an estimated production of 10,109 M, which would result in an increase of nearly 4 million feet in Stocks on Hand on January 1st, 1915, and bring the stocks on that date up to 42 millions. This points out the necessity for still greater individual reductions in the rate of production during January and February if the stocks on hand are to be reduced, and if the rate of production is to harmonize with the rate of shipments.

[fol. 312] Current Net Values obtained during November appear to be about the same as reported by the Committee to the General Meeting on November 20th, but some of the members report they are getting better values in some territory, and that they have not found it necessary in making some recent sales to make the concessions of $6.50, $5.00 and $6.00. The November reports, using Group B as a basis, and it seems logical to do so because our basing point Cadillac is located in that territory, indicate that sales have been made, and can be made, at concessions of $6.00 on Clear, $4.50 on No. 1 and $5.50 on Factory from the delivered values in the table of May 21st, 1913.

While the anticipated decrease of 26% in December production from the October production is not 50% it is a start in the right direction, and it should have a salutary effect and give a firmer tone to the market.

The folly of sacrificing values was never more to be deplored than under present conditions, because it is absolutely impossible at this particular time to create any greater demand for flooring by making ruinous prices.

We are now approaching the holidays and inventory time, and low prices instead of bringing out any new business will only result in establishing flooring values for the year 1915 on a ruinously low level from which it may be impossible to recover during the entire year.

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[fol. 313] GOVERNMENT'S EXHIBIT No. 18-K

January Twenty-ninth, 1915.

Market Conditions Committee Annual Report, Year 1914

To the Maple Flooring Manufacturers' Association.

GENTLEMEN: Last July our Semi-Annual report stated that general business during the first half of 1914 had not been as good

as anticipated, and that the outlook for the last half of the year indicated a general improvement. But the unexpected happened. That report was made July 31st just when the European War was beginning, and the flooring industry was soon confronted with a complicated situation. It was without precedent. Modern business had never before been so seriously menaced. There was no past experience which would serve as a guide through these complex conditions. Some authorities predicted an era of greater prosperity for this country, while others, less optimistic, feared that for a considerable period building operations would be greatly restricted which would result in a decided falling off in the demand for flooring.

Beginning with September, the monthly reports of the Committee have with increasing emphasis explained and commented upon the unfavorable conditions which were developing. It was hoped that this information would be helpful to the industry in meeting an unusual situation. While the papers have endeavored to promote confidence and to convince the public that prosperous business is just ahead, the motive of the endeavor has been too transparent to be taken seriously, and we have assumed that you did not want to be misled in our reports by pulmotored optimism. Even now it is doubtful whether there is any material improvement in business not resulting from European requirements on account of the war and reports of such improvements have apparently been exaggerated. Until the plants which are running with reduced labor, reduced hours, or not at all, can get back to normal, we shall be unable to re-enter the promised land of business prosperity.

However, it does not require an abnormal demand for flooring to support fair prices. It is not so much the measure of the demand as it is the relation of supply to demand that determines the price basis of a commodity. Right now the relation of supply to demand is the really important factor in the flooring industry and nothing less than a consistent adjustment of it will result in any material improvement in present conditions.

The year 1914 has made a surprisingly good record for us notwithstanding unfavorable conditions.

The first quarter of the year made a better showing in every way than the first quarter of 1912, and about as good as the first quarter of 1913.

The first half of 1914 compared with 1913 shows a net increase of stock of about one million feet. However, the net average prices for this period averaged more than the first half of 1912 or 1913.

[fol. 314] During the last half of 1914 stocks increased 3,282 M ft. more than during last half of 1913. Prices were under those of 1913 and over those of 1912, and 1914 prices being considerably better than an average of 1912 and 1913.

The statistical reports issued by the Secretary show the comparative results for the year.

Early in the year this Committee recommended a plan for exchanging quotations which was adopted for a time by some of the members, but later it was abandoned. You have frequently expressed a desire for some workable plan which would protect you

from foolish and needless competition among yourselves. It was hoped that the systematic exchange of quotations would afford the relief longed for, but it is evident that there is a lack of confidence—

"That makes us rather bear those ills we have
Than fly to others that we know not of."

Until this feeling can be overcome there is little prospect of more effective team-work than heretofore.

Early in 1913 a Scientific Price List was made which represented a profit of 10% on F. O. B. mill prices. This was based on the then current values of lumber, the cost of labor, and the selling expense. The Price List has not been changed since that time. During 1914 it was decided to revise the data to show the present cost of manufacturing and selling flooring. This has been done, and the result is given in our monthly report of this date.

To demonstrate the importance of the relation between production and shipments under present depressed conditions you have lately been rquested each month to estimate your production of flooring for the following month. This information has been tabulated showing the estimates in detail together with the production and shipments of each member for the corresponding month in the previous year. This table also shows the estimated and actual production for the preceding month. This is all your Committee can do as its function is assumed to be a clearing-house of information for the members of the Association. Any improvement in the situation depends entirely upon your individual action.

In our monthly reports of market conditions we have endeavored to reflect, as accurately as the available data would permit, what has seemed to us a conservative average of conditions. Based upon statistical information and the prices you have reported, your Committee has made from month to month an estimate of the prices obtainable.

A review of the business follies of 1914 should leave with you a favorable impression of the work of this Association. The results achieved are probably without parallel in the lumber world during that period.

What would have happened to the flooring industry without an Association may be imagined from what did happen to other industries you know about.

[fol. 315] It seems to your Committee that no better demonstration could be had to show the value of the Association, and that its working methods are not only eminently fair and equitable to all concerned, but are also efficient and practical. While the year's results are not all we could wish, let us be thankful to the Association that they are no worse.

During the year 1914 ten meetings were held, with an average attendance of 73% of the Committee membership, and representing over 30% of the Association membership. The Committee is composed of ten members, representing 45% of the Association membership. As all of the members of this Committee are familiar with the details and experience of their respective sales departments, their

large average atendance has afforded a very complete exchange of information and views in regard to market conditions and current values from time to time. It may be of interest to note that two of the members attended all 10 meetings during the year, three attended 9 meetings, and the others attended 1, 4, 6, 7 and 8 meetings, respectively.

Once more your Committee wishes to express its appreciation of the information and statistics you have furnished from time to time, and also to acknowledge the efficient co-operation of our Secretary who has never yet refused to tabulate the statistics or to write up our reports. We admit confidentially that it has become quite the habit of the Committee to "Let George do it."

Respectfully submitted, Morris E. Thomas, Chairman; Dr. George W. Earle, George C. Wilce, B. P. Whedon, Charles T. Kerry, Earle L. Crossman, The Michigan Trust Co., Receiver of W. H. White Co., A. C. Wells, J. D. Staple, E. J. Gillouly, Market Conditions Committee.

[fol. 316] GOVERNMENT'S EXHIBIT No. 18-L

January Twenty-ninth, 1915.

Market Conditions Committee Report

To members.

GENTLEMEN: In analyzing the December statistics which were mailed you a few days ago, your Market Conditions Committee finds that stock conditions were more unfavorable on January 1st than on December 1st, stocks having increased during December to the extent of 2,680 M, bringing them on January 1st up to the large total of 40,631 M, 6,804 M more than on January 1st a year ago.

Unfilled Orders show a decrease of 5,703 M from January 1st, 1914, and are now below 12 millions, or only 29% of the stocks on hand.

December Shipments, 8,643 M, were of better volume than was anticipated at the previous meeting of the Committee, but were 2,348 M below December 1913.

The New Business Booked was 9,192 M, a decrease of 3,102 M, from December a year ago.

While December Production, 11,323 M, was 3,369 M less than December 1913, and 893 M less than November 1914, it is still excessive, measured by the demand, as it exceeds December Shipments and New Business Booked by 2,680 M and 2,131 M, respectively.

The 26 members who estimated their December production at 10,109 M, produced 9,839 M, a decrease of 270 M, and while this decrease is small it is gratifying because it indicates that each individual member is giving careful thought to his own production and is making an effort to harmonize it with his own trade requirements. The absolute necessity of doing this is apparent, when we consider that if the stocks on hand January 1st increase to the same extent

in January and February as they did in December we shall be confronted with a stock on March 1st of 46 millions. This would be within 500 M of the high point on March 1st, 1912, and the result will be a repetition of the disastrous experience that followed, as Maple Flooring touched its lowest point of the year in April and May when the average selling prices obtained by Michigan and Wisconsin mills were $36.15 for Clear, $30.82 for No. 1 and $16.87 for Factory, but we are likely to fare worse this spring than we did in the spring of 1912, because at this time our unsold stocks are five million more than on March 1st, 1912, to which must be added whatever the excess may be of production over shipments during January and February, if we wish to measure the probable decline in values after March 1st if our stocks on hand continue to increase.

Twenty seven members estimate their January production at 8,065 M against their production in January 1914 of 11,816 M, a decrease of 3,751 M, or 31.7%, but if the shipments of these 27 members amount to only 50%, as estimated, of their January 1914 shipments, which were 10 million feet, our stocks would show an increase of 3 million feet at the end of this month.

In discussing Current Net Values, the findings of the Committee, based on the best information obtainable, are that selling values of flooring, F. O. B. Cadillac, Frame A, are represented by concessions [fol. 317] that average $6.50 on Clear, $5.00 on No. 1 and $6.50 on Factory from the Table of Values of May 21st, 1913.

Manufacturing and Selling Costs

New data has been collected covering present manufacturing and selling costs of Maple Flooring and replies from 15 members representing 60% of the output of 1914 have been tabulated. The average of the replies received of the answers to the eight questions shows total manufacturing and selling costs of $11.68 per 1 M feet of flooring produced. Deducting the net profit of $1.12 derived from wood and other by-products of flooring lumber per 1 M feet of the flooring produced, leaves the actual cost per 1 M feet of flooring produced, $10.56. You will remember that in February 1913 the so-called Scientific List was constructed, founded upon the results of six test runs and based upon the market value of the rough lumber used and manufacturing and selling costs plus one-ninth to represent the 10% profit on sales, which is the minimum profit consistent with the hazards of a manufacturing industry. When the flooring product of the six test runs was priced at the market values current at that time it was found that flooring was being sold at 59 cents less than actual cost and that a horizontal advance of $4.68 was required to bring the selling prices to a basis that would cover actual cost plus 10% profit on sales.

In order to bring our Scientific List up to date a new table has been compiled on the basis of the same six test runs as follows:

1. The present market values of the raw material.

2. Present manufacturing and selling costs, less profit derived from wood and other by-products of flooring lumber.

3. Allowance of 20% for waste, the average as shown by new data.

4. One-ninth added for the 10% profit on sales.

We find the actual cost of 1 M feet of flooring sold is $35.22, and by a strange coincidence the selling price F. O. B. Cadillac, Mich., as stated in this report, when applied to the test run production, amount to exactly $35.22, the actual cost, so if a profit of 10% on sales is to be obtained a horizontal advance of $3.91 is required. Applying the table of values of May 21st, 1913, Frame A, to the flooring product of the six test runs, the average value of 1 M feet of flooring is $41.22, so the concessions from our delivered values should not exceed $2.50 on Clear, $1.00 on No. 1 and $2.50 on Factory if the manufacturers of flooring feel that they are entitled to a 10% profit on their sales.

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[fol. 318] GOVERNMENT'S EXHIBIT No. 18-M

February Twenty-fifth, 1915.

Market Conditions Committee Report

To Members.

GENTLEMEN: Every member but one of your Market Conditions Committee attended the meeting held in Chicago yesterday, so the findings embodied in this report reflect the consensus of opinion of practically the entire Committee.

Stock conditions on February 1st were substantially the same as on January 1st, except that Unsold Stocks increased 650 M. and now amount to the unprecedented total of 29,299 M, as against Unsold Stocks on February 1st, 1914, of only 11,112 M. Considering this heavy burden of Unsold Stocks, it is surprising that values have held as well as they have, and the Committee feels that the members of the Association should be thankful for the results that are being accomplished in spite of extremely adverse conditions.

The following table will show stock conditions in detail on February 1st, 1914-1915, and also on January 1st of each year:

Stock Conditions, per Cent Sold

	Maple, beech, and birch				2¼" face maple			
	Feby. 1st		Jany. 1st		Feby. 1st		Jany. 1st	
	1914	1915	1914	1915	1914	1915	1914	1915
Clear ...	86	38	66	35	145	74	88	61
No. 1...	74	27	57	28	148	46	99	43
Factory .	31	24	24	20	53	42	39	34
All	69	31	52	29	123	57	77	49

Compared with December, 1914, January shows the following decreases; in Shipments 1,102 M, in Production 1,702 M, and in New Business Booked 233 M. Stocks on hand increased during January 2,080 M, and Unfilled Orders increased 1,430 M during last month.

Compared with January a year ago, Shipments, Production and New Business Booked show decreases of 3,678 M, 3,387 M and 6,365 M respectively, while the Stocks on Hand on February 1st were 7,095 M more than a year ago, and the Unfilled Orders are 11,092 M less than at that time.

Overproduction

The only possible remedy to counteract present conditions is greater individual decreases in production in order to meet the decrease in demand. Our Stocks on Hand on February 1st were practically 43 millions. Flooring Manufacturing Information reports indicate that 26 members expect to produce 9 millions in February, and if our February shipments show the same per cent of decrease as our January shipments, stocks will increase 2½ millions during February, and the total on hand on March 1st will be about 45½ millions.

[fol. 319] While these facts confront us there is no reason to get panicky, but on the contrary there is every reason to Sit Tight And Not Rock The Boat. January and February are always the dullest months in the year in the flooring business and we have gotten through them in good shape, and if past experience is any guide the volume of shipments should begin to increase in March and April. This has happened every year, as the following statistics of shipments during the first six months of the last four years will illustrate. Why should it not happen again this year?

Shipments	1911	1912	1913	1914
January	10,292	9,632	12,494	11,219
February	11,631	10,023	12,617	10,835
March	14,079	13,526	14,432	13,204
April	12,847	14,632	15,322	12,672
May	13,574	15,565	14,999	13,508
June	12,928	15,631	14,728	14,364
	75,351	79,009	84,592	75,802

Current Net Values

Current Net Values during January, as reported by 21 members, held practically even with the findings of the Committee in its last report, and are represented by concessions of $6.50 on Clear, $5.00 on No. 1 and $6.50 on Factory from the Table of Values of May 21st, 1913. It should be stated, however, that some recent sales are reported as having been made at better values, but taking the field as a whole and the situation as a whole up to this date, values are practically unchanged:

Current Net Values, Group E, Michigan & Wisconsin Mills

Maple 2¼" face	January, 1913	December, 1914	November, 1914
Clear	$40.01	$40.18	$39.78
No. 1	35.34	35.25	35.36
Factory	20.41	19.84	20.71

To have held our own during the two dullest months of the year and in spite of rapidly accumulating stocks is something to feel proud of, and now that we are just approaching the time when a better demand for flooring may be reasonably expected, the last thing to do is to lose heart and sacrifice values, when there is absolutely no possibility of increasing the demand in times like these.

[fols. 320 & 321] Essential to Have Reports Before the 5th of Each Month

Because of the critical situation we are now in it is of the utmost importance that our statistical reports be in the hands of the membership very early in the month in order that the information in the reports may be of greater value to the Association. The Committee urgently requests that you make out your reports hereafter in time for them to be in the hands of the Secretary by the 4th or 5th of each month, so the Committee can hold its regular monthly meeting by the 8th or 9th and make its reports on the day following their meeting. This will place our statistics in the hands of the membership by the 10th of each month instead of during the last week in the month, as so frequently happens now.

May we not depend upon your co-operation in this respect, because after all it takes no more time to make out your reports on the 2nd or 3rd of the month than it does to make them out two or three weeks later, and at this particular time of all times there is nothing more important to us all than to have accurate information as quickly as possible regarding conditions which have such a direct bearing upon our own welfare.

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[fol. 322] January 30th, 1915.

John Schroeder Lumber Co., Milwaukee, Wisconsin.

GENTLEMEN: We are very sorry you were not present at the Annual Meeting held yesterday, as we had a good attendance and a very harmonious meeting.

The principal business transacted was the discussion of the annual reports, and the election of Officers and Trustees, and the appointment of the standing committees for the coming year. The same Officers and Trustees were re-elected, and the Trustees appointed the same members who served last year on the various committees to serve again this year.

I would like to urge upon you to carefully read and study the annual reports reviewing the work of the Association during the year, and especially the report of the Market Conditions Committee for December, which covers the data collected regarding manufacturing and selling costs, and to which is attached a table illustrating our so called Scientific List brought up to date. This table is figured on the basis of the present market value of the raw material, manufacturing and selling costs, and present selling values for flooring as applied to the six test runs which were used in the construction of the original Scientific List in 1913.

These six test runs were actual practical demonstrations in which a total of 1,790 M ft. of Lower Michigan Maple was used, and a record was made of the grades of each lot of rough lumber used, and of the grades of the flooring product obtained, and as the averages have been carefully computed and checked, you can rely upon the mathematical accuracy of the showing in the table.

Yours very truly, George W. Keehn, Secretary.

[fol. 323] GOVERNMENT'S EXHIBIT No. 18-N

October Twenty-second, 1915.

Market Conditions Committee Report

To Members.

GENTLEMEN: On September 1st we had 2,553 M 13/16 x 2¼" face Clear Maple Flooring on hand and this item was 214% sold. October 1st shows 2,329 M on hand and 246% sold, and only two members with 100 M or over on hand.

Particular mention of this conspicuous feature in the September statistics was made in our report last month but as it did not reach the members until about September 20th there was not the logical improvement in September prices which the statistical condition warrants.

It may seem strange that the impulse of this condition was not felt sufficiently to obtain better prices before the statistical information was available. The 2¼" face Clear Maple is our largest and most important item and should command a price in keeping with demand and supply. That it did not do so during September is apparent.

Was there a reason? We think there were several. But we are not so sure that we can analyze them. An attempt to do so, however, may be helpful by directing your thought to this subject.

1. On account of approaching winter and the usual decreased shipments during that season some of us may have assumed that the anticipated slackening in demand will offset the present favorable stock condition. Some have therefore continued to book orders ahead of production without insisting on a consistent price.

2. We have been drifting so long and the general lumber business has been so unfavorable that it may have seemed a hopeless effort for individual members to face about and obtain better prices. Little permanent progress up stream can be made unless there is a general disposition to pull together.

3. Attention has heretofore been called to an incorrect interpretation of one feature of our monthly reports. The current net values given each month are the findings of the committee based on the average of the prices reported as obtained during the previous month. They are never "recommended" prices. They are intended to reflect what members have done. Consequently, no one should hesitate to ask more than these net values, especially when already oversold. Besides the values reported would not be an average if they were not based on both the higher and lower. If all who were oversold on 2¼" Clear during September had asked at least the higher level for new business do you not think that this item would have shown a greater average advance than 21¢ per M during that month?

4. There are various methods of reaching the retail dealer. The most flexible and possibly the best method is to reach him yourself or by your own salesman. It enables one to maintain a higher level of prices on the list and to shade them instantly when it seems necessary to do so to get the order. But it is impractical to cover a large territory thoroughly in this manner.

[fol. 324] Another method is to reach the dealer through the wholesaler or by letter. This method is quite flexible and prices can be very readily adjusted to a competitive basis and quotations can be made with a short time limit.

A third method is to employ special representatives in various sections of the country whose relation to the manufacturer is similar to that of salesmen. This method is not flexible because such salesmen must be supplied with price lists which will enable them to meet the competition under the other methods and it is not practical to change these lists every week. Naturally, advances in such lists are made cautiously and conservatively.

The foregoing is offered in a spirit of co-operation. We are all in the same boat and must pull together if we — get better results. It does not rest with this committee to criticise the methods of any member nor could it accomplish anything by so doing. But if each member will think over the reasons for our failure to take advantage of an opportunity during September to get better prices for Clear Maple it may suggest to each of us how far we are individually responsible for the outcome. The efficacy of the Association is merely the sum total of that of its members.

In its report last month the Committee predicted that the shortage in 13/16 x 2¼" Clear Maple would be more pronounced during the fall months than on September 1st, because according to the best estimates available, current sales of that item are greater than its production. Our September statistics have verified this prediction, as on October 1st the stock sold was 3,403 M feet more than the stock

on hand compared with 2,914 M feet oversold on September 1st, an increase of practically half a million in its oversold condition. If a forecast of the stock conditions on February 1st of 13/16 x 2¼" Clear Maple could be made at the next meeting of the Committee, it would be of great value to the Association in estimating what prices it would be reasonable to expect would be obtainable for this item for the spring trade. If members have dependable information of this sort not later than December, it should protect them against booking stock orders for future shipment at lower prices than subsequent conditions will make necessary. With this end in view, will you please compile the following information for the use of the Committee and send it as soon as possible to the Secretary.

1. Quantity of 13/16 x 2¼" face Clear Maple you produced during the month of October.

2. Quantity of New Orders you booked for 13/16 x 2¼" Clear during the month of October.

3. Quantity of 13/16 x ¼" face Clear Maple you estimate you will produce during the months of November, December and January, listing each month separately.

Respectfully submitted, Morris E. Thomas, Chairman; Dr. George W. Earle, George C. Wilce, B. P. Whedon, Charles T. Kerry, A. C. Wells, J. D. Staple, of Market Conditions Committee.

[fol. 325] GOVERNMENT'S EXHIBIT No. 18-O

March 31st, 1915.

To Members.

GENTLEMEN: Will you please fill out and return as quickly as possible the enclosed blank report forms, so the Market Conditions Committee can hold its regular monthly meeting very early in April?

Would you be in favor of holding a general meeting of the Association in April, say on the 14th or 15th, and will you attend the meeting if it is called? At the last meeting of the Market Conditions Committee, Dr. Earle and other members expressed the view that it would be desirable to hold a general meeting of the Association in April, provided a good attendance was assured. Please let us hear from you so Dr. Earle can be governed accordingly in regard to calling a meeting.

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[fol. 326] GOVERNMENT'S EXHIBIT No. 18-P

April 15th, 1915.

John Schroeder Lumber Co., Milwaukee, Wisconsin.

GENTLEMEN: Enclosed please find statistical reports for March and for the first quarter of 1915, and the report of the Market Conditions Committee.

We trust you will take time to study these statistics, and read the report of the Market Conditions Committee, which was accepted by the Association at the meeting held today.

The general meeting was well attended, 21 members being present, and a report of the proceedings of the meeting will be sent you tomorrow.

Yours very truly, George W. Keehn, Secretary.

[fol. 327] April 15th, 1915.

Market Conditions Committee Report.

To Members.

GENTLEMEN: In discussing flooring conditions at our meeting yesterday, we find that all things considered March, 1915, compares quite favorably in all essential features with March, 1914, with the exception of the amount of Unfilled Orders on our books on April 1st this year, which are 11½ millions, or 42% less than on April 1st, 1914.

Stocks on Hand April 1st are only 2,827 M more than a year ago, thanks to the decrease in March of 2,631 M in Production, and the unexpectedly large shipments, which amounted to 12,739 M, and were only 465 M, or 3½% less than in March last year. When your Committee met on March 11th it was then too early in the month, as stated in that report, to closely estimate the March shipments, and as the outlook at that time was none too favorable, the Committee conservatively estimated a possible decrease of one-third in March shipments, compared with March, 1914, and in view of this possibility the members were cautioned to pursue a conservative policy in production. It is gratifying, therefore, to note the decrease of 2,631 M in output from the amount produced last year, and this reduction in output coupled with the large volume of March shipments resulted in a decrease of 1,664 M during the month of March in our Stocks on Hand.

The New Business Booked, 12,352 M, should be considered of satisfactory volume in view of the feeling of uncertainty prevailing in the lumber world, and the inclination on the part of buyers to go slowly and play a waiting game. This disposition not to stock up heavily, and to delay the placing of orders until the time has almost arrived when the flooring is needed for use, accounts to a considerable extent for the relatively small amount of our Unfilled Orders during the first quarter of 1915, compared with like period in 1914 and 1913. There has been, however, the customary seasonal

betterment in the percentages sold of 2¼" face Maple Flooring. In 1915 the Clear, No. 1 and Factory improved 39 points, 16 points and 3 points respectively, with an improvement in all grades of 21 points from January 1st to April 1st. While these changes are not as great as in 1914 and 1913, it should be a source of satisfaction to know that all of the 2¼" face Clear Maple Flooring on hand or its equivalent is now sold.

While stocks decreased in March this year 1,664 M, compared with an increase in March, 1914, of 502 M, their present magnitude carries the emphatic warning that the danger of overproduction must still be carefully guarded against, and that each member should avoid producing more flooring than is needed to meet the requirements of his own trade. Because on April 1st this year only 38% of Maple, Beech and Birch stocks were sold, as against 70% on April 1st last year. Expressed in feet, this means our unsold stocks are now 25,683 M versus 11,406 M, or 2¼ times as much as a year ago. [fol. 328] Compared with February, 1915, March shows increases of 3,816 M or 43% in Shipments, and 590 M or 5% in New Business Booked, while in March, 1914, the Shipments and New Business Booked were respectively 2,369 M (22%) and 587 M (4%) greater than in February, 1914.

You will be interested in analyzing the statistics for the first quarter of 1915, and comparing them with the first quarter of 1914. You will note the Shipments were only 6,055 M (17%) less than the first quarter of 1914, and that Production was 10,032 M (25%) less, and New Business Booked 11,228 M (also 25%) less than in the first quarter of 1914. As Production exceeded Shipments 619 M, stocks show an increase of like amount since January 1st. During the same period in 1914 and in 1913 stocks increased 4,596 M and 5,109 M, respectively. While stocks are much larger now than are required for the volume of shipments, we should feel gratified that the attention given to the subject of Production during the dull winter months kept our Stocks on Hand from increasing only 619 M since January 1st.

Current Net Values.—In our last report of March 12th we found Current Net Values in February were represented by concessions of $6.50 on Clear, $5.00 on No. 1 and $6.50 on Factory from the Table of Delivered Values of May 21st, 1913. While March net values obtained in some territory resulted in recessions from the values secured in February it would seem that taking the general market as a whole the concessions mentioned still reflect the average concessions that were made in booking a large majority of the new orders taken during March. In view of the large volume of shipments in March it would appear that these concessions were greater than were actually necessary to effect sales, and that had the members been aware of the liberal movement of flooring last month that prices would have held firmer. Taking into account the large shipments for March, and the fact that April shipments usually show an increase over March, a majority of the Committee inclines to the opinion that values now obtainable are $6.00 off on Clear, $4.50 off on No. 1, and $6.00 off on Factory, and that the manufacturers should feel justified in expecting to realize that basis in making

quotations and sales, Provided Always that Production does not exceed demand, and that Stocks on Hand will be reduced as rapidly as possible from their present high altitude.

Again the Committee wishes to respectfully urge every member of the Association to make the Current Net Values report so that the Committee will have more complete information upon which to base its findings. Will you not do this, not only for your own good, but for the good of the industry as well?

Flooring Manufacturing Information.—In sending out the forms on March 31st for Flooring Manufacturing Information for April, it was the consensus of opinion of the Committee that Shipments in April, 1915, were likely to show a decrease of 21% from April, 1914. Should this estimate hold good the 27 members who reported their expected production for April as 9,627 M would ship 8,700 M, and this would result in an increase of over 900 M in Stocks on Hand on May 1st. This would be an unfortunate condition, and it is hoped that some of the members have overestimated their probable Production for this month, and that they may be in a position to revise their manufacturing operations during the last half of the month.

Respectfully submitted, Morris E. Thomas, Chairman; Dr. George W. Earle, George C. Wilce, B. P. Whedon, Charles T. Kerry, Earle L. Crossman, E. J. Gillouly, A. C. Wells, of Market Conditions Committee.

[fol. 329] GOVERNMENT'S EXHIBIT No. 18-Q

April 16th, 1915.

John Schroeder Lumber Co., Milwaukee, Wisconsin.

GENTLEMEN: The General Meeting of the Association held yesterday was very well attended, as 21 members were present and only 8 absent. The following is an outline of the principal business transacted:

1. The report of the Market Conditions Committee was discussed and on motion accepted and a copy ordered sent to each member of the Association. The members were pleased with the results of March business, and feel that the unexpectedly large shipments last month give good grounds for encouragement and that if production is held well in hand, so that Stocks on Hand are reduced, that better values for flooring should be obtainable.

The rates of freight from Cadillac have been carefully checked over and revised to date, and new fillers for the Rate Books are now being printed and will be sent to the membership next week. Please advise promptly how many fillers you will want for your Rate Books.

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3. The Secretary reported that the memorandum of agreement to discontinue the boring of dressed and matched flooring on July 1st, 1915, had been traveling back and forth among the members of the Association, and that it had now been signed by 25 members, and that the signatures of the following non-member manufacturers had been obtained:

North Branch Flooring Company, Chicago.
Herman H. Hettler Lumber Co., Chicago.
Chicago Maple & Oak Flooring Co., Chicago.
Ward Brothers, Big Rapids, Michigan.
William Horner, Reed City and Newberry, Michigan.

The agreement, which is now in Chicago, will be sent to the remaining members in the northwest to whom it has not yet been submitted for signature.

The Advertising Committee was instructed to get out some literature for the members to distribute among their customers for the [fol. 330] purpose of educating the users of Maple Flooring, and the public generally, to the effect that the boring of flooring is no longer desirable or of practical use, because of the improved wire nails now used, and the modern method of laying hardwood floors, as set forth in the Association Official Flooring Book on pages 31 and 33.

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[fol. 331] GOVERNMENT'S EXHIBIT No. 18-R

May Twenty-sixth, 1916.

Market Conditions Committee Report, April Statistics

To members.

GENTLEMEN: At the meeting of the Market Conditions Committee held in Chicago yesterday flooring conditions, as reflected by our April statistics, were thoughtfully considered, and the Committee finds as follows:

Statistics of corresponding membership compared with April 1915:
Stocks on May 1st are 1,216 M (3.2%) less than a year ago.
Unfilled Orders are 11,219 M more than a year ago. This is a remarkable gain of 77.8%.
Shipments are 430 M (3.5%) more than last April.
Production is only 202 M (1.9%) more than last April.
New Business Booked is 801 M (6.6%) more than last April.
Stocks decreased in April 1,240 M, as against a decrease last April of 1,402 M.

The following table compares April 1916 with March 1916, and April 1915 with March 1915:

	April-March, 1916	April-March, 1915
Stocks	Decreased 1,240 M	Decreased 1,402 M
Unfilled Orders	Increased 799 "	" 672 "
Shipments	" 638 "	Increased 330 "
Production	Decreaed 2,041 "	" 323 "
New Business Booked	" 935 "	" 523 "

Stock conditions improved materially all around:

M. B. & B.—Clear up 2 points, No. 1 up 8 points, Factory up 3 points, the three grades up 5 points during April.

Compared with a year ago: Clear up 22 pints, No. 1 up 38 points, Factory up 41 points, all three grades up 32 points.

Maple.—Clear up 7 points, No. 1 up 10 points, Factory up 3 points, all three grades up 7 points during April.

Compared with a year ago: Clear up 33 points, No. 1 up 40 points, Factory up 40 points, all three grades up 36 points.

Maple 2¼" Face.—Clear up 21 points, No. 1 up 8 points, Factory down 2 points (from 106% to 104%) all three grades up 8 points during April.

Compared with a year ago: Clear up 73 points, No. 1 up 48 points, Factory up 71 points, all three grades up 57 points.

[fol. 332] Surpluses.—Surpluses are 11 less in Clear, 11 less in No. 1 and 8 less in Factory, and 30 less in all three grades than a year ago, and are 6 less in Clear, 3 less in No. 1 and 1 less in Factory, making 10 less in all three grades than a month ago.

These reductions in the number of surpluses indicate that warehouse conditions average very easy, and consequently offer no reason for sacrificing values. And by the way it has been several years since the Committee collected data regarding warehouse capacity, and as a good many changes have no doubt occurred since then, the Committee would like new reports from the members regarding the maximum and ordinary capacity of their warehouses, so the information in the hands of the Committee will be up to date. Will you kindly fill out and return to the Secretary the enclosed blank report form?

Production.—The relations of Production with Shipments and New Business Booked are the most favorable of any month so far this year. Calling Production the base, or 100%, the Shipments and New Orders are equal to 115% and 118%, respectively, of the Production.

April, 1916

Production	10,977 M	100%
Shipments	12,607 "	115%
New Orders	12,929 "	118%

Current Net Values.—Reports from 21 members show average gains in Current Net Values obtained during April compared with

March, and using Group E Mills as the basis of comparison we find that No. 1 is up 32 cents, Factory is up 39 cents and that Clear held practically even. Compared with April, 1915, Clear is up $2.75, No. 1 up $1.07, Factory up $1.22, a gain of $1.93 over April a year ago on the entire product, on the basis of 50% Clear, 35% No. 1 and 15% Factory. This gain is nothing to gloat over, however, as it represents only 5½% to 6% on the value of the product, which has been more than taken care of by the advance in the value of the rough lumber, and the higher costs of manufacturing, etc.

In its report last month the Committee found the selling values of flooring were then represented by concessions of $3.00 on Clear, $3.00 on No. 1 and $4.00 on Factory, but as better prices for No. 1 and Factory were obtained during April the Committee considers the present market established at $3.00 off on Clear, $2.50 off on No. 1 and $3.50 off on Factory from the Table of Delivered Values of May 21, 1913.

Minimum Price Plan.—The Special Committee appointed to work out the details of the Minimum Price Plan is sorry to report that it still lacks the signature of one member of the Association, and consequently the Plan cannot take effect on June 1st, as proposed. It is hoped the missing signature will be obtained next week, and if it is the Plan will go into effect on July 1st instead of June 1st, as the time would be too short to get all the details of the Plan in the hands of the membership in time to become operative on June 1st.

[fol. 333] Warehouse Capacity

Ordinary capacity for convenient handling of stock..... M ft.
Maximum capacity ..... M ft.
Do you intend to increase the present capacity by making additions or building new warehouses, and if so to what extent? ..... M ft.
No. 17.

[fol. 334] If the Minimum Price Plan is finally consummated its duration will be for sixteen months just the same, but will run from July 1, 1916, to November 1, 1917. This change was adopted by the members of the Market Conditions Committee who were present yesterday, and who have signed the agreement, and it is hoped it will be acceptable to the other members of the Association who have already signed the agreement, as it simply means a postponement of one month in the date the Plan is to take effect; in other words a month would be taken off at this end and added on to the other end, so the duration of the agreement will not be changed.

The new Rate Book, containing the Index of Towns and Table of Values of May 15th, 1916, is not in type and will be printed within a very few days, and new sets of fillers will be sent to the members for their Rate Books as soon as received from the printer.

Respectfully submitted, Morris E. Thomas, Chairman; Dr. George W. Earle, George C. Wilce, B. P. Whedon, William E. Cox, E. J. Gillouly, A. C. Wells, J. D. Staple, of Market Conditions Committee.

[fol. 335] GOVERNMENT'S EXHIBIT No. 18-S

May 8th, 1917.

John Schroeder Lumber Company, Milwaukee, Wis.

GENTLEMEN: Replying to yours of the 4th, LJK, we enclose herewith Table of Values of January 26th, 1917, covering 13/16" Maple Flooring; also a Table of Values of January 27th, 1917, covering 3/8" Flooring. The index letter for Milwaukee is H, as you, of course, know.

The following are the Concessions now in effect on 13/16" x 1½", 2", 2¼" and 3¼" Faces D. & M.:

	Maple	Beech	Birch
Clear	$1.00	$4.00	$2.00
No. 1	1.00	4.00	3.00
Factory	1.00	1.00	1.00

No values have been recommended on 3/8" Flooring, but the Table of Values of January 27th seemed to ref-ect at that time the consensus of opinion of the manufacturers of Flooring.

Because of the higher prices of rough Maple lumber and the increase in the cost of manufacturing Flooring, it was recommended that an advance of $2.00 be made, effective May 1st over the Values for 13/16" mentioned in my letter of April 25th.

[fol. 336] GOVERNMENT'S EXHIBIT No. 18-T

Maple Flooring Manufacturers' Association, Chicago

May 18, 1917.

Market Conditions Committee Report, April Statistics

To Members.

GENTLEMEN: The regular monthly meeting of your Market Conditions Committee was held today, and all the members of the Committee were present excepting Mr. Kerry and Mr. Strable, who were unable to attend.

The flooring situation as reflected in our April Statistics shows a decided improvement in stock conditions compared with a month ago, and a very decided improvement over May 1st, a year ago. You will note by studying the Barometer Sheet that all points are "Up," and that Maple 2¼" face Factory has attained the pinnacle. It is now 444% sold, which is the very highest point sold of all high points sold in any kind of flooring in the history of the Association.

In exchanging trade experiences, members of the Committee report the demand strong for Factory and No. 1, particularly for Factory, and it is their opinion that this demand will continue strong and grow stronger on account of the class of buildings now

in course of construction and which are likely to be built during the summer and fall. It is the view of the Committee that on account of the oversold condition of Factory and the heavy prospective demand for it that much higher prices than present values can be readily obtained. As the No. 1 grade moved up 62 points during April and as the demand for it seems likely to increase, it should also command higher levels of value. The Clear grade also improved 42 points last month, and as it is now 236% sold, its present selling basis is more than justified by its statistical position.

The large volume of New Business Booked in April, 15,443 M, shows a handsome gain over March Bookings, and it is thought that the New Business Booked during the first ten days of May at quotations made prior to May 1st was also of heavy volume. The members of the Committee report booking considerable new business at the prices recommended as at May 1st-10th.

Our Production last month was a million and a half less than Shipments, and five and a half millions less than New Business Booked, and as the New Business Booked was four millions more than the Shipments, flooring conditions on May 1st are correspondingly stronger than a month ago. These conditions, coupled with the higher market prices rough Maple lumber is bringing and the frequent increases in wages and other manufacturing costs, confirm the probability of an advancing market for flooring, especially in the Factory and No. 1 grades.

[fol. 337] Because of the proposed advance of 15% in freight rates the Committee wishes to suggest to the members of the Association that it would be wise to take the precaution of making all quotations subject to advances in freight, in order to protect themselves, should the Interstate Commerce Commission grant the request of the railways for an increase in freights.

The opinion was expressed that the present Spreads between Clear and No. 1 and between No. 1 and Factory are larger than are justified by market conditions, and we would be glad to have your views on this subject. The Secretary will send you blank forms requesting an expression from you in the form of a vote for our guidance, so we can consider the question at our next meeting and make some recommendation to the Association.

The present Spreads between Maple 13/16" x 2¼" Face Clear and No. 1 is $6.00, and between No. 1 and Factory $14.50, which appear excessive in view of the relative demand for and the intrinsic values of the different grades. It looks like a famine in Factory when it is sold 444% with an increasing demand.

Respectfully submitted, Morris E. Thomas, Chairman; Dr. George W. Earle, George C. Wilce, B. P. Whedon, William E. Cox, E. J. Gillouly, A. C. Wells, J. D. Staple, of Market Conditions Committee.

[fol. 338] Spreads

Table of M. P. P. Values—January 26, 1917—Maple

Frame A, F. O. B. Cadillac Basis, Corrected to Correspond with M. P. P. Values in Effect May 1, 1917

	13/16"	1¼"	2"	2¼"	3¼"
Clear	$50.00	$49.00	$51.00	$46.50	
No. 1	37.00	43.00	45.00	43.50	
Factory	20.50	28.50	30.50	33.50	

The following tables express our opinion of the Spreads between the different grades and faces of Maple Flooring which should prevail according to present market conditions, using the 13/16" x 2¼" Face Clear as the basis of comparison:

Frame A—M. P. P.—Values, F. O. B. Cadillac Basis—May 1, 1917

	13/16"	1¼"	2"	2¼"	3¼"
Clear	$50.00	$48.00	$51.00	$47.00	
No. 1	40.00	42.00	45.00	42.00	
Factory	28.00	31.00	35.00	38.00	

Thick Flooring

Add to price of same face and grade in 13/16" D. & M. Maple.

1-1/16"	Clear	$2.00	No. 1	$2.00	Fcty.	$2.00
1-5/16"	"	3.00	"	3.00	"	2.00
1-11/16"	"	4.00	"	3.00	"	3.00

Jointed Flooring

Add to price of same face and grade in 13/16" D. & M. Maple.

No difference

13/16"	Clear	$....	No. 1	$....	Fcty.	$....
1-1/16"	"	.....	"	.....	"	.....
1-5/16"	"	.....	"	.....	"	.....
1-11/16"	"	.....	"	.....	"	.....

Differentials from Maple on Beech and Birch

	Clear	No. 1	Factory
Beech	$.....	$.....	$.....
Birch	.....	.....	.....

No. —.

M. C. C. 5-25-17.

(Corporate Seal of Berghoefer & Lubinski Manufacturing Co., Milwaukee, Wis. 1894.)

[fol. 339] GOVERNMENT'S EXHIBIT No. 18-U

Market Conditions Committee Report, June Statistics

To members.

GENTLEMEN:

Welcome Home.—The members of the Market Conditions Committee were very glad to have with them at their meeting yesterday, Captain E. J. Gillouly of Foster-Latimer Lumber Company, who has just returned from overseas, after about a year and a half in the service, principally in France, as Captain of Company E, 6th Battalion, 20th Engineers (Forestry). The Captain is glad to get back into the flooring game again and finds that conditions, values, listings, etc., have indeed changed while he was away.

* * * * * * *

All Records Broken.—Never before in the history of the Association has there been such an oversold stock condition, particularly in respect to the Maple 2¼" face. The clear is sold 749%, the No. 1 grad- 414% and Factory 401%, all three grades 529%. Expressed in feet, the Clear is oversold 12½ millions, the No. 1 grade 7½ millions and the Factory over 3½ millions, making a total of 23½ millions more 13/16" x 2¼" face Maple sold than was on hand on July 1st. It looks as if it would take the equivalent of nearly all the 2¼" face Maple that will be produced during the next four months or so to fill old orders.

The June business of the same 29 members compares with May as follows:

June-May, 1919, Compared, Same 29 Members

	Stocks	Orders	Shpmts	Prodn	N. B. B.
July 1...	20,210 M	46,354 M	14,998 M	10,939 M	18,926 M
June 1...	25,033 "	41,049 "	12,955 "	10,727 "	22,534 "
Decrease..	4,823 M	.....	.....	.....	3,608 M
Increase..	.....	5,305 M	2,043 M	212 M	.....
Per Cent..	19.3%	12.9%	15.8%	2%	16%

Current Net Values.—Current Net Values for June reflect the advance adopted in May, but as the advance adopted in June did not take effect until June 19th, with the customary ten days in which to protect outstanding quotations, it was not to be expected that a large volume of new orders would be booked in June at the new June prices. Current Net Values for July, however, will reflect the June 19th M. P. P. Basis.

[fol. 340] Survey of Costs.—Surveys of Costs for the 2nd quarter of 1919 were received from ten members whose flooring operations are typical of the average of the industry. Their reports indi-

cate an advance in Manufacturing and Marketing Costs of $1.29 over the previous survey. The gross cost is $22.14 less wood $2.22, leaving the net cost $19.92 compared with $18.63, according to the preceding survey. The market value of rough flooring lumber has also advanced. The Committee felt that it should be conservative and that it would be better to be too low than too high regarding the average current market value of lower Michigan, upper Michigan and Wisconsin 4/4 Maple Flooring stock. Based upon information regarding recent sales, not asking prices, the Committee concluded that $3.00 would represent the advance on the flooring lumber. This would equal $3.66 advance in the cost of 1,000 ft. of flooring (counting 18% waste) in arriving at the selling basis of the product. Using the composite results of the seven test runs, as per our revised statement of May 15, 1919, it works out as follows:

Cost of 1,000 ft. of flooring sold	$56.34		
To cover $3.00 advance on flooring lumber, counting 18% waste. Add	3.66		
Add increase in Manufacturing and Marketing Costs from $18.63 to $19.92	1.29		
		$61.29	
Add one-ninth to give 10% profit on sales		6.81	
			$68.10
Value of Seven Test Run flooring product per statement of May 15th.....	$58.98		
Add advance of June 19th	6.00		
		64.98	
Horizontal advance required.....		3.12	
			$68.10

Committee's Recommendations.—In view of cost conditions the Market Conditions Committee recommended a horizontal advance of $3.00 and the recommendation was immediately telegraphed to all the other members of the Association as follows:

"Because of increased costs Market Conditions Committee recommends horizontal advance of Three ($3.00) Dollars effective today. Please wire approval today."

At this writing we have received affirmative replies from all but one member of the Association, and we are expecting to hear from him during the day.

Some of the replies which we quote below favored a larger advance than $3.00.

Members' Replies.—No. 7 I. Stephenson Co.—"Why stop at three make it ten getting four to six over that now."

No. 14 Cummer Diggins Co.—"Think should be five dollars but will abide by recommendation."

No. 29 Welsh & Kerry Co.—"Your telegram at hand saying Market Conditions Committee recommends horizontal advance of $3.00, which is very satisfactory to us. However, we had already advanced our 2¼" price $5.00 per thousand feet and we are not very wild for orders at that price."

[fol. 341] No. 49 Bigelow Cooper Co.—"Approve three dollars advance should have been at least five."

No. 6 Thomas Foremon also favored an advance of $5.00.

The recommendation of the Committee is, therefore, adopted, effective July 17th, with the understanding that members who may wish to do so, may protect up to July 28th inclusive, old outstanding quotations made on or before July 17th. New Concession Sheets will be sent you as soon as received from the printer.

While discussing trade conditions and before the recommendation of the $3.00 advance was decided upon several members of the Committee stated that because of their own stock conditions they had already advanced their prices $3.00 to $4.00 and were not very anxious for new business on that basis, and after the recommendation of $3.00 was adopted, they expressed their intention of asking $2.00 or $3.00 more than the new recommendation. So, if any members of the Association feel that the recommendation of the Committee is too low or is at a lower basis than they wish to take new orders at, they can, of course, pursue the same course and ask more than this new MPP Basis.

It should always be remembered that the MPP is a minimum price not a maximum price.

Values of 3/8".—The Committee discussed the market value of 3/8" flooring, which is also oversold to a greater extent than ever before in the records of the Association, especially the Clear grade. It was the view of the Committee that a horizontal advance of $5.00 on 3/8" Clear and No. 1 be recommended, and the Secretary was instructed to have a new Table of Values covering the 3/8", printed and mailed to the members. Please bear in mind that the 3/8" prices do not carry any concession, but are net, being subject only to commissions to your Registered Special Representatives and to Registered Wholesalers and Commission Men.

Get Rid of Odds and Ends.—Your Committee also wishes to suggest that because of the scarcity of staple items of flooring and their oversold condition that it is an opportune time to work off odds and ends and what are ordinarily slow selling items of flooring. If you cannot quote on or furnish flooring of any given items because of having none in stock, or because you are heavily oversold, you may have something else on hand that you can offer to your customer that will answer his purpose and which he will be glad to buy.

Respectfully submitted, M. E. Thomas, Chairman; B. P. Whedon, W. B. Earle, Chas. T. Kerry, Wm. E. Cox, E. J. Gillouly, A. C. Wells, J. D. Staple, of Market Conditions Committee.

Uniform Matching.—After the adjournment of the Market Conditions Committee meeting the question of Uniform Matching was discussed informally, and Mr. Kerry said he would follow it up as Chairman of the Grades Committee, with the other members of the Grades Committee, with the view of getting expressions from all the members of the Association as to whether or not they would be in

favor of adopting uniform matching. Flooring stocks are quite low now and it looks like an opportune time to adopt uniform matching, to take effect say, along about September 1st or October 1st, at which time stocks may be even lower than they are now if the shipments continue to exceed the production as in June.

You will recall that the matchings of seven mills were uniform and that the seven sample pieces from Nos. 2, 3, 5, 6, 14, 43 and 49 went together perfectly and fitted as well as if all of them had come from one machine. This looks like a good start towards unifying the matching so why not push it along and bring it to a happy conclusion.

[fol. 342] GOVERNMENT'S EXHIBIT No. 18-V

August 21, 1919.

Market Conditions Committee Report, July Statistics

To members:

GENTLEMEN: Your Market Conditions Committee met yesterday and after a careful study of the flooring situation as reflected in our July Statistics, wishes to submit to you the following report:

Unprecedented Stock Conditions.—There has been an extraordinary improvement in stock conditions and the per cent sold of Maple 2¼" face has now reached an altitude never before experienced in the industry. The following table will give you a bird's-eye view of the conditions of 2¼" face Maple in M feet and in percentages sold:

	Stocks on hand	Unfilled orders	Per cent sold
Clear	1,207 M	14,364 M	1,190%
No. 1	2,201 "	9,384 "	427 "
Factory	1,275 "	5,853 "	459 "
All Three	4,683 M	29,601 M	632%

This means that twelve times as much Clear, over four times as much No. 1, four and one-half times as much Factory, and over six times as much of all three grades were sold on August 1st as there were Stocks on Hand on that date.

It would seem that the old time practice of selling ahead for deferred delivery is not well suited to this kind of a market in view of advancing costs all along the line.

The Barometer sheet tells the story of stock conditions and other statistics compared with July 1918.

July and June 1919.—The statistics of the same 28 members for July and June 1919 compare as follows:

July-June Compared, Same 28 Members

	Stocks	Orders		Shp'm'ts	Prod'n	N. B. B.
Aug. 1.....	16,658 M	46,896 M	July	14,874 M	12,073 M	15,612 M
July 1.....	20,020 "	46,352 "	June	14,938 "	10,939 "	18,866 "
Decrease	3,362 "	.....		64 "	.....	3,254 "
Increase	.....	544 "		.....	1,134 "	.....
Per cent.....	16.8%	1.2%		4%	10.4%	17.2%

Current Net Values.—Current Net Values for July reflect the advances in values which occurred on June 19th and on July 17th, and as a large amount of new business was booked in July and August by many of the members at higher than the M. P. P. Basis of July 17th, the indications are that the Current Net Values for August are certain to show a material betterment over July.

Current Net Values realized by Group E Mills in July and June 1919 were as follows:

Current Net Values July-June, Group E Mills

13/16 x 2¼" Maple

1919	Clear	No. 1	Fact'y	The product
July	$71.94	$68.07	$56.11	$68.21
June.....	65.10	59.80	48.90	60.82
Increase.	6.84	8.27	7.21	7.39
Per Cent.....	10.5%	13.8%	14.7%	12.2%

[fol. 343] August Forecast.—The experience during the first 18 days of August of the Committee Members who attended the meeting yesterday indicates that August is likely to show increases over July of about 7% in Shipments, about 18% in Production and about 15% in New Business Booked, assuming that the other members of the Association have had similar trade conditions during the first 18 days in August, and also assuming that the last 13 days in August will work out proportionately with the first 18 days. The opinion was expressed, however, that this may not prove true with respect to Shipments and New Business Booked, because of a growing scarcity of cars at some shipping points and inability to take on new business because of unfilled orders now on hand.

Raw Material Higher.—Since the last meeting of the Committee there has been an advance in the market value of rough flooring lumber, according to reliable information given to the Committee in regard to several recent sales on the open market. If the advance in the rough lumber and the steady increases in Manufacturing and Marketing costs were fully met, an advance of $10.50 in the M. P. P. Basis would be required, but in view of all conditions, the Committee recommends horizontal advances of $6.00 on Clear, $6.00 on No. 1 and $5.00 on Factory 13/16" and thicker Maple, Beech and Birch

flooring, effective immediately with the understanding that old quotations now outstanding may be protected, if desired, up to August 30th inclusive.

M. P. P. Recommendations.—Many members of the Association are now getting and have been getting for sometime considerably more than the M. P. P. Basis adopted July 17th; in many instances the prices obtained being as much as $8.00 or $9.00 above that basis, so as a matter of fact, the proposed new M. P. P. Basis considered as a whole hardly affirms the general market condition which already exists.

Please advise the Secretary immediately upon receipt of this report whether or not you concur in the recommendation of the Committee, and if the recommendations are adopted, new Concession sheets will be printed and mailed you at once.

Other Recommendations.—The Committee wishes to make the following other recommendations:

3/8"—Advances of $5.00 on Clear and $5.00 on No. 1.

Differentials on Special Grades

13/16":

White Clear Maple $20.00 more than Clear Maple.
Red Clear Beech $25.00 more than Clear Beech.
Red Clear Birch $25.00 more than Clear Birch.

3/8":

White Clear Maple $15.00 more than Clear Maple.
Red Clear Beech $20.00 more than Clear Beech.
Red Clear Birch $20.00 more than Clear Birch.

13/16" Clear Birch.—It seems that Clear Birch flooring is now commanding a premium over Maple, as several members of the Committee stated that they are now getting $5.00 to $10.00 more for 13/16" Clear Birch than for Clear Maple. Those of you who are manufacturing Birch flooring will be especially interested in this information.

Respectfully submitted, M. E. Thomas, Chairman; B. P. Whedon, W. B. Earle, Chas. T. Kerry, Wm. E. Cox, E. J. Gillouly, J. D. Staple, of Market Conditions Committee.

[fol. 344] GOVERNMENT'S EXHIBIT No. 18-W

Pending the printing of the New Table of Values Based Upon Average Cost dated January 6, 1921, the Minimum Price Basis effective during the first quarter of 1921, is represented by the following Concessions, Additions and Differentials, using the Maple 13/16" D. & M. as the base:

Table of Values of November 19, 1920

13/16":

Maple Clear 1½" face.....Concession $27.00
Maple, all other items of 13/16".....Concession $25.00

Differentials as per Table of Differentials Below

Beech—$10.00 less than Maple.
Birch—Clear $5.00 more than Maple.
Birch—No. 1 and Factory same as Maple.

M. B. & B. Thick D. & M.:

1 1/16" All Grades—$5.00 more than Maple 13/16".
1 5/16" All Grades—$7.00 more than Maple 13/16".
1 11/16" All Grades—$8.00 more than Maple 13/16".

M. B. & B. Jointed:

13/16" All Grades—$ 3.00 more than Maple 13/16" D. & M.
1 1/16" All Grades— 8.00 more than Maple 13/16" D. & M.
1 5/16" All Grades— 10.00 more than Maple 13/16" D. & M.
1 11/16" All Grades— 11.00 more than Maple 13/16" D. & M.

The 2½" face, same as 2¼" face of same grade, thickness and wood.

The 3", 3½" and 4" faces, same as 3¼" face of same grade, thickness and wood.

Differentials on Special Grades 13/16"

White Clear Maple $20.00 more than Clear Maple.
Red Clear Beech $20.00 more than Clear Beech.
Red Clear Birch $20.00 more than Clear Birch.

Differentials on Extra Shorts 13/16"

Clear Maple, Beech or Birch 2" or 2¼" face under 22", $25.00 less than standard lengths of Clear, same wood and face.

Clear Maple, Beech or Birch 1½" face under 22", $35.00 less than standard lengths of Clear, same wood and face.

No. 1 Maple, Beech or Birch 2" or 2¼" face under 16", $20.00 less than standard lengths of No. 1, same wood and face.

No. 1 Maple, Beech or Birch 1½" face under 16", $30.00 less than standard lengths of No. 1, same wood and face.

⅜" Table of Values of November 19, 1920

Maple or Beech, Clear and No. 1 Concession $25.00.
Birch Clear $5.00 more than Maple or Beech.
Birch No. 1—Same as Maple or Beech.
White Clear Maple—Add $15.00 to Clear Maple.
Red Clear Beech—Add $15.00 to Clear Beech.
Red Clear Birch—Add $15.00 to Clear Birch.

Commissions

A Commission not exceeding $2.00 may be allowed to your own Registered Special Representative or a Commission not exceeding $1.50 may be allowed to Registered Wholesalers and Commission Men.

Your Registered Special Representative may allow the Wholesaler's Commission of $1.50 when selling Registered Wholesalers and Commission Men, but the Commission to be paid to your Registered Special Representative on his sales to Registered Wholesalers and Commission Men to whom he allows the $1.50 Wholesaler's Commission shall not exceed $1.00.

In no event shall the total Commissions allowed exceed $2.50.

Effective During First Quarter of 1921.
January 6, 1921.

[fol. 345] GOVERNMENT'S EXHIBIT No. 18-X

Maple Flooring Manufacturers' Association, 1045 Stock Exchange Bldg., Chicago

October 28, 1921.

Market Conditions Committee Report, September Statistics

To members.

GENTLEMEN: At the request of the members in the Saginaw Valley and Reed City, a meeting of the Market Conditions Committee was called on the 25th to be held today, but on account of the short notice some of the members of the Committee had previous business engagements which prevented them from attending the meeting. As Mr. Thomas could not be present, Mr. Whedon was requested to act as Chairman of the meeting.

Conditions Improving.—The statistics for the month of September reveal a marked improvement in conditions on October 1st compared with a month ago. As you will note by the reports, the 13/16 x 2¼" face Clear Maple Flooring was 236% sold on October 1st compared with 161% sold on September 1st, and it is self-evident that with Unfilled Orders for 3,700 M and only 1,600 M on hand, the Clear grade is sold considerably ahead of the machine and it will take some time to produce enough to fill old orders and at the same time take care of the current demand for Clear during the remainder of the year.

The No. 1 was 112% sold on October 1st compared with 72% sold on September 1st and it is our opinion that in view of more liberal bookings this month of orders for No. 1, that it will show oversold to a much greater extent on November 1st than on October 1st.

Raw Material.—Several of the members present stated that they have canvassed the supply of rough flooring stock and that in their

opinion there is a shortage in the supply at the present time and that the shortage will be more pronounced before the first of the year. If their conclusions are correct and if the present improved demand for flooring continues, a shortage in the supply of Clear and No. 1 flooring is bound to result.

Why Sacrifice Factory?—There appears to be enough Factory flooring on hand to last for some time and it would seem to be sound business policy to manufacture as litle of it as possible and not to force it on the market at the very low prices now obtainable, which are far below the cost of its production. The investment and carrying charges on Factory are not heavy and the amount of capital converted by the sale of it at the ruinous prices it is bringing on the present market hardly warrants the sacrifice. Better days may come for Factory.

Extravagant Spread Between Clear & No. 1.—It was the unanimous opinion that the spread between Clear and No. 1 is out of all proportion to the difference in the intrinsic value of the two grades. This spread is now exactly $30.00, as shown by the "Record of Average Prices Realized—Group E Mills" during the month of September.

In the tabulation "Average Prices Realized F. O. B. Michigan and Wisconsin Mills" covering a period of six years, you will see that the spread between Clear and No. 1 has been as follows:

Sept.	Clear	No. 1	Spread	Per cent
1916	$43.46	$36.82	$6.64	15%
1917	51.19	46.14	5.05	10%
1918	57.12	53.71	3.41	6%
1919	84.94	79.85	5.09	6%
1920	164.98	156.09	8.89	5%
Avge.	80.34	74.52	5.82	7%
1921	86.94	56.94	30.00	35%

This is a serious situation and it was felt that an effort should be [fol. 346] made to reduce the present excessive spread to be more in harmony with past experience in the marketing of these two grades. The spread is now five times as much as the five year average.

October Forecast.—Flooring data for the first 26 days of October from the six members represented at the meeting plus the data received by mail from Nos. 3, 4, 5 and 30, indicate that October shipments are likely to be about 10% greater than September shipments, October production about 35% greater than September production, and New Business Booked about 50% more in October than in September.

As the New Business Booked in September by all the members of the Association was 10½ millions, it looks as if the volume of October New Business may reach 15 or 16 millions if the experience of the other members of the Association has been similar to that of the 10 members whose data we have. This looks like the road that leads to "normalcy."

Weekly Sales Reports.—The importance of making the Weekly

Sales Reports regularly and promptly was discussed and the great value of the information contained in the reports regarding the current state of the market was conceded, and three of the members of the Committee who are not making these reports promised to do so. All the other members of the Association who are not making these reports are earnestly urged to do so, in order that every member of the Association may keep in close touch with conditions instead of working in the dark.

Representative Values.—The general industrial situation has improved and in view of the increased demand for flooring and the oversold condition of 13/16 x 2¼" face Clear and No. 1 Maple Flooring, it was the consensus of opinion that present trade conditions and Manufacturing and Marketing Costs would be represented as follows:

Table of Values 5-21-21

13/16" Maple and Birch

Clear, All Faces	Full List
No. 1, All Faces	Full List
Fety., All Faces	Concession $10.00

With no changes in the present spreads respecting Beech Flooring, Thick Flooring and Jointed Flooring.

⅜" Table of Values 5-21-21

Clear	Full List
No. 1	Full List

More Cooperation.—We wish to make the following recommendations in order that there may be more cooperation in the work of the Association:

1. That Dr. Earle, as President of the Association, is requested to call a general meeting of the Association to be held as early in November as possible.

2. That all the members of the Association make their Weekly Sales Reports regularly and promptly.

3. That all the members send in during the first week in Novem- [fol. 347] ber their statistical reports for the month of October so that a conference can be held on November 16th or 17th.

4. That if the Secretary receives by November 7th all the October reports from all the members, that his reports be made out and mailed to the members on November 10th or 11th, so they will receive the October statistics in advance of the meeting and have an opportunity to analyze them and can come to the meeting fully informed respecting trade conditions as reflected by the statistical reports.

Respectfully submitted, B. P. Whedon, Acting Chairman; J. E. Dewey, Fred R. Welsh, T. M. Ralston, E. J. Gillouly, J. D. Staple, of Market Conditions Committee.

[fol. 348]

GOVERNMENT'S EXHIBIT No. 19

Listings of M. P. P. Surplus Stocks

First Listings

No.	Date listed, 1917	All 13/16-inch D. & M.	Quantity	Offered to members at concessions from: M. P. P. basis Oct. 22, 1917	Offered to members at concessions from: Table of values July 1, 1917
38	10-24	2¼" Clear Birch	50 M	$3.00	$9.00
"	"	2¼" No. 1 "	90 "	3.00	9.00
43	11-26	2¼" Clear Maple	72 "	3.00	9.00
	1918				
42	2-18	1½" Clear Maple	150 "	1.00	7.00
"	"	2¼" " "	300 "	1.00	7.00
"	"	1½" No. 1 "	100 "	1.00	5.00
"	"	2¼" " "	500 "	1.00	5.00
37	3-21	2¼" " "	100 "	1.00	5.00
			1,362 M		

Second Listings

	1917				
3	12-27	2" Clear Maple	35 M	2.00	8.00
"	"	2¼" Clear Maple	421 "	2.00	8.00
5	"	2" " "	40 "	2.00	8.00
"	"	2¼" " "	191 "	2.00	8.00

14	12-31	2¼"	"	"		353 "	2.00	8.00
30	"	1½"	"	"		54 "	3.00	9.00
"	"	1½"	"	Beech		40 "	3.00	12.00
"	"	2¼"	"	"		29 "	2.00	11.00
"	"	1½"	"	Birch		22 "	3.00	9.00
"	"	2"	"	"		9 "	2.00	8.00
	1918							
37	1-10	3¼"	No. 1	Maple		55 "	2.00	6.00
3	1-26	3¼"	Clear	"		75 "	2.00	8.00
5	"	2"	"	"		75 "	2.00	8.00
34	2-2	1½"	"	"		50 "	2.00	8.00
"	"	1½"	No. 1	"		30 "	2.00	6.00
"	"	2¼"	Clear	"		40 "	2.00	8.00
"	"	2¼"	No. 1	"		100 "	2.00	6.00
"	"	2¼"	Clear	Birch		100 "	2.00	8.00
42	"	2¼"	"	Maple		200 "	2.00	8.00
"	"	2¼"	No. 1	"		200 "	2.00	6.00
"	"	2"	Clear	"		100 "	2.00	8.00
"	"	1½"	No. 1	"		100 "	2.00	6.00
5	2-5	2¼"	Clear	Beach		75 "	2.00	11.00
37	2-19	1½"	"	Maple		100 "	2.00	8.00
26	3-11	2¼"	Clear	"		100 "	2.00	8.00
49	3-19	1½"	"	"		175 "	2.00	8.00
"	"	2"	"	"		100 "	2.00	8.00
"	"	2¼"	"	"		700 "	2.00	8.00
"	"	1½"	No. 1	"		80 "	2.00	6.00
"	"	2¼"	"	"		200 "	2.00	6.00
"	"	3¼"	Fcty.	"		60 "	2.00	5.00
2	3-21	1½"	Clear	"		67 "	2.00	8.00

Listings of M. P. P. Surplus Stocks—*Continued*

No.	Date listed, 1917	All 13/16-inch D. & M.			Quantity	Offered to members at concessions from: M. P. P. basis Oct. 22, 1917	Offered to members at concessions from: Table of values July 1, 1917
"	"	2"	"	"	480 "	2.00	8.00
"	"	3¼"	"	"	105 "	2.00	8.00
"	"	1½"	No. 1	"	103 "	2.00	6.00
"	"	4"	"	"	334 "	2.00	6.00
		Forward			4,998 M		

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Second Listings

No.	Date listed, 1918					
		Forward			4,998 M		
5	3-22	2¼"	Clear	Maple	300 M	$2.00	$8.00
"	"	2¼"	"	Beech	75 "	2.00	11.00
34	3-25	2¼"	No. 1	Maple	100 "	2.00	6.00
3	4-2	2¼"	Clear	"	667 "	2.00	8.00
"	"	2¼"	"	Beech	150 "	2.00	11.00
"	"	3¼"	"	"	26 "	2.00	11.00
46	4-3	2¼"	"	Maple	100 "	2.00	8.00
"	"	2¼"	No. 1	"	31 "	2.00	6.00
24	4-8	1½"	Clear	"	35 "	2.00	8.00
"	"	2"	"	"	60 "	2.00	8.00
"	"	2¼"	"	"	75 "	2.00	8.00
"	"	3¼"	"	"	100 "	2.00	8.00
"	"	1½"	No. 1	"	25 "	2.00	6.00
"	"	2"	"	"	60 "	2.00	6.00

"	"	2¼"	"	"	.....	500 "	2.00	6.00
"	"	3¼"	"	"	.....	250 "	2.00	6.00
			13/16"		.....	7,552 M		
			All 1 1/16-inch D. & M.					
49	3-19	2¼"	No. 1	Maple	.....	60 M	2.00	4.00
"	"	2¼"	Fcty.	"	.....	60 "	2.00	3.00
"	"	3¼"	"	"	.....	30 "	2.00	3.00
24	4-8	2¼"	Clear	"	.....	80 "	2.00	6.00
"	"	2¼"	No. 1	"	.....	300 "	2.00	4.00
			1 1/16		.....	530 M		
						8,082 M		
	1918				Third Listings			
3	1-4	1½"	Clear	Beech	.....	33 M	3.00	12.00
"	"	2"	"	"	.....	100 "	3.00	12.00
"	"	2¼"	"	"	.....	484 "	3.00	12.00
5	"	2"	"	"	.....	40 "	3.00	12.00
"	"	2¼"	"	"	.....	57 "	3.00	12.00
3	1-26	1½"	"	Maple	.....	100 "	3.00	9.00
5	"	1½"	"	"	.....	75 "	3.00	9.00
26	3-11	2"	"	"	.....	65 "	3.00	9.00
"	"	2¼"	"	"	.....	92 "	3.00	9.00
"	"	3¼"	"	"	.....	60 "	3.00	9.00
"	"	3¼"	No. 1	"	.....	22 "	3.00	7.00
24	4-8	1½"	Clear	"	.....	25 "	3.00	9.00
"	"	1½"	No. 1	"	.....	25 "	3.00	7.00
						1,178 M		

Listings of M. P. P. Surplus Stocks—*Continued*

[fol. 350]

Summary

	Maple			Beech,	Birch,		
	Clear	No. 1	Fact'y	clear	clear	No. 1	Totals
13/16 x —							
1½"	831 M	463 M	..	73 M	22 M	..	1,389 M
2"	955 "	60 "	..	140 "	9 "	..	1,164 "
2¼"	3,611 "	1,731 "	..	870 "	150 "	90 M	6,452 "
3¼"	340 "	327 "	60 M	26 "	...	..	753 "
4"	....	334 "	..	...	...	..	334 "
1 1/16 x —							
2¼"	80 "	360 "	60 "	...	...	..	500 "
3¼"	....	....	30 "	...	...	..	30 "
	5,817 M	3,275 M	150 M	1,109 M	181 M	90 M	10,622 M

Total Listings of Each Member

No. 2	1,089 M
3	2,091 "
5	928 "
14	353 "
24	1,535 "
26	339 "
30	154 "
34	420 "
37	255 "

38	140 "
42	1,650 "
43	72 "
46	131 "
49	1,465 "
Total	10,622 M

April 10, 1918.

[fol. 351]

GOVERNMENT'S EXHIBIT No. 20

Maple Flooring Manufacturers Association

January 13, 1921.

Record of Completed Transactions

Reports of Sales Made During the Week Ending January 8, 1921

Date	Quantity	Description		Deld. price	New index letters	M. F. B.	Commissions	Mills reptg. Group A
12-31.	8,000	13/16 x 2¼	No. 1 Maple	$93.50	DB	93.50	1.00	24
	4,000	"	Clear "	108.50	DB	108.50	1.00	"
	5,000	"	Fcty. "	58.50	DB	58.50	1.00	"
1-6.	18,000	"	No. 1 "	93.00	DJ	93.00	1.00	"
1-7.	8,000	"	" "	90.75	BI	90.75	2.00	49
1-3.	475	⅜ x 1½	Clear "	91.75	AG	.....	....	2
	6,000	13/16 x 2¼	No. 1 "	88.50	AG	88.50	....	"
1-5.	1,650	13/16 x 2	Clear "	125.00	AG	103.50	....	"
1-3.	23,000	13/16 x 2¼	" "	105.50	BG	105.50	....	" .

Record of Completed Transactions—*Continued*

Date	Quantity	Description			Deld. price	New index letters	M. P. B.	Commissions	Mills reptg.
									Group A
1-5.	65,000	"	"	"	100.00	CA	106.25	....	"
	5,000	13/16 x 3¼	No. 1	"	85.00	CA	92.00	....	"
	144,125								
									Group B
1-7.	25,000	13/16 x 2¼	Clear Maple	.....	104.75	BD	104.75	2.00	5
	25,000	Four members report "No Sales" (Nos. 3-14-29-37).							
									Group D
1-6.	3,000	13/16 x 2¼	Clear Maple	.....	110.00	Mill	.....	Net	7
1-7.	11,200	"	No. 1	"	89.00	BD	89.75	"	"
1-8.	22,000	"	Clear	"	108.25	DA	108.25	"	"
1-3.	15,000	"	"	"	106.00	CJ	106.00	"	"
1-8.	7,000	"	"	"	103.00	CA	91.25	....	42
1-4.	5,000	⅜ x 1½	"	"	77.50	BI	.....	1.50	23
	4,000	13/16 x 1½	"	"	107.75	BI	105.75	1.50	"
	15,000	13/16 x 2¼	"	"	105.75	BI	105.75	1.50	"
1-7.	6,500	13/16 x 2	"	"	100.00	Mill	.....	....	"
1-5.	1,000	13/16 x 2¼	"	"	106.00	BI	105.75	....	"
	400	⅜ x 1½	"	"	75.00	Mill	.....	....	"
	5,000	"	"	"	70.00	Mill	.....	....	"
	20,000	13/16 x 2¼	"	"	107.00	CF	107.25	1.00	"
1-7.	2,000	13/16 x 1½	"	"	108.00	BI	105.75	1.00	"
	2,000	13/16 x 2¼	"	"	106.00	BI	105.75	1.00	"

	10,000	"	"	"	.....	106.00	BI	105.75	1.00	"
	3,000	"	No. 1	"	.....	91.00	BI	90.75	1.00	"
	540	3/8 x 1½	Clear	"	.....	77.00	Mill	.....	....	"
1-8.	7,000	13/16 x 2¼	"	"	.....	104.50	BC	104.50	....	"
	3,000	"	No. 1	"	.....	89.50	BC	89.50	....	"
1-5.	100,000	"	Fcty.	"	.....	55.75	BI	55.75	2.00	50
	*30,000	"	No. 1	"	.....	79.00	BI	90.75	2.00	"
	272,640	Two members report "No Sales" (Nos. 34-45).								
										Group F
1-3.	1,100	13/16 x 2¼	No. 1	Maple	.....	111.00	BD	89.75	....	1
	1,050	"	"	"	.....	111.00	BD	89.75	....	"
1-5.	4,000	"	"	"	.....	118.00	BD	89.75	....	"
1-6.	6,000	13/16 x 3¼	"	"	.....	95.00	BD	90.50	....	"
1-5.	11,200	1 11/16 x 2¼	Fcty.	"	.....	130.00	BD	62.75	....	"
1-7.	3,000	13/16 x 2¼	Clear	"	.....	140.00	BD	104.75	....	"
1-7.	1,500	"	No. 1	"	.....	100.00	BI	90.75	....	46
1-8.	14,000	13/16 x 1½	"	"	.....	115.00	BD	81.75	....	48
	2,225	13/16 x 2¼	Clear	"	.....	109.50	BD	104.75	....	"
	2,531	13/16 x 3¼	"	"	.....	132.50	Wrhse	103.50	....	"
	4,453	13/16 x 2¼	No. 1	"	.....	94.50	"	89.75	....	"
	2,940	"	"	"	.....	96.00	BD	89.75	....	"
	53,999	Two members report various small retail sales.								
	495,764									

Members reporting: Group A, 3; Group B, 5; Group D, 7; Group F, 3—Total, 18.

*This 30 M was sold at this price January 5th, to meet competition, original quotation being lowered because another firm came in and quoted $79.00.

[fol. 352]

GOVERNMENT'S EXHIBIT No. 20-A

Maple Flooring Manufacturers Association

January 20, 1921.

Record of Completed Transactions

Report of Sales Made During the Week Ending January 15, 1921

Date	Quantity	Description		Deld. price	New index letters	M. P. B.	Commissions	Mills reptg. Group A
1-11.	500	13/16 x 2¼	Clear Beech	$93.50	AG	93.50	....	2
	2,000	13/16 x 2	No. 1 Maple	86.50	AG	86.50	....	"
1-12.	18,000	13/16 x 2¼	Fcty. "	55.50	BG	55.50	....	"
1-11.	1,000	13/16 x 1½	No. 1 "	80.50	AG	80.50	1.50	"
1-13.	60,000	13/16 x 2¼	" "	94.00	DE	94.00	1.50	"
1-8.	2,000	"	Clear "	121.00	BD	104.75	....	24
1-12.	26,000	"	" "	104.00	BJ	104.00	2.00	"
1-11.	25,000	"	Fcty. "	57.00	CE	57.00	1.00	"
1-10.	*18,000	"	Clear "	*108.50	DB	108.50	2.00	49
	*6,000	1-1/16 x 2¼	" "	*113.50	DB	113.50	2.00	"
1-11.	*36,000	"	No. 1 "	*96.50	DB	98.50	....	"
	6,000	1-1/16 x 3½	" "	**64.00	DA	69.25	....	"
	20,000	13/16 x 2¼	No. 1 Maple	90.75	BH	90.50	2.00	49
	220,800							

**Last item sold to Assn. member.

*The above orders based on quotations made prior to January 6, 1921.

Group B

*1-6.	16,000	13/16 x 3¼	Fcty.	Maple	54.00	AF	55.50	....	26
*1-6.	13,500	13/16 x 2	Clear	"	110.00	DA	108.25	....	"
*1-8.	25,000	13/16 x 2¼	"	"	100.00	CA	106.25	....	"
*1-8.	25,000	"	No. 1	"	85.00	BJ	89.00	2.00	"
1-12.	18,000	13/16 x 2¼	Clear	Maple	109.50	DH	109.50	2.00	3
	4,000	"	"	"	109.50	DH	109.50	2.00	"
1-13.	4,000	"	"	Beech	99.50	DH	99.50	2.00	"
	18,000	¾ x 2¼	"	Mpl. & Beech	94.50	DH	.....	2.00	"
1-11.	300	⅜ x 1½	"	Red Beech	97.00	Mill	.....	....	5
1-14.	300	13/16 x 2¼	"	" "	122.50	Mill	.....	....	"
	12,000	"	"	Maple	101.00	A	100.00	1.50	"
1-15.	800	⅜ x 1½	"	"	82.00	Mill	.....	....	"
1-11.	1,102	13/16 x 2¼	No. 1	"	88.50	Mill	.....	....	37
1-8.	6,000	13/16 x 2¼	"	"	85.00	Mill	85.00	....	47
1-2.	5,000	13/16 x 2¼	Clear	"	106.00	CJ	106.00	2.00	"
	10,000	1-1/16 x 2¼	No. 1	"	96.00	CJ	96.00	2.00	"
	163,002	No. 14 reports "No Sales."							

Group D

*1-5.	25,000	13/16 x 2¼	No. 1	Maple	85.00	BD	89.75	....	44
*1-5.	50,000	"	Clear	"	104.75	BD	104.75	....	"
*1-5.	50,000	"	No. 1	"	89.75	BD	89.75	....	"
1-10.	3,000	13/16 x 2¼	Clear	Maple	105.00	BE	105.00	....	4
	3,000	"	No. 1	"	90.00	BE	90.00	....	"
	2,000	"	Fcty.	"	55.00	BE	55.00	....	"
	15,000	"	No. 1	"	91.50	CB	91.50	1.00	"

*Received too late for our last week's report.

Record of Completed Transactions—*Continued*

Date	Quantity	Description		Deld. price	New index letters	M. P. B.	Commissions	Mills reptg.
								Group D
	2,000	13/16 x 1½ 7/22″	Clear Beech.....	69.00	Mill	.....	1.00	"
1-14.	350,000	13/16 x 2¼	No. 1 Maple.....	85.00	Frame A Basis	85.00	1.50	"
	175,000	"	Clear "	100.00		100.00	1.50	"
1-15.	7,000	"	" "	106.00	BI	105.75	1.50	"
	3,000	" 2/5½′	" "	101.00	BI	.....	1.50	"
	3,000	13/16 x 1½	" "	106.00	BI	105.75	1.50	"
	5,000	13/16 x 2¼	Fcty. "	56.00	BI	55.75	1.50	"
	3,000	13/16 x 1½	Clear Birch.....	111.00	BI	110.75	1.50	"
	596,000	Forwarded.						
[fol. 353]								
	596,000	Brought forward.						
								Group L
1-11.	17,000	13/16 x 2¼	No. 1 Maple.....	$89.75	BI	90.75	1.00	7
1-15.	*17,000	"	Clear " .....*	103.50	BE	105.00	....	"
1-11.	5,000	"	Factory "	55.75	BI	55.75	....	"
	4,000	"	No. 1 "	90.75	BI	90.75	....	"
	3,000	13/16 x 1½	No. 1 "	82.75	BI	82.75	....	"
	3,000	13/16 x 2¼	Clear "	105.75	BI	105.75	....	"
1-11.	10,000	"	No. 1 "	90.75	BI	90.75	....	"
	10,000	"	Clear "	105.75	BI	105.75	....	"
	5,000	13/16 x 1½	No. 1 "	82.75	BI	82.75	....	"
	10,000	13/16 x 2¼	Factory "	55.75	BI	55.75	....	"
1-11.	250	⅜ x 1½	Clear Maple.....	84.00	Mill	.....	Net	23

	†15,000	13/16 x 2¼ 7/23"	"	"	.....	63.00	BG	.....	Net	"
	3,000	" 2/5½'	"	"	.....	93.00	BG	.....	Net	"
1-11.	225	13/16 x 1½	Clear	Maple	.....	106.00	Mill	.....	....	34
1-13.	8,000	13/16 x 2¼	"	"	.....	115.00	CA	106.25	....	42
	4,000	" 7/22".	"	"	.....	80.00	BE	.....	1.50	"
1-14.	3,000	"	No. 1	"	.....	90.00	AF	88.25	....	"
	813,475	No. 50 reports "No Sales."								Group F
1-12.	1,000	13/16 x 2¼	Clear	Maple	.....	130.00	BI	105.75	....	22
1-14.	2,000	13/16 x 1½	No. 1	Birch	.....	105.00	BI	82.75	....	"
	900	13/16 x 2¼	No. 1	Maple	.....	100.00	BI	90.75	....	"
1-10.	1,200	13/16 x 1½	Clear	Birch	.....	140.00	BI	110.75	....	46
1-11.	1,250	13/16 x 2¼	Fcty.	Maple	.....	60.00	BI	55.75	....	"
1-12.	1,000	13/16 x 2¼	Clear	"	.....	135.00	BI	110.75	....	"
1-15.	5,000	13/16 x 1½	Fcty.	"	.....	45.00	BI	41.75	....	"
1-15.	780	13/16 x 2¼	Clear	"	.....	118.00	BD	104.75	....	48
	3,500	13/16 x 2¼	"	"	.....	109.50	Wrhse	104.75	....	"
	2,800	13/16 x 2¼	No. 1	"	.....	106.00	BD	89.75	....	"
	1,230	"	"	"	.....	103.00	BD	89.75	....	"
	3,190	"	"	"	.....	94.50	Wrhse	89.75	....	"
	23,850	Two members report other small retail sales.								
	1,221,127									

Members Reporting: Group A, 3; Group B, 6; Group D, 7; Group F, 3—Total, 19.

*Old quotations.
†Booked on a quotation made Jan. 4th, to meet competition.

GOVERNMENT'S EXHIBIT No. 21

Maple Flooring Manufacturers' Association

Record of Completed Transactions

January 27, 1921.

Reports of Sales Made During the Week Ending January 22, 1921

Date	Quantity		Description			Deld. price	New index letters	M. P. B	Commissions	Mills reptg.
										Group A
1–15	600	13/16x2¼	Shorts 9/12"	Mpl.	.....	$40.00	AG	.....	....	2
1–10	700	3/8x1½	No. 1	Maple	.....	85.50	AG	.....	....	"
1–15	550	3/8x1½	Clear	"	.....	79.00	DA	.....	....	"
1–14	1,700	13/16x2¼	"	"	.....	108.50	BG	105.50	....	"
1–18	500	"	"	Beech	.....	93.50	AG	93.50	....	"
1–17	34,000	"	"	Maple	.....	104.00	BJ	104.00	2.00	"
1–18	625	3/8x2	"	"	.....	86.75	AG	.....	....	"
	48	13/16x3¼	"	Beech	.....	103.50	AG	91.75	....	"
1–19	2,500	13/16x2¼	Fcty.	Maple	.....	57.75	BD	54.75	....	"
	372	"	Clear	"	.....	127.25	AG	103.50	....	"
1–20	300	3/8x2	No. 1	"	.....	85.50	AG	.....	....	"
1–17	1,600	13/16x2	Clear	"	.....	115.00	Mill	.....	....	24
	14,000	13/16x2¼	"	"	.....	115.50	EB	110.50	2.25	"
1–17	2,000	"	No. 1	"	.....	90.00	Mill	.....	....	33
1–15	14,000	"	"	"	.....	90.75	BI	90.75	1.50	"
	6,000	"	Clear	"	.....	105.75	BI	105.75	1.50	"
1–19	20,000	"	No. 1	"	.....	90.50	BG	90.50	2.00	"
1–18	25,000	"	Fcty.	"	.....	55.50	BG	55.50	2.00	"
1–21	100,000	"	Clear	"	.....	*99.75	BD	104.75	....	"
	10,000	1 1/16x2¼	"	"	.....	*104.75	BD	109.75	....	"
	10,000	"	No. 1	"	.....	*89.75	BD	94.75	....	"

	10,000	1 1/16x3¼	"	"	.....	*90.50	BD	95.50	....	"
	10,000	"	Fcty.	"	.....	*57.50	BD	62.50	....	"
	10,000	1 1/16x2¼	"	"	.....	*54.75	BD	59.25	....	"
	274,495									
										Group B
1–20	15,000	13/16x2¼	Clear	Maple	.....	109.50	CE	107.00	2.00	3
	5,000	"	No. 1	"	.....	94.50	CE	92.00	2.00	"
1–17	10,001	"	Clear	"	.....	104.75	BD	104.75	1.50	"
	10,001	"	No. 1	"	.....	89.75	BD	89.75	1.50	"
	2,000	⅜x2	Clear	"	.....	77.50	BD	.....	1.50	"
1–22	190	⅜x1½	"	Red Beech	.....	97.00	A	.....	....	"
	625	" 2/3½'	No. 1	"	.....	62.00	A	.....	....	"
1–21	13,000	13/16x3½	Jtd.	" Maple	.....	98.75	DH	98.75	2.00	14
	2,500	13/16x3¼	No. 1	Maple	.....	95.75	DH	95.75	2.00	"
	2,500	13/16x2¼	Clear	"	.....	109.50	DH	109.50	2.00	"
1–21	100,000	13/16x3¼	"	"	.....	98.00	A	98.00	1.50	"
	100,000	"	No. 1	"	.....	85.00	A	85.00	1.50	"
1–21	7,000	⅜x2	Clear	"	.....	79.75	DH	.....	2.00	37
	4,000	"	No. 1	"	.....	69.75	DH	.....	2.00	"
	6,000	13/16x2¼	Clear	"	.....	109.50	DH	109.50	2.00	"
	6,000	13/16x3¼	"	"	.....	108.75	DH	108.75	2.00	"
1–17	16,000	13/16x3½	Jtd.	Fcty. "	.....	55.00	A	55.00	2.00	47
1–18	50,000	1 1/16x2¼	"	"	.....	55.00	A	55.00	2.00	"
	30,000	13/16x2¼	No. 1	"	.....	85.00	A	85.00	2.00	"
	379,817	No. 29 reports "No Sales."								

*Sold to member of M. F. M. A.

Record of Completed Transactions—*Continued*

Date	Quantity	Description				Deld. price	New index letters	M. P. B.	Commissions	Mills reptg.
										Group D
1–17	25,000	13/16x2¼	Clear	Maple	.....	106.00	BI	105.75	....	4
1–19	9,000	"	"	"	.....	106.25	CA	106.25	....	"
1–22	*25,000	"	Fcty.	"	.....	50.00	CJ	56.00	....	7
	59,000	No. 23, 34, 42 Report "No Sales."								
	713,312	Forwarded								
[fol. 355]										
	713,312	Brought forward								
										Group F
1–20	12,000	13/16x2¼	Clear	Maple	.....	$108.25	DA	108.25	....	1
	10,000	13/16x2¼	Fcty.	"	.....	58.25	DA	58.25	....	"
	5,000	⅜x2	Clear	"	.....	79.00	DA	.....	....	"
1–22	3,600	13/16x2¼	"	"	.....	111.00	BD	104.75	....	48
	3,660	"	"	"	.....	109.50	Wrhse.	104.75	....	"
	8,220	"	"	"	.....	*101.00	....	104.75	....	"
	1,700	"	"	"	.....	*99.50	....	104.75	....	"
	12,000	"	"	"	.....	*97.50	....	104.75	....	"
	2,400	"	No. 1	"	.....	96.00	BD	89.75	....	"
		*Sold to member of M. F. M. A.								
	1,000	⅜x2	No. 1	Maple	.....	70.00	BD	.....	....	"
	59,580	No. 22 reports five small retail sales totaling 1,550 feet.								
	772,892									

Members reporting: Group A, 3; Group B, 7; Group, D, 5; Group F, 3—Total, 18.

*This order was booked at higher price and cancellation wired account lower quotation made by some other firm. Car was loaded and we had to meet price or unload car.

[fol. 356] GOVERNMENT'S EXHIBIT No. 22

Maple Flooring Manufacturers' Association

Record of Completed Transactions February 3, 1921.

Reports of Sales Made During the Week Ending January 29, 1921

Date	Quantity	Description		Deld. price	New index letters	M. P. B.	Commissions	Mills reptg. Group A
1–29	1,000	3/8 x 2	Clear Maple	$76.75	AG	.....	....	No. 2
1–19	12,000	13/16 x 2	Fcty. "	52.25	BA	52.25	....	"
	3,000	"	No. 1 "	87.25	BA	87.25	....	"
	2,109	In five small Sales.						
1–24	505	13/16 x 2	No. 1 Maple	95.00	BC	89.50	....	24
1–25	2,003	3/8 x 2	Clear "	79.50	FJ	.....	2.50	"
	1,710	"	No. 1 "	64.50	FJ	.....	2.50	"
	4,002	13/16 x 2	Clear "	109.00	FJ	112.00	2.50	"
	12,032	13/16 x 2¼	No. 1 "	94.00	FJ	97.00	2.50	"
	2,003	"	Clear "	109.00	FJ	112.00	2.50	"
1–26	8,500	"	No. 1 "	94.00	DE	94.000	2.00	33
	8,500	1 1/16 x 2¼	" "	99.00	Mill	.....	....	"
1–28	2,000	"	" "	95.00	DE	99.00	2.00	"
	200	13/16 x 2¼	" "	90.00	"	.....	....	"
1–27	1,400	"	Clear "	105.00	AG	103.50	....	49
1–28	25,000	"	" "	105.75	BH	105.50	2.00	"
	25,000	"	No. 1 "	90.75	BH	90.50	2.00	"
	110,964							

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Record of Completed Transactions—*Continued*

Date	Quantity	Description	Deld. price	New index letters	M. P. B.	Commissions	Mills reptg. Group B
1–24	14,000	13/16 x 2¼ Clear Maple	103.50	AG	103.50	1.50	No. 3
	8,000	" No. 1 "	88.50	AG	88.50	1.50	"
	10.013	" Clear "	102.75	AD	102.75	....	"
1–26	10,016	⅜ x 2 " Birch	85.00	DH	.....	2.00	"
	10,027	13/16 x 2¼ " "	114.50	DH	114.50	2.00	"
	4,016	⅜ x 2 " Maple	80.00	DH	.....	2.00	"
1–28	15,000	13/16 x 2¼ " "	109.50	DG	109.50	2.00	"
	5,000	⅜ x 2 " "	79.75	DG	.....	2.00	"
1–27	18,000	13/16 x 2¼ No. 1 Beech	84.50	DH	84.50	2.00	5
	3,000	⅜ x 2 Clear "	80.00	DH	.....	2.00	"
1–28	5,000	13/16 x 2¼ No. 1 Maple	92.00	CE	92.00	2.00	"
	10,000	" No. 2 Common Mpl.....	67.00	CE	.....	2.00	"
	2,500	" Fcty. Maple	57.00	CE	57.00	2.00	"
	2,500	" " Beech	47.00	CE	47.00	2.00	"
	1,750	" Clear Maple	107.00	A	100.00	....	"
	1,300	13/16 x 2 No. 1 "	90.00	A	83.00	....	"
	475	In two small Sales.					
1–17	40,000	13/16 x 2¼ Clear Maple	109.50	DH	109.50	1.50	14
1–21	9,000	" " "	105.75	BI	105.75	2.50	29
	9,000	" No. 1 "	90.75	BI	90.75	2.50	"
1–25	10,500	" " "	93.50	DB	93.50	2.50	"
	6,500	" Fcty. "	58.50	DB	58.50	2.50	"
1–24	*14,000	" Clear "	*95.00	Mill	.....	....	"

* Sold to member of M. F. M. A.

1–27	600	13/16 x 2	Fcty.	"	.....	60.00	Mill	.....	....	"
1–28	1,040	13/16 x 2¼	No. 1	Maple	.....	88.50	Mill	.....	....	37
1–17	8,000	"	Clear	"	.....	106.00	BI	105.75	2.00	47
	10,000	"	No. 1	"	.....	91.00	BI	90.75	2.00	"
1–18	20,000	1-1/16 x 2¼	Clear	"	.....	113.50	DB	113.50	1.50	"
	20,000	All sizes		"	.....	M.P.B.	BG	.....	....	"
1–19	11,000	13/16 x 2¼	Fcty.	"	.....	50.00	A	50.00	2.00	"
1–20	50,000	13/16 x 2¼	No. 1	"	.....	89.75	BD	89.75	2.00	"
	50,000	"	Fcty.	"	.....	54.75	BD	54.75	2.00	"
1–19	22,000	"	No. 1	"	.....	88.00	AE	88.00	2.00	"
1–20	5,000	13/16 x 1½	Clear	"	.....	108.00	DJ	108.00	1.50	"
	5,000	⅜ x 1½	"	"	.....	79.00	DJ	.....	1.50	"
	5,000	⅜ x 2	"	"	.....	79.00	DJ	.....	1.50	"
	10,000	13/16 x 2¼	No. 1	"	.....	93.00	DJ	93.00	1.50	"
	10,000	13/16 x 3¼	No. 1	"	.....	94.00	DJ	94.00	1.50	"
[fol. 357]										
1–20	10,000	13/16 x 2¼	Fcty.	Maple	.....	$58.00	DJ	58.00	1.50	No. 47
	5,000	"	Clear	Beech	.....	98.00	DJ	98.00	1.50	"
	5,000	13/16 x 1½	"	Maple	.....	108.00	DJ	108.00	1.50	"
	10,000	13/16 x 2¼	"	"	.....	108.00	DJ	108.00	1.50	"
	5,000	⅜ x 1½	"	"	.....	79.00	DJ	.....	1.50	"
	5,000	⅜ x 2	"	"	.....	79.00	DJ	.....	1.50	"
	5,000	13/16 x 2¼	Fcty.	"	.....	58.00	DJ	58.00	1.50	"
1–20	37,000	"	Clear	"	.....	*105.00	BG	105.50	2.00	"
	44,000	"	"	"	.....	*105.00	BG	105.50	2.00	"

* Made error of 50c in rate.

Record of Completed Transactions—*Continued*

Date	Quantity	Description	Deld. price	New index letters	M. P. B.	Commissions	Mills reptg.
							Group B
1–21	32,000	13/16 x 2¼ No. 1 Maple	85.00	A	85.00	2.00	"
1–24	12,000	13/16 x 2¼ Clear "	102.50	AF	103.25	1.00	"
	606,237						
							Group D
1–26	20,000	13/16 x 2¼ Clear Maple	111.50	EH	111.50	2.00	No. 4
	5,000	" " "	105.25	BF	105.25	2.00	"
	5,000	" No. 1 "	90.25	BF	90.25	2.00	"
	5,000	" Fcty. "	55.25	BF	55.25	2.00	"
	5,000	" Clear " 7/22"	80.25	BF	.....	2.00	"
	2,000	" No. 1 " "	70.25	BF	.....	2.00	"
	2,000	⅜ x 1½ Clear "	77.50	BF	.....	2.00	"
	2,000	13/16 x 1½ No. 1 "	83.00	CJ	83.00	....	"
	1,000	⅜ x 1½ Clear Birch	83.00	CJ	.....	....	"
	3,000	13/16 x 2¼ No. 1 Maple	91.00	CJ	91.00	.75	"
	6,000	" Clear "	106.00	CJ	106.00	.75	"
1–27	2,500	" " " 7/22"	79.00	Mill	.....	1.50	"
	1,000	" No. 1 " "	69.00	Mill	.....	1.50	"
	1,000	⅜ x 1½ Clear "	77.00	Mill	.....	1.50	"
1–29	3,000	13/16 x 2¼ " "	107.50	CH	107.50	....	"
	5,000	" No. 1 "	92.50	CH	92.50	....	"
	4,000	" No. 1 Birch	92.50	CH	92.50	....	"
	3,000	⅜ x 2 Clear Maple	78.75	CH	.....	....	"
	4,000	13/16 x 2¼ No. 1 Beech	82.50	CH	82.50	....	"

	1,500	"	Clear Maple 7/22"	.....	80.25	BF	.....	....	"
	1,000	"	" Birch "	.....	80.25	BF	.....	....	"
	5,000	"	" Beech "	.....	75.25	BF	.....	....	"
	7,500	13/16 x 1½	" Maple "	.....	70.25	BF	.....	....	"
	3,000	⅜ x 1½	" " "	.....	50.25	BF	.....	....	"
	2,000	13/16 x 2¼	" " "	.....	79.00	Mill	.....	1.50	"
	950	In two small sales.							
1–24	6,250	13/16 x 2¼	No. 1 Maple	.....	96.00	EF	96.25	1.00	"
	5,000	"	Fcty. "	.....	56.00	CJ	56.00	1.00	"
	5,000	"	No. 1 "	.....	91.00	CJ	91.00	1.00	"
	3,000	"	Clear "	.....	106.00	CJ	106.00	1.00	"
1–21	18,000	1-1/16 x 3½	Fcty. Maple	.....	73.25	DH	67.75	3.00	23
1–30	20,000	13/16 x 2¼	Clear Maple	.....	109.00	DH	109.50	2.00	"
1–28	8,000	"	" "	.....	106.00	CJ	106.00	....	34
	7,000	"	No. 1 "	.....	91.00	CJ	91.00	....	"
1–25	7,000	"	Clr. Shorts 7/22"	.....	80.00	BE	.....	....	42
	5,000	"	" " 7/16"	.....	70.00	BF	.....	....	"
1–28	1,000	"	Clear Maple	.....	105.00	AB	104.50	1.50	"
	1,800	"	Fcty. "	.....	53.25	AF	53.25	....	"
1–29	6,000	"	No. 1 "	.....	88.50	AG	88.50	....	44
1–25	3,200	13/16 x 1½	" "	.....	90.00	BI	82.75	....	22
	1,750	13/16 x 2¼	Clear "	.....	115.00	BI	105.75	....	"
	1,000	"	No. 1 "	.....	105.00	BI	90.75	....	"

[fol. 358]

Record of Completed Transactions—*Continued*

Date	Quantity	Description	Deld. price	New index letters	M. P. B.	Commissions	Mills reptg.
							Group F
1–29	4,637	In nine small retail sales.					
1–17	1,250	13/16 x 1½ Clear Maple	$126.00	CJ	106.00	....	No. 22
	6,000	13/16 x 2¼ Fcty. "	60.75	CJ	56.00	....	46
1–26	1,300	13/16 x 2¼ Fcty. Maple	67.50	CJ	56.00	....	"
1–27	1,350	13/16 x 1½ No. 1 Birch	95.00	CJ	83.00	....	"
1–29	1,200	13/16 x 1½ Clear Maple	126.00	CJ	106.00	....	"
	3,302	In fifteen small retail sales.					
1–22	3,600	13/16 x 2¼ Clear Maple	111.00	BD	104.75	....	48
	2,700	" " "	109.50	Wrhse	104.75	....	"
	8,220	" " "	*101.00	Wrhse	104.75	....	"
	13,700	" " "	*99.50	Wrhse	104.75	....	"
	2,000	" No. 1 "	96.00	BD	89.75	....	"
	55,209						
	965,910	No. 1 Reports "Few small sales."					

Members reporting: Group A, 4; Group B, 6; Group D, 6; Group F, 4—Total, 20.

* Sold to member of MFMA.

Five Test Runs of 1922 and 1923.

(Made by No. 3 on Jan. Feb 1922, by No. 24 on Dec. 1922, by No. 26 on Jan. 1923, by No. 47 on Jan 13, 1923, by No. 49 on Jan 25, 1923.)

GOV. EXHIBIT 24

Rough Lumber Used

No. 1 Com.	No. 2 Com.	No. 3 Com. A	No. 3 Com.	Total
(345) 3618				
172550	71283			247451
276349	155381		169788	601518
20598	12735	2521	11036	46890
68025	32425	10304		110754
(Culls) 36639	33216	15224		86500
579200	305040	28049	180824	1093113
52.9	27.9	2.6	16.6	100%

Maple Flooring Produced.

No.	Clear	No. 1	Factory	Other Product	Total	Waste	%
3	107939	55248	12583	20841	196611	50840	20.5
24	117534	235335	82514		435383	166135	27.6
26	12630	12570	11917		37117	9773	20.8
47	46692	34355	11130		92177	18577	16.8
49	31001	28641	10939		70581	15919	18.4
Totals	315796	366149	129083	20841	831869	261244	23.9%
Per Cent	38%	44%	15.5%	2.5%	100%		

The Flooring Product

	13/16 x 1½"	13/16 x 2"	13/16 x 2¼"	13/16 x 3½"	13/16 x 4"	13/16 x 3½" Gauged	⅜" Allsizes	Totals
	10420		81200				16319	107939
Clear	2696	4899	77039	23013	9887			117534
		952	9742	1936				12630
	1708	3301	36863	352		4468		46692
	652	2738	22729	1468	3414			31001
Totals	15476	11890	227573	26769	13301	4468	16319	315796
Per Cent	1.9%	1.4%	27.4%	3.2%	1.6%	0.5%	2%	38%
	4915		40502				9831	55208
	4185	8878	180612	35018	6642			235335
No. 1		1018	9480	2072				12570
	2385	2359	23580	122		5909		34355
	445	1931	21991	858	3416			28641
Totals	11930	14186	276165	38070	10058	5909	9831	366149
Per Cent	1.4	1.7%	33.2%	4.6%	1.2%	0.7%	1.2%	44%
	3342		9241					12583
	1028	2560	59662	16711	2553			82514
		1361	9217	1339				11917
Factory	328	1022	7803	80		1897		11130
	154	274	6592	946	2973			10939
Totals	4852	5217	92515	19076	5526	1897		129083
Per Cent	0.6%	0.6%	11.1	2.3%	0.7%	0.2%		15.5%

Other Product	
	12190
	3736
	3736
	1179
	20841
	2.5%
Totals	831869
%	100%

[fol. 359] GOVERNMENT'S EXHIBIT No. 23

[Omitted in printing]

(Here follows Government's Exhibit 24, marked side folio pages 360 and 379)

[fol. 361] GOVERNMENT'S EXHIBIT No. 24-A

[Omitted in printing]

[fol. 362] GOVERNMENT'S EXHIBIT No. 24-B

[Omitted in printing]

[fol. 363] GOVERNMENT'S EXHIBIT No. 24-C

[Omitted in printing]

[fol. 364] GOVERNMENT'S EXHIBIT No. 24-D

[Omitted in printing]

[fol. 365] GOVERNMENT'S EXHIBIT No. 24-E

[Omitted in printing]

[fol. 366] GOVERNMENT'S EXHIBIT No. 24-F

[Omitted in printing]

[fol. 367] GOVERNMENT'S EXHIBIT No. 24-G

[Omitted in printing]

[fol. 368] GOVERNMENT'S EXHIBIT No. 24-H

[Omitted in printing]

[fol. 369] GOVERNMENT'S EXHIBIT No. 24-I

[Omitted in printing]

[fol. 370] GOVERNMENT'S EXHIBIT No. 24-J

[Omitted in printing]

[fol. 371] GOVERNMENT'S EXHIBIT No. 24-K

[Omitted in printing]

[fol. 372] GOVERNMENT'S EXHIBIT No. 24-L

[Omitted in printing]

[fol. 373] GOVERNMENT'S EXHIBIT No. 24-M

[Omitted in printing]

[fol. 374] GOVERNMENT'S EXHIBIT No. 24-N

[Omitted in printing]

[fol. 375] GOVERNMENT'S EXHIBIT No. 24-O

[Omitted in printing]

[fol. 376] GOVERNMENT'S EXHIBIT No. 24-P

[Omitted in printing]

[fol. 377] GOVERNMENT'S EXHIBIT No. 24-Q

[Omitted in printing]

[fol. 378] GOVERNMENT'S EXHIBIT No. 24-R

[Omitted in printing]

[fol. 380] GOVERNMENT'S EXHIBIT No. 25

Survey of Costs

Manufacturing and Marketing Costs per 1 M Feet of Flooring Produced During January, February, and March, 1922

	Per 1 M ft. of flooring produced
Average of replies received, ——.	
1. Labor taking lumber off of dock, car, pile or wagon and placing in dry kiln, including expenses of night fireman	$1.16
2. Cost of manufacturing into flooring and putting flooring in warehouse, including twine, oil, belting and other factory supplies, and factory repairs and including manufacturing administrative expenses	8.34
3. Warehouse expense and loading into cars or on wagons	.90
4. Insurance and taxes. (Divide 1/4 of annual amount by quantity of flooring produced during January, February and March)	1.07
5. Interest at 6% on value of plant and on value of average stock carried of rough flooring lumber and of finished flooring. (Divide 1/4 of annual amount by quantity of flooring produced during January, February and March)	1.92
6. Selling expenses, including commissions and advertising, and office expenses including selling administrative expenses	3.75
7. Cash Discount	.80
8. Annual depreciation on flooring plant as is usually allowed by the United States Government. (Divide 1/4 of annual amount by quantity of flooring produced during January, February and March)	1.37
9. Total per M Feet	19.31
10. Less net profit from wood and other by-products of flooring lumber, per 1 M feet of flooring produced during January, February and March	1.32
11. Actual Manufacturing and Marketing Costs per 1 M feet of flooring produced during January, February and March	17.99

May 31, 1922.

GOVERNMENT'S EXHIBIT No. 25-A

Three Test Runs of 1921

Made by North Branch Flooring Company, Chicago, in January, 1921, and Between May 1 and September 10, 1921

Rough Lumber Used

792 M ft.	No. 1 Common	51.5%
562 "	" No. 2 Common	36.5 "
185 "	" No. 3 Common A	12.0 "
1539 M ft.		100. %

Cost of Rough Flooring Lumber F. O. B. Cars Flooring Mills

51.5%	No. 1 Common	@ $51.00	26.27
36.5 "	No. 2 Common	" 36.00	13.14
12. "	No. 3 Com. A	" 22.00	2.64
100. %			

1000 ft. Lumber Costs	42.05
808 " Flooring Costs	42.05
1000 " Flooring Costs	52.04
Manufacturing and Marketing Costs First Quarter 1922—Average	17.99
	70.03
Add 5% for Contingencies	3.50

Flooring Product

Clear	646 M ft.	52. %
No. 1	382 " "	30.7 "
Factory	215 " "	17.3 "
	1243 M ft.	100. %
Waste	296 " "	19.2 "
Lumber Used	1539 M ft.	

Approximate Relative Average Costs of Flooring Product F. O. B. Cars at Flooring Mills

Clear:			
13/16 x 1-½"	2.5%	$85.	$2.13
2"	3.3 "	87.	2.87
2-¼"	41.7 "	90.	37.53
3-¼"	2.1 "	85.	1.79
3/8" All Faces	2.4 "	60.	1.44
	52. %		$45.76
No. 1:			
13/16 x 1-½"	1.3%	$68.	.88

Average Cost F. O. B. Flooring Plant of 1000 ft. of Flooring Sold	73.53				
		2"	2.5 "	72.	1.80
		2-¼"	24.9 "	75.	18.68
		3-¼"	.7 "	75.	.53
		3/8" All Faces	1.3 "	45.	.59
			30.7%		$22.48
		Factory:			
		13/16 x 1-½"	.7%	$20.	.14
		2"	.9 "	28.	.25
		2-¼"	14.7 "	30.	4.41
		3-¼"	.8 "	35.	.28
		3/8" All Faces	.2	10.	.02
			17.3%		5.10
		Totals	100. %		$73.34

Flooring Product, Grades and Faces

Grades	13/16x1¼"	2"	2½"	3½"	3/8", all faces	Totals
Clear	2.5%	3.3%	41.7%	2.1%	2.4%	52. %
No. 1	1.3 "	2.5 "	24.9 "	.7 "	1.3 "	30.7 "
Factory	.7 "	.9 "	14.7 "	.8 "	.2 "	17.3 "
Totals	4.5%	6.7%	81.3%	3.6%	3.9%	100. %

Rough Lumber Used

Stock	No. 1 common	No. 2 common	No. 3 common A	Totals
Wisconsin & Upper Mich.	624 M 40.6%	394 M 25.6%	163 M 10.6%	1182 M 76.8%
Lower Mich.	168 " 10.9 "	167 " 10.9 "	22 " 1.4 "	357 " 23.2 "
As 1 Lot	792 M 51.5%	561 M 36.5%	185 M 12. %	1539 M 100. %

Memorandum

The Wisconsin and Upper Michigan Stock used ran 52.8% No. 1 Common 33.4% No. 2 Common and 13.8% No. 3 Common A.

The Lower Michigan Stock used ran 47% No. 1 Common, 46.7% No. 2 Common and 6.3% No. 3 Common A.

May 31, 1922.

[fol. 382] GOVERNMENT'S EXHIBIT No. 25-B

Three Test Runs of 1921
Made by North Branch Flooring Company, Chicago

Test run	Lumber used	Flooring product	Waste	
No. 1	287 M	219 M	68 M	23.8%
2	636 "	528 "	108 "	17. "
3	616 "	496 "	120 "	19.4 "
As 1 Run	1,539 M	1,243 M	296 M	19.2%

Grades of Lumber Used

Test run	No. 1 common	No. 2 common	No. 3 common A
No. 1	35.9%	36.9%	27.2%
2	49.1 "	37.6 "	13.3 "
3	61.1 "	35.1 "	3.8 "
As 1 Run	51.5%	36.5%	12. %

Grades of Flooring Produced

Test run	Clear	No. 1	Factory
No. 1	47.6%	24.9%	27.5%
2	47.1 "	33.6 "	19.3 "
3	59.1 "	30.1 "	10.8 "
As 1 Run	52. %	30.7%	17.3%

Face of Flooring Produced

	13/16"x1½"	2"	2¼"	3¼"	(3/8")
Test Run 1	6.5%	4.1%	72.5%	16.9%	
2	5.3 "	4.8 "	81.3%	1.4 "	7.2%
3	2.8 "	10.1 "	85. "		2.1 "
As 1 Run	4.5%	6.7%	81.3%	3.6%	3.9%

May 31, 1922.

[fol. 383]

GOVERNMENT'S EXHIBIT No. 26

Average Cost Based upon Three Test Runs of 1921

Test Runs made by North Branch Flooring Company, Chicago, in January, 1921, and Between May 1 and September 10, 1921

Rough Lumber Used

792 M ft. No. 1 Common		51.5%
562 " " No. 2 Common		36.5"
185 " " No. 3 Common		12.0"
1539 M ft.		100. %

Present Average Cost of Rough Flooring Lumber F. O. B. Cars Flooring Mills

51.5% No. 1 Common @	$56.00	28.84
36.5" No. 2 Common "	41.00	14.97
12. " No. 3 Com. A "	26.00	3.12
100. %		
1000 ft. Lumber Costs		46.93
808 " Flooring Costs		46.93
1000 " Flooring Costs		58.08
Manufacturing and Marketing Costs Third Quarter 1922—Average		18.42
		76.50

Flooring Product

Clear	646 M ft.	52. %
No. 1	382 " "	30.7"
Fcty.	215 " "	17.3"
	1243 M ft.	100. %
Waste	296 " "	19.2"
Lumber Used	1539 M ft.	

Present Approximate Relative Average Costs of Flooring Product F. O. B. Cars at Flooring Mills

Clear:			
13/16x1½"	2.5%	$90	$2.25
2"	3.3"	90	2.97
2¼"	41.7"	95	39.62
3¼"	2.1"	80	1.68
3/8" All Faces	2.4"	65	1.56
	52. %		$48.08

Add 5% for Contingencies	3.83
Average Cost F. O. B. Flooring Plant of 1000 ft. of Flooring Sold	80.33

No. 1:			
13/16x1½	1.3%	$78	1.01
2"	2.5"	80	2.00
2¼	24.9"	85	21.17
3¼	.7"	75	.53
3/8" All Faces	1.3"	45	.59
	30.7%		$25.30
Factory:			
13/16x1½	.7%	$25	$ .18
2"	.9"	35	.32
2¼	14.7"	40	5.88
3¼	.8"	45	.36
3/8" All Faces	.2"	15	.03
	17.3%		$6.77
Totals	100. %		$80.15

Flooring Product, Grades and Faces

Grades	13/16x1¼"	2"	2¼"	3¼"	3/8", all faces	Totals
Clear	2.5%	3.3%	41.7%	2.1%	2.4%	52. %
No. 1	1.4"	2.5"	24.9"	.7"	1.3"	30.7"
Fcty.	.7"	.9"	14.7"	.8"	.2"	17.3"
Totals	4.5%	6.7%	81.3%	3.6%	3.9%	100. %

Average Cost Based upon Three Test Runs of 1921—*Continued*

Rough Lumber Used

Stock	No. 1 common	No. 2 common	No. 3 common A	Totals
Wisconsin & Upper Mich. . .	624 M 40.6%	394 M 25.6%	163 M 10.6%	1182 M 76.8%
Lower Mich	168 " 10.6"	167 " 10.9"	22 " 1.4"	357 " 23.2"
As 1 Lot	792 M 51.5%	561 M 36.5%	182 M 12.%	1539 M 100. %

Memorandum

The Wisconsin and Upper Michigan Stock used ran 52.8% No. 1 Common, 33.4% No. 2 Common and 13.8% No 3 Common A.

The Lower Michigan Stock used ran 47.% No. 1 Common, 46.7% No. 2 Common and 6.3% No. 3 Common A.

October 25, 1922.

[fol. 384] GOVERNMENT'S EXHIBIT No. 27

Average Cost Based upon Three Test Runs of 1921

Test Runs Made by North Branch Flooring Company, Chicago, in January, 1921, and Between May 1 and September 10, 1921

Rough Lumber Used

792 M ft.	No. 1 Common	51.5%
562 " "	No. 2 Common	36.5 "
185 " "	No. 3 Common A	12.0 "
1539 M ft.		100. %

Present Average Cost of Rough Flooring Lumber F. O. B. Cars Flooring Mills

51.5%	No. 1 Common @ $61.00	31.42
36.5 "	No. 2 Common " 41.00	14.97
12. "	No. 3 Com. A " 30.00	3.60
100. %		
1000 ft.	Lumber Costs	49.99
808 "	Flooring Costs	49.99
1000 "	Flooring Costs	61.87

Flooring Product

Clear	646	M ft.	52. %
No. 1	382	" "	30.7 "
Fcty.	215	" "	17.3 "
	1243	M ft.	100. %
Waste	296	" "	19.2 "
Lumber used	1539	M ft.	

Present Approximate Relative Average Costs of Flooring Product F. O. F. Cars at Flooring Mills

Clear:				
13/16 x 1-½"	2.5%	$90.	$2.25
2"	3.3 "	95.	3.14
2-¼"	41.7 "	100.	41.70
3-¼"	2.1 "	85.	1.78
3/8" All Faces	2.4 "	65.	1.56
	52. %		50.43

Average Cost Based upon Three Test Runs of 1921—*Continued*

Manufacturing and Marketing Cost Last Quarter 1922—Average	**18.13**				
	80.00				
Add 5% for Contingencies	**4.00**				
Average Cost F. O. B. Flooring Plant of 1000 ft. of Flooring Sold	**84.00**				
		No. 1:			
		13/16 x 1-½	1.3%	$78.	1.01
		2″	2.5“	85.	2.13
		2-¼″	24.9“	90.	22.41
		3-¼	.7“	80.	.56
		3/8″ All Faces	1.3“	45.	.59
			30.7%		26.70
		Factory:			
		13/16 x 1-½″	.7%	$30.	.21
		2″	.9“	40.	.36
		2-¼″	14.7“	45.	6.62
		3-¼″	.8“	50.	.40
		3/8″ All Faces	.2“	20.	.04
			17.3%		7.63
		Totals	100. %		84.76

19—920

Flooring Product, Grades and Faces

Grades	13/16x1¼"	2"	2½"	3½"	3/8", all faces	Totals
Clear	2.5%	3.3%	41.7%	2.1%	2.4%	52. %
No. 1	1.3 "	2.5 "	24.9 "	.7 "	1.3 "	30.7 "
Factory	.7 "	.9 "	14.7 "	.8 "	.2 "	17.3 "
Totals	4.5%	6.7%	81.3%	3.6%	3.9%	100. %

Rough Lumber Used

Stock	No. 1 common	No. 2 common	No. 3 common A	Totals
Wisconsin & Upper Mich.	624 M 40.6%	394 M 25.6%	163 M 10.6%	1182 M 76.8%
Lower Mich.	168 " 10.9 "	167 " 10.9 "	22 " 1.4 "	357 " 23.2 "
As 1 Lot	792 M 51.5%	561 M 36.5%	185 M 12. %	1539 M 100. %

Memorandum

The Wisconsin and Upper Michigan Stock used ran 52.8% No. 1 Common, 33.4% No. 2 Common and 13.8% No. 3 Common A.

The Lower Michigan Stock used ran 47.% No. 1 Common, 46.7% No. 2 Common and 6.3% No. 3 Common A.

February 15, 1923.

[fol. 385] GOVERNMENT'S EXHIBIT No. 27-A

Maple Flooring Manufacturers Association, 1045 Stock Exchange Bldg., Chicago

February 16, 1923.

To Members.

GENTLEMEN: Owing to the severe storm, only six members of the Association succeeded in getting to the meeting called for yesterday the 15th, namely: Messrs. Whedon, Dewey, Ralston, Davis, Flanner and Brand. As most of them are members of the Committee on Cost Surveys and were particularly interested in the meeting of that Committee, called for 9:30 A. M., it was decided to hold the Committee meeting and make a Survey of Costs and make a report of same by mail to the members for their information.

The results of this Survey of Costs, which was made in accordance with Article XIV of our Articles of Association entitled "Determining Average Cost," are summarized in the enclosed memorandum "Average Cost Based Upon Three Test Runs of 1921," bearing date of February 15, 1923.

We are having revised Cost Charts printed and will send you the following within a few days, as fast as received from the printer:

1. Average Cost Chart 13/16" Maple Flooring F. O. B. Flooring Mill.

2. Delivered Cost Charts 13/16" Maple Flooring Freight Rate Index D—A. D. F. Incl.

3. Differentials. Some revisions have been made and new sheets will be sent you on the 17th showing revisions.

4. Average Cost Chart 3/8" M. B. & B. Flooring F. O. B. Flooring Mill.

5. Delivered Cost Charts 3/8" Flooring, Freight Rate Index D—A. G. H. Incl.

The members of the Association who were present adjourned the meeting to Thursday, March 22nd, by which time transportation facilities will no doubt be better.

Yours very truly, George W. Keehn, Secretary.

[fol. 386]

GOVERNMENT'S EXHIBIT No. 28

Results of Six Test Runs, Averaged

Rough Lumber Used

	F. & S.	No. 1 com.	No. 2 com.	No. 3 com.	Waste
Average	2.2%	58.2%	33%	6.6%	20%

Value of Rough Lumber Used

2.2%	F. & S.	@	30.00	.66	
58.2	No. 1 Common	@	22.00	12.80	
33.	No. 2 Common	@	17.00	5.61	
6.6	No. 3 Common	@	10.00	.66	
100 %	1,000 ft. lumber costs				19.73
	800 ft. flooring costs				19.73
	1,000 ft. flooring costs				24.66
Manufacturing and selling costs				11.68	
Less wood, etc.				1.12	10.56
Costs of 1,000 ft. flooring sold					35.22
Add one-ninth					3.91
Selling values should average for 1,000 ft. flooring					39.13

Selling Prices January, 1915, F.O.B. Cadillac, Mich. Table of Values, Frame A, May 21st, 1913

Results of Six Test Runs, Averaged—*Continued*

Test Run Production:

Clear	1½"	2 %	$40.00	.80	$46.50	.93	
	2"	10	40.00	4.00	46.50	4.65	
	2¼"	34	40.00	13.60	46.50	15.81	
	3¼"	6.5	35.00	2.27	41.50	2.70	
		52.5%	.....	20.67	.....	24.09	24.09
No. 1	1½"	1 %	27.00	.27	32.00	.32	
	2"	4.5	33.00	1.48	38.00	1.71	
	2¼"	24	35.00	8.40	40.00	9.60	
	3¼"	6.5	33.00	2.14	38.50	2.50	
		36 %		12.29		14.13	14.13
Factory	1½"	.5%	10.00	.05	17.50	.09	
	2"	1.5	18.00	.27	23.50	.35	
	2¼"	8	20.00	1.60	26.50	2.12	
	3¼"	1.5	23.00	.34	29.50	.44	
		11.5%		2.26		3.00	3.00
		100 %		35.22		41.22	41.22

Concede on

Clear ..	2.50	1.31	
No. 1 ..	1.00	.36	
Factory.	2.50	.29	

A horizontal advance required of 3.91 1.96

39.13 39.26

Product in Faces and Grades

Faces	1¼"	2"	2¼"	3¼"	Total
Clear	2 %	10 %	34%	6.5%	52.5%
No. 1	1	4.5	24	6.5	36
Factory	.5	1.5	8	1.5	11.5
Total	3.5%	16 %	66%	14.5%	100 %

January 29th, 1915.

[fol. 387]

GOVERNMENT'S EXHIBIT No. 28-A

Composite Results of Seven Test Runs

Rough Lumber Used

F. & S.	No. 1 com.	No. 2 com.	No. 3 com.	Total	Flooring produced	Waste
12,252′	1,082,191′	482,220′	133,696′	1,710,359′	1,401,479′	308,880′
.7%	63.3%	28.2%	7.8%	100%	82%	18%

Value of Rough Lumber Used

.7%	F. & S.	@ 38.00		.27
63.3	No. 1 Common	28.00		17.72
28.2	No. 2 "	22.00		6.20
7.8	No. 3 "	12.00		.94
100. %				$25.13

1,000 ft. lumber costs		$25.13
820 " flooring "		25.13
1,000 " " "		30.65
Manufacturing and selling costs	12.31	
Less wood, etc.	1.10	
		11.21
Cost of 1,000 ft. flooring sold		41.86
Add one-ninth to give 10% profit on selling prices		4.65
Selling values should average for 1,000 ft. flooring		46.51

M. P. P. and M. C. C. Spreads January, 1917

Frame A, F. O. B. Cadillac, Mich.

Test Run Production

Clear	13/16 x 1½″	3.3%	$46.00	1.52	
	2″	2.9	45.00	1.31	
	2¼″	37.1	47.00	17.44	
	3¼″	1.2	42.50	.51	
	Jtd. 3½″	.4	44.00	.18	
	⅜ x 2″	3.2	33.00	1.06	
		48.1			22.02
No. 1	13/16 x 1½″	2. %	33.00	.66	
	2″	2.2	39.00	.86	
	2¼″	34.1	41.00	13.98	
	3¼″	2.6	39.50	1.03	
	Jtd. 3½″	.4	41.00	.16	
	⅜ x 2″	.9	25.00	.23	
		42.2			16.92
Factory	13/16 x 1½″	.2%	16.50	.03	
	2″	.6	24.50	.15	
	2¼″	8.3	26.50	2.20	

	3¼"	.5	29.50	.15	
Jtd.	3½"	.1	31.00	.03	
		9.7			2.56
		100%			41.50
Horizontal advance required to give 10% profit on selling prices.....					5.01
					$46.51

M. C. C. January 26, 1917.

[fol. 388]

GOVERNMENT'S EXHIBIT No. 28-B

Composite Results of Seven Test Runs

Rough Lumber Used

F. & S.	No. 1 com.	No. 2 com.	No. 3 com.	Total	Flooring produced	Waste
12,252′	1,082,191′	482,220′	133,696′	1,710,359′	1,401,479′	308,880′
.7%	63.3%	28.2%	7.8%	100%	82%	18%

Value of Rough Lumber Used

.7%	F. & S	@ 40.00.....		.28
63.3	No. 1 Common	30.00.....		18.99
28.2	No. 2 "	25.00.....		7.05
7.8	No. 3 "	15.00.....		1.17
100. %				$27.49

1,000 ft. lumber costs					$27.49
820 " flooring "					27.49
1,000 " " "					33.52
Manufacturing and selling costs				12.31	
Less wood, etc.				1.10	
					11.21
Cost of 1,000 ft. flooring sold					44.73
Add one-ninth to give 10% profit on selling prices					4.97
Selling values should average for 1,000 ft. flooring					49.70

Full List Frame A, F. O. B. Cadillac, Basis Table of Values January 26, 1917

Test Run Production

Clear	13/16 x 1½"	3.3%	$51.00	1.68	
	2"	2.9	50.00	1.45	
	2¼"	37.1	52.00	19.29	
	3¼"	1.2	47.50	.57	
	Jtd. 3½"	.4	49.00	.20	
	⅜ x 2"	3.2	35.00	1.12	
		48.1			24.31
No. 1	13/16 x 1½"	2. %	38.00	.76	
	2"	2.2	44.00	.97	
	2¼"	34.1	46.00	15.69	
	3¼"	2.6	44.50	1.16	
	Jtd. 3½"	.4	46.00	.18	
	⅜ x 2"	.9	27.00	.24	
		42.2			19.00

Test Run Production—*Continued*

Factory	13/16 x 1½″		.2%	21.50	.04	
		2″	.6	29.50	.18	
		2¼″	8.3	31.50	2.61	
		3¼″	.5	34.50	.17	
	Jtd.	3½″	.1	36.00	.04	
			9.7			3.04
			100%			$46.35
Horizontal advance required to give 10% profit on selling prices						3.35
						$49.70

Revised March 16, 1917.

[fol. 389] GOVERNMENT'S EXHIBIT No. 28-C

Maple Flooring Manufacturers Association, Chicago

May 23, 1918.

To members.

GENTLEMEN: As intimated in the last report of the Market Conditions Committee, the Test Run of December 1917, revised to May 20, 1918, conclusively supports the recommendation of the Committee and the action taken by the Association respecting the advance of $5.00 in flooring prices.

In revising this Test Run up to May 20, 1918, we have applied the present market values of the rough lumber used, the manufacturing and marketing costs as per the Survey for the first quarter of 1918, and the new selling basis of 5-20-18. It shows that a further horizontal advance of $7.58 would be required to meet all present cost conditions and to realize a profit of 10% on sales.

Thinking the question may arise that possibly the grades of lumber used in this Test Run may not fairly reflect average conditions because of the unusually large percentage of No. 3 Common contained, we have applied the same calculations to the Test Run of July 1917, and to the Composite Seven Test Runs embraced in our report to you of January 26, 1917, but the net result is not improved.

It may be of interest to record for future reference that these Test Runs were made by the following members of the Association.

Test Run of December, 1917

T. Wilce Company, Chicago, Illinois, Manufactured at North Branch Flooring Co.'s plant, Chicago, Ill.

Test Run of July 1917

West Michigan Flooring Co., Manistee, Mich.

The Seven Test Runs, Analysis of, January 1917

Thomas Forman Co., Detroit, Mich.	2 Runs
Foster-Latimer Lbr. Co., Mellen. Wis.	2 Runs
West Michigan Flg. Co., Manistee, Mich.	1 Run
J. W. Wells Lumber Co., Menominee, Mich.	1 Run
North Branch Flg. Co., Chicago, Ill.	1 Run
	7 Runs

Even tho opinions may vary in minor details like the exact current market value of the raw material and the present manufacturing and marketing costs compared with the first quarter of 1918, it is self evident that the new selling basis is still too low to meet all present cost conditions connected with the production of flooring.

Yours very truly, George W. Keehn, Secretary.

[fol. 390]

GOVERNMENT'S EXHIBIT 28-D

Results of Test Run December, 1917

1274 M Michigan and Wisconsin Maple Lumber used. The Lumber was commercially sawed.

F. & S.	No. 1 com.	No. 2 com.	No. 3 com.	Total	Flooring produced	Waste
15 M	560 M	374 M	325 M	1,274 M	1,052 M	222 M
1.2%	43.9%	29.4%	25.5%	100 %	82.5 %	17.5%

Value of Rough Lumber Used

1.2%	F. & S.	@	48.00	.58
43.9	No. 1	"	33.00	14.49
29.4	" 2	"	28.00	8.23
25.5	" 3	"	23.00	5.86
100. %	Cost of 1000′ Rough Lumber used			29.16
	" " 825′ Flooring produced			29.16
	" " 1000′ " "			35.34
Manufacturing and Marketing Costs Survey First Quarter 1918			18.22	
Less wood and other by products			1.74	16.48
Cost of 1 M ft. Flooring Sold				51.82
Add one-ninth for 10% profit on Sales				5.76
What Selling values should average for 1 M ft. flooring				$57.58

Fame A F. O. B. Cadillac, Mich.—Selling Basis of 5-20-18

Clear	13/16" x 1½"	1.5%	$55.00	.83	
	2"	2.5	54.00	1.35	
	2¼"	21.9	56.00	12.26	
	3¼"	4.8	52.00	2.50	
		30.7			16.94
No. 1	13/16" x 1½"	1.1%	45.00	.50	
	2"	3.9	51.00	1.99	
	2¼"	27.4	53.00	14.52	
	3¼"	5.2	51.00	2.65	
		37.6			19.66
Factory	13/16" x 1½"	.6%	31.00	.19	
	2"	2.5	40.00	1.00	
	2¼"	18.9	42.00	7.94	
	3¼"	9.7	44.00	4.27	
		31.7			13.40
		100.%			50.00
Horizontal advance of $7.58 would be required to meet Cost Conditions and to realize Profit of 10% on Sales				7.8	7.58

To realize a profit of "Cost Plus" 10% (the method frequently used by the Government in making its purchase contracts) instead of a 10% Profit on Sales the profit would be $5.18 instead of $5.76, a difference of 58 cents. Consequently this typical flooring product should sell for $57.00 instead of $50.00.

Revised May 20, 1918.

[fol. 391] GOVERNMENT'S Ex. No. 28-E

Survey of Costs for Quarter Ended March 31, 1918, and Sliding Basis of May 20, 1918, Applied to Test Run of July, 1917

Lower Michigan Maple Lumber Used (Stock used was edged and trimmed)		205,697′	
71% No. 1 Common			
29% " 2 Common			
100%			
Flooring Product		163,504′	
Waste		42,193′	20.5%

Analysis of Results

Rough Lumber @ $33.00 & $28.00

Cost of 1000′ Lumber		$31.55	
Lumber cost of 795′ Flooring		31.55	
" " "1000′ "		39.69	
Average Manufacturing and Marketing Costs:			
Quarter ended 3-31-18	$18.22		
Less value of wood, etc.	1.74		
		16.48	
Cost of 1000′ Flooring Sold			56.17
Add one-ninth for 10% profit on sales			6.24
			62.41

Selling Value of Flooring Product Basis of 5-20-18					52.79
Loss on basis of 10% Profit on Sales					9.62
Flooring Product at Selling Prices 5-20-18, Frame A, F. O. B. Cadillac Basis					
Clear	13/16" x 1½" Face	6.1%	$55.00	2.35	
	2" "	7.9	54.00	4.26	
	2¼" "	45.4	56.00	25.42	
	3¼" "	3.7	52.00	1.92	
		63.1			34.95
No. 1	13/16" x 1½" Face	1.6%	45.00	.72	
	2" "	3.0	51.00	1.53	
	2¼" "	16.9	53.00	8.96	
	3¼" "	2.6	51.00	1.33	
		24.1			12.54
Factory	13/16" x 1½" Face	.8%	31.00	.25	
	2¼" "	1.2	40.00	.48	
	2" "	9.1	42.00	3.82	
	3¼" "	1.7	44.00	.75	
		12.8			5.30
		100.%			25.79

Faces: 1½" 8.5%; 2" 12.1%; 2¼", 71.4%; 3¼", 8.%—Total, 100%.

To realize a profit of "Cost Plus" 10% (the method frequently used by the Government in making its purchase contracts) instead of a 10% profit on sales the profit would be $5.62 instead of $6.24, a difference of 62 cents; in that case this run of flooring should sell for $61.79 instead of $52.79.

Revised May 20, 1918.

[fol. 392]

GOVERNMENT'S EXHIBIT No. 28-F

Composite Results of Seven Test Runs

Rough Lumber Used

F. & S.	No. 1 com.	No. 2 com.	No. 3 com.	Total	Flooring produced	Waste
12 M	1,082 M	482 M	134 M	1,710 M	1,401 M	309 M
.7%	63.3%	28.2%	7.8%	100%	82%	18%

Value of Rough Lumber Used

.7%	F. & S.	@ 48.00		.34
63.3	No. 1 Common	33.00		20.89
28.2	No. 2 "	28.00		7.90
7.8	No. 3 "	23.00		1.79
100. %				30.92
1,000 ft. Lumber costs				$30.92
820 " Flooring "				30.92
1,000 " " "				37.71
Manufacturing and Marketing costs			$18.2	
Survey First Quarter 1918			$18.22	
Less value of wood, etc			1.74	
				16.48

Cost of 1,000 ft. flooring sold	54.19
Add one-ninth to give 10% profit on selling prices	6.02
Selling values should average for 1,000 ft. flooring sold	60.21

20—920

Selling Basis of May 20, 1918, Frame A, F. O. B. Cadillac, Mich.

Test Run Production

Clear	13/16" x	1½"	3.3%	$55.00	1.82	
		2"	2.9	54.00	1.57	
		2¼"	37.1	56.00	20.78	
		3¼"	1.2	52.00	.62	
	Jointed	3½"	.4	58.00	.23	
	⅜" x	2"	3.2	42.00	1.34	
			48.1			26.36
No. 1	13/16" x	1½"	2. %	45.00	.90	
		2"	2.2	51.00	1.12	
		2¼"	34.1	53.00	18.07	
		3¼"	2.6	51.00	1.33	
	Jointed	3½"	.4	55.00	.33	
	⅜" x	2"	.9	34.00	.31	
			42.2			21.95
Factory	13/16" x	1½"	.2%	31.00	.06	
		2"	.6	40.00	.24	
		2¼"	8.3	42.00	3.49	

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Test Run Production—Continued

	3¼"	.5	44.00	.22	
Jointed	3½"	.1	44.00	.04	
		9.7			4.05
		100. %			52.36
Horizontal advance required to give 10% profit on selling prices					7.85
					60.21

To Realize a Profit of "Cost Plus" 10% (the method frequently used by the Government in making its purchase contracts) instead of a 10% Profit on Sales the profit would be $5.42 instead of $6.02, a difference of 60 cents; in that case the flooring manufactured in these Seven Test Runs, which have been consolidated and considered as a single run, should sell for $59.61 instead of $52.36.

Revised May 20, 1918.

[fol. 393]

GOVERNMENT'S EXHIBIT No. 28-G

Composite Results of Seven Test Runs

Rough Lumber Used

F. & S.	No. 1 com.	No. 2 com.	No. 3 com.	Total	Flooring produced	Waste
12 M	1,082 M	482 M	134 M	1,710 M	1,401 M	309 M
.7%	63.3%	28.2%	7.8%	100%	82%	18%

Value of Rough Lumber Used

.7%	F. & S.	@ 48.00		.34
63.3	No. 1 Common	33.00		20.89
28.2	No. 2 "	28.00		7.90
7.8	No. 3 "	23.00		1.79
100. %				30.92
1,000 ft. Lumber costs				$30.92
820 " Flooring "				30.92
1,000 " " "				37.71
Average Manufacturing & Marketing Costs Survey Oct. 1918-March 1919—6 months			$22.04	
Less value of wood, etc			3.41	
				18.63

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Value of Rough Lumber Used—Continued

Cost of 1,000 ft. flooring sold	56.34
Add one-ninth to give 10% profit on selling prices	6.26
Selling values should average for 1,000 ft. flooring sold	62.60

Selling Basis of May 13, 1919, Frame A, F. O. B. Cadillac, Mich.

Test Run Production

Clear	13/16" x 1½"	3.3%	$63.00	2.08		
	2"	2.9	62.00	1.80		
	2¼"	37.1	64.00	23.74		
	3¼"	1.2	60.00	.72		
	Jointed 3½"	.4	62.00	.25		
	⅜" x 2"	3.2	42.00	1.34		
		48.1				29.93
No. 1	13/16" x 1½"	2. %	51.00	1.02		
	2"	2.2	57.00	1.25		
	2¼"	34.1	59.00	20.12		
	3¼"	2.6	57.00	1.48		
	Jointed 3½"	.4	59.00	.24		
	⅜" x 2"	.9	34.00	.31		
		42.2				24.42

Factory 13/16" x 1½"		.2%	37.00	.07	
	2"	.6	46.00	.28	
	2¼"	8.3	48.00	3.98	
	3¼"	.5	50.00	.25	
Jointed	3½"	.1	52.00	.05	
		9.7			4.63
		100. %			58.98
Additional advance required to realize a profit of 10% on selling prices					3.62
					62.60

To Realize a Profit of "Cost Plus" 10% (the method frequently used by the Government during the war in making its purchase contracts) instead of a 10% Profit on Sales, the profit would be $5.63 instead of $6.26, a difference of 63 cents; in that case the flooring manufactured in these Seven Test Runs, which have been consolidated and considered one run, should sell for $61.97 instead of $58.98, or $2.99 more than selling basis of May 13, 1919.

Revised May 15, 1919.

This is the statement referred to in our letter of May 14, 1919.

[fol. 394]

GOVERNMENT'S EXHIBIT No. 28-H

Results of Seven Test Runs Consolidated

Rough Lumber Used

F. & S.	No. 1 com.	No. 2 com.	No. 3 com. A	Total	Flooring produced	Waste
12 M	1,082 M	482 M	134 M	1,710 M	1,401 M	309 M
.7%	63.3%	28.2%	7.8%	100%	82%	18%

Market Value of Rough Lumber Used

64%	No. 1 Common	@ $105.00		$67.20
28 "	No. 2 Common	@ 80.00		22.40
8 "	No. 3 Common A	@ 70.00		5.60
100%				95.20
1,000 ft. Lumber costs				$95.20
820 " Flooring "				95.20
1,000 " " "				116.10
Average Manufacturing & Marketing Costs Survey Oct. Nov. & Dec. 1919			19.94	
Less value of wood, etc			1.55	18.39
Cost of 1,000 ft. flooring sold				134.49
Add one-ninth if a profit of 10% on selling prices F. O. B. flooring mill is to be realized				14.94
Selling values would average F. O. B. flooring mill for 1,000 feet flooring sold				149.43

The following prices applied to the flooring product of the Seven Test Runs represent Frame A (F. O. B. Cadillac Basis) in "Table of Values based upon average cost."

Clear	13/16" x 1½"		3.3%	$156.00	$5.15	
		2"	2.9	154.00	4.47	
		2¼"	37.1	154.00	57.13	
		3¼"	1.2	152.00	1.82	
	Jointed	3½"	.4	155.00	.62	
	⅜" x	2"	3.2	140.00	4.48	
			48.1			$73.67
No. 1	13/16" x 1½"		2. %	141.00	2.82	
		2"	2.2	147.00	3.23	
		2¼"	34.1	149.00	50.81	
		3¼"	2.6	149.00	3.87	
	Jointed	3½"	.4	152.00	.61	
	⅜" x	2"	.9	132.00	1.19	
			42.2			62.53
Factory	13/16" x 1½"		.2%	126.00	.25	
		2"	.6	135.00	.81	
		2¼"	8.3	137.00	11.37	
		3¼"	.5	139.00	.70	
	Jointed	3½"	.1	142.00	.14	
			9.7			13.27
			100. %			149.47

Percentages of Faces Produced

Grades	1¼"	2"	2½"	3¼"	3½"	Totals
Clear	3.3	6.1	37.1	1.2	.4	48.1%
No. 1	2.	3.1	34.1	2.6	.4	42.2 "
Fact'y	.2	.6	8.3	.5	.1	9.7 "
Total	5.5	9.8	79.5	4.3	.9	100. %

Memorandum: For each $1.00 of increase in the total cost of 1 M feet of the rough flooring stock add $1.36 per 1 M feet to the prices of flooring; for each $1.00 of decrease in the total cost of 1 M feet of the rough flooring stock, deduct $1.36 per 1 M feet from the prices of flooring.

March 1, 1920.

Nov. 18, 1922.

[fol. 395]

GOVERNMENT'S EXHIBIT No. 28-I

[Omitted in printing]

[fol. 396] GOVERNMENT'S EXHIBIT No. 28-J

April 9, 1921.

Survey of Costs

To Members.

GENTLEMEN: We enclose blank forms for Survey of Manufacturing and Marketing Costs during the first quarter of 1921, and we hope that as many members as can possibly do so will give us this data promptly, so we shall know how the average costs during the first quarter of 1921 compare with the previous survey.

Reports for the last Survey of Costs were made by ten members and the average was $25.13 instead of an average of $22.00, as was hoped might be the case when the Table of Values Based Upon Average Cost was compiled as at January 6, 1921.

If possible, please send us this report very promptly so we can compile the data and have the averages ready for the Market Conditions Committee when it meets this month.

Yours very truly, George W. Keehn, Secretary.

[fol. 397] GOVERNMENT'S EXHIBIT No. 28-K

May 28, 1921.

To Members.

GENTLEMEN: We have the following letter from East Jordan Lumber Company dated the 26th:

"We have your favor of the 21st and are exceedingly sorry that the minimum price plan did not go through, as we feel this is the only plan which has ever worked out satisfactorily, and that it would be especially valuable to us at this time.

The writer was away until Tuesday of this week and neglected to report that we had made no sales of flooring last week. We will try to see that all of our sales are reported promptly on Saturday of each week hereafter.

Very truly yours, East Jordan Lumber Company. (Signed) John J. Porter."

JJP:EC.

Very truly yours, George W. Keehn, Secretary.

[fol. 398] GOVERNMENT EXHIBIT No. 28-L

June 3, 1921.

GENTLEMEN: We sent you by mail yesterday new fillers for your Rate Books as follows:

1. Table of Values for 13/16" Flooring dated May 21, 1921.
2. Table of Values for 3/8" " " " " "
3. Concession Sheet dated May 21, 1921.

We have revised and are having reprinted our list of Wholesalers and Commission Men and will send you copies in a few days as soon as received from the printer. In the meantime, it was sort of understood at the last meeting that the Red Book would serve as a guide in classifying Wholesalers and Commission Men until such time as our own printed list is made more complete by such additions to our list as may be made from time to time. It would seem to me that any lumber dealer who is classified in the Book as a Wholesaler or Commission Man should automatically go on our list to avoid any unjust discrimination. The names of other dealers who are not classified in the Red Book as Wholesalers and Commission Men should be passed upon by the Committee the same as heretofore before we list them. This commission question has always been a complicated one and always will be.

Very truly yours, George W. Keehn, Secretary.

[fol. 399] GOVERNMENT'S EXHIBIT No. 28-M

[Omitted in printing]

[fol. 400]

GOVERNMENT'S EXHIBIT No. 28-N

Three Test Runs of 1921

Made by North Branch Flooring Company, Chicago, in January, 1921, and Between May 1 and September 10, 1921

Rough Lumber Used			Flooring Product			
792 M ft. No. 1 Common	51.5%		Clear	646 M Ft.		52. %
562 " " No. 2 Common	36.5 "		No. 1	383 " "		30.7 "
185 " " No. 3 Common A	12.0 "		Factory	215 " "		17.3 "
1,539 M ft.	100. %			1,243 M Ft.		100. %
51.5% No. 1 Common @ $39.50	20.34		Waste	296 " "		19.2 "
36.5 " No. 2 Common " 24.50	8.94					
12.0 " No. 3 Com. A " 11.50	1.38		Lumber Used	1,539 M Ft.		
100. %			Clear:			
			13/16 x 1-½"	2.5%	$85.	$2.13
1000 Ft. Lumber Cost	30.66		2"	3.3 "	83.	2.74
			2-¼"	41.7 "	90.	37.53
800 " Flooring Costs	30.66		3-¼"	2.1 "	80.	1.68
			3/8" All Faces	2.4 "	60.	1.44
1000 " Flooring Costs	37.95			52. %		$45.52
Manufacturing and Marketing Costs Average First half 1921			No. 1:			
Avge. of 8 Reports 2.28			13/16 x 1-½"	1.3%	$53.	.69
Less Value of Wood			2"	2.5 "	53.	1.33
—Average 1.24	21.04		2-¼"	24.9 "	60.	14.94
	58.99					

	3-¼"	.7 "	60.	.42
	3/8" All Faces	1.3 "	45.	.59
		30.7%		$17.97
Add 5% for Contingencies	2.95	Factory:		
		13/16 x 1-½"	.7%	$15.	$ .11
		2"	.9 "	23.	.21
		2-¼"	14.7 "	25.	3.68
		3-¼"	.8 "	27.	.22
		3/8" All Faces	.2 "	10.	.02
			17.3%		4.24
Average Cost F. O. B. Flooring Plant of 1000 Ft. of Flooring Sold	61.94				
		Totals	100. %		$67.73

Flooring Product, Grades and Faces

Grades	13/16x1¼"	2"	2¼"	3¼"	3/8", all faces	Totals
Clear	2.5%	3.3%	41.7%	2.1%	2.4%	52. %
No. 1	1.3 "	2.5 "	24.9 "	.7 "	1.3 "	30.7 "
Factory	.7 "	.9 "	14.7 "	.8 "	.2 "	17.3 "
Totals	4.5%	6.7%	81.3%	3.6%	3.9%	100. %

Rough Lumber Used

Stock	No. 1 common	No. 2 common	No. 3 common A	Totals
Wisconsin & Upper Mich.	624 M 40.6%	394 M 25.6%	163 M 10.6%	1182 M 76.8%
Lower Mich.	168 " 10.9 "	167 " 10.9 "	22 " 1.4 "	357 " 23.2 "
	792 M 51.5%	561 M 36.5%	185 M 12. %	1539 M 100. %

Memorandum

The Wisconsin and Upper Michigan Stock used ran 52.8% No. 1 Common, 33.4% No. 2 Common and 13.8% No. 3 Common A. The Lower Michigan Stock used ran 47% No. Common, 46.7% No. 2 Common and 6.3% No. 3 Common A.

September 22, 1921.

[fol. 401] Three Test Runs of 1921 By No. 48

Test run	Lumber used	Flooring product		Waste
No. 1	287 M	219 M	68 M	23.8%
2	636 "	528 "	108 "	17.8 "
3	616 "	496 "	120 "	19.4 "
As 1 Run	1,539 M	1,243 M	296 M	19.2%

Grades of Lumber Used

Test run	No. 1 common	No. 2 common	No. 3 common A
No. 1	35.9%	36.9%	27.2%
2	49.1 "	37.6 "	13.3 "
3	61.1 "	35.1 "	3.8 "
As 1 Run	51.5%	36.5%	12. %

Grade of Flooring Produced

Test run	Clear	No. 1	Factory
No. 1	47.6%	24.9%	27.5%
2	47.1 "	33.6 "	19.3 "
3	59.1 "	30.1 "	10.8 "
As 1 Run	52. %	30.7%	17.3%

Faces of Flooring Produced

	13/16"x1½"	2"	2½"	3½"	(3/8")
Test Run 1	6.5%	4.1%	72.5%	16.9%	
2	5.3 "	4.8 "	81.3 "	1.4 "	7.2%
3	2.8 "	10.1 "	85. "		2.1 "
As 1 Run	4.5%	6.7%	81.3%	3.6%	3.9%

September 22, 1921.

[fol. 402] GOVERNMENT'S EXHIBIT No. 28-O

December 1, 1921.

GENTLEMEN: We are mailing you today the new 13/16" Table of Values and Concessions Sheet, dated November 17th. Your envelope contains — copies of each, according to our record of the number of Rate Books in your hands. If this quantity is insufficient, or is more than you require, or is more than the number of Rate Book Index of Towns you are now using or will require, please fill in the form below and mail to us and we will revise our mailing lists accordingly.

We expect to receive from the printer in a few days a supply of Table of Values Charts, of heavy ledger, amber colored stock, size about 15 x 26", on which will be printed the first ten pages of our 13/16" Table of Values and the first two pages of our 3/8" Table of Values. These will afford a handy reference for desk use, and in the 13/16" Tables extra space has been allowed between frames to permit of writing the names of several towns opposite each frame. We expect to send in mailing tubes three copies to each member.

Yours very truly, George W. Keehn, Secretary.

ECS-L.

We require:

— sheets Concessions & Differentials.
— sets 13/16" Table of Values.
— " 3/8" " " "
— " Rate Book Index of Towns.

No. —.

[fol. 403] GOVERNMENT'S EXHIBIT No. 28-P

[Omitted in printing]

[fol. 404] GOVERNMENT'S EXHIBIT No. 28-Q

Maple Flooring Manufacturers Association, 1045 Stock Exchange Bldg., Chicago

June 24, 1922.

To members.

GENTLEMEN: 1. For the information of the members of the Association the Committee on Cost Surveys has made a careful analysis and survey of the Average Cost of Manufacturing and Marketing Maple, Beech and Birch Flooring.

2. The Survey was made in accordance with Article XIV, "Determining Average Cost," of the Articles of Association and the re-

sults of the Survey are given in the enclosed schedules, which, for brevity, are called "Average Cost Chart" and Differentials."

3. For the further information of the members, so-called "Delivered Cost Charts" have been compiled. These Charts include the Average Cost of Freight to destination of shipment; in other words, the Average Cost of Freight is added to the Average Cost of the flooring F. O. B. cars at flooring mills to illustrate what the Delivered Cost would be at destination.

4. Copies of the foregoing under date of May 31, 1922 are enclosed herewith.

5. We are also enclosing statement "Survey of Costs" for first quarter of 1922 and an analysis of the "Three Test Runs of 1921" which are also dated as of May 31, 1922.

6. Under the new Articles of Association the new Rate Book will be made up as follows, and will contain only the following matter when completed:

(a) Title Page. As per enclosed copy.

(b) Key to Freight Rates and Index Letters. As per enclosed copy.

(c) Average Freight Rates and Index of Towns. Being the equivalent approximately of the freight rates from Cadillac, Michigan.

Remarks: The freight rates are all being revised to give effect to the reduction ordered by the Interstate Commerce Commission to take effect July 1st.

(d) Average Cost Chart. Showing approximate relative Average Cost of the different grades and faces of 13/16" Maple Flooring F. O. B. cars at flooring mills.

(e) Differentials from Average Cost of 13/16" Maple Flooring.

(f) Delivered Cost Charts 13/16" Maple Flooring.

(g) Average Cost Chart 3/8" Maple, Beech and Birch Flooring.

(h) Delivered Cost Chart 3/8" Maple, Beech and Birch Flooring.

Very truly yours, George W. Keehn, Secretary.

[fol. 405] GOVERNMENT'S EXHIBIT No. 28-R

[Omitted in printing]

[fol. 406] GOVERNMENT'S EXHIBIT No. 28-S

[Omitted in printing]

[fol. 407] GOVERNMENT'S EXHIBIT No. 28-T

[Omitted in printing]

(Here follows Government's Exhibit No. 29, marked side folio page 408)

[fol. 409] GOVERNMENT'S EXHIBIT No. 29-A

[Omitted in printing]

[fol. 410] GOVERNMENT'S EXHIBIT No. 29-B

[Omitted in printing]

[fol. 411] GOVERNMENT'S EXHIBIT No. 29-C

[Omitted in printing]

[fol. 412] GOVERNMENT'S EXHIBIT No. 30

[Omitted in printing]

[fol. 413] GOVERNMENT'S EXHIBIT No. 30-A

[Omitted in printing]

[fol. 414] GOVERNMENT'S EXHIBIT No. 30-B

[Omitted in printing]

[fol. 415] GOVERNMENT'S EXHIBIT No. 30-C

[Omitted in printing]

[fol. 416] GOVERNMENT'S EXHIBIT No. 30-D

[Omitted in printing]

(Here follow Government's Exhibits 30-E and 30-F, marked side folio pages 417, 418, 419, 420, 421, 422, 423, and 424; Government's Exhibit 31, side folio pages 425-522.)

[fol. 523] GOVERNMENT'S EXHIBIT No. 31-A

[Omitted in printing]

[fol. 524] GOVERNMENT'S EXHIBIT No. 31-B

[Omitted in printing]

Prices on Maple Flooring

EFFECTIVE APRIL 1st, 1905

DELIVERED AT THE FOLLOWING POINTS

Terms 60 days. No longer time than 90 days, nor more than 2 per cent discount for cash in 15 days from date of shipment on net bill is to be allowed.

POINTS	Clear, ⅝"		No. 1, ⅝"			Factory, ⅝		
	2" & 2¼" Face	3¼" Face	2" Face	2¼" Face	3¼" Face	2" Face	2¼" Face	3¼" Face
Maine, except Portland rates	$38 50	$37 50	$32 00	$33 00	$34 50	$24 00	$25 00	$26 50
Portland and points taking Portland rate	37 50	36 50	31 00	32 00	33 50	23 00	24 00	25 50
New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut	37 50	36 50	31 00	32 00	33 50	23 00	24 00	25 50
New York east of a line from Oswego through Syracuse to Binghampton	37 00	36 00	30 50	31 50	33 00	22 50	23 50	25 00
New York west of a line from Oswego through Syracuse to Binghampton (these Cities included) except Buffalo, Tonawanda and Niagara Falls	35 75	34 75	29 25	30 25	31 75	21 25	22 25	23 75
Buffalo, Tonawanda and Niagara Falls	35 50	34 50	29 00	30 00	31 50	21 00	22 00	23 50
Pennsylvania east of a line from Altoona to Emporium	36 50	35 50	30 00	31 00	32 50	22 00	23 00	24 50
Pennsylvania west of a line from Altoona to Emporium, including these Cities	35 50	34 50	29 00	30 00	31 50	21 00	22 00	23 50
New Jersey, except Atlantic City and Camden	37 00	36 00	30 50	31 50	33 00	22 50	23 50	25 00
Atlantic City	38 50	37 50	32 00	33 00	34 50	24 00	25 00	26 50
Camden, Delaware, Maryland, Washington, D. C.; Virginia, West Virginia, except Wheeling	36 50	35 50	30 00	31 00	32 50	22 00	23 00	24 50
Wheeling	35 50	34 50	29 00	30 00	31 50	21 00	22 00	23 50
Michigan, Lower Peninsular	33 50	32 50	27 00	28 00	29 50	19 00	20 00	21 50
Michigan, Upper Peninsular, except Lake Michigan ports	35 00	34 00	28 50	29 50	31 00	20 50	21 50	23 00
Michigan, Upper Peninsular, Lake Michigan ports	34 00	33 00	27 50	28 50	30 00	19 50	20 50	22 00
Ohio, except Toledo	35 00	34 00	28 50	29 50	31 00	20 50	21 50	23 00
Toledo	33 50	32 50	27 00	28 00	29 50	19 00	20 00	21 50
Indiana, except Hammond, Michigan City and Fort Wayne	35 00	34 00	28 50	29 50	31 00	20 50	21 50	23 00
Hammond, Michigan City and Ft. Wayne	34 50	33 50	28 00	29 00	30 50	20 00	21 00	22 50
Kentucky, except Louisville	36 00	35 00	29 50	30 50	32 00	21 50	22 50	24 00
Louisville	35 00	34 00	28 50	29 50	31 00	20 50	21 50	23 00
Illinois, except points named	36 00	35 00	29 50	30 50	32 00	21 50	22 50	24 00
Illinois, north and east of a line from Danville through Bloomington and Peoria, thence north through Freeport to Wisconsin line (these Cities included) except Cook County	35 00	34 00	28 50	29 50	31 00	20 50	21 50	23 00
Cook County	34 00	33 00	27 50	28 50	30 00	19 50	20 50	22 00
Missouri except points named	38 00	37 00	31 50	32 50	34 00	23 50	24 50	26 00
St. Louis, Mo	36 00	35 00	29 50	30 50	32 00	21 50	22 50	24 00
Kansas City and St. Joseph, Mo	37 00	36 00	30 50	31 50	33 00	22 50	23 50	25 00
Kansas, except points named	40 00	39 00	33 50	34 50	36 00	25 50	26 50	28 00
Atchison and Leavenworth	37 00	36 00	30 50	31 50	33 00	22 50	23 50	25 00
Topeka and Fort Scott	39 00	38 00	32 50	33 50	35 00	24 50	25 50	27 00
Nebraska, except Omaha and Lincoln	38 50	37 50	32 00	33 00	34 50	24 00	25 00	26 50
Lincoln	38 00	37 00	31 50	32 50	34 00	23 50	24 50	26 00
Omaha	37 00	36 00	30 50	31 50	33 00	22 50	23 50	25 00
Montana	48 00	47 00	41 50	42 50	44 00	33 50	34 50	36 00
Wyoming, except Cheyenne	51 00	50 00	44 50	45 50	47 00	36 50	37 50	39 00
Colorado and Cheyenne	42 50	41 50	36 00	37 00	38 50	28 00	29 00	30 50
New Mexico	47 50	46 50	41 00	42 00	43 50	33 00	34 00	35 50
Arizona	57 00	56 00	50 50	51 50	53 00	42 50	43 50	45 00
Utah, except Salt Lake City	50 50	49 50	44 00	45 00	46 50	36 00	37 00	38 50
Salt Lake City	49 50	48 50	43 00	44 00	45 50	35 00	36 00	37 50
Nevada	57 50	56 50	51 00	52 00	53 50	43 00	44 00	45 50
California, Oregon and Washington	51 50	50 50	45 00	46 00	47 50	37 00	38 00	39 50
Idaho	54 00	53 00	47 50	48 50	50 00	39 50	40 50	42 00
Wisconsin, except points named	35 00	34 00	28 50	29 50	31 00	20 50	21 50	23 00
Wisconsin, Lake Michigan ports	34 00	33 00	27 50	28 50	30 00	19 50	20 50	22 00
Ashland and Superior	35 50	34 50	29 00	30 00	31 50	21 00	22 00	23 50
Minnesota south of line from Minneapolis west through Granite Falls to the State Line	36 50	35 50	30 00	31 00	32 50	22 00	23 00	24 50
Minnesota north of this line same as Minneapolis or Duluth, plus the freight from these points, as per schedule below.								
Duluth, Minneapolis, St. Paul, Red Wing	35 50	34 50	29 00	30 00	31 50	21 00	22 00	23 50

cept Wheeling	36 50	35 50	30 00	31 00	32 50	22 00	23 00	24 50				
Wheeling	35 50	34 50	29 00	30 00	31 50	21 00	22 00	23 50				
Michigan, Lower Peninsular	33 50	32 50	27 00	28 00	29 50	19 00	20 00	21 50				
Michigan, Upper Peninsular, except Lake Michigan ports	35 00	34 00	28 50	29 50	31 00	20 50	21 50	23 00				
Michigan, Upper Peninsular, Lake Michigan ports	34 00	33 00	27 50	28 50	30 00	19 50	20 50	22 00				
Ohio, except Toledo	35 00	34 00	28 50	29 50	31 00	20 50	21 50	23 00				
Toledo	33 50	32 50	27 00	28 00	29 50	19 00	20 00	21 50				
Indiana, except Hammond, Michigan City and Fort Wayne	35 00	34 00	28 50	29 50	31 00	20 50	21 50	23 00				
Hammond, Michigan City and Ft. Wayne	34 50	33 50	28 00	29 00	30 50	20 00	21 00	22 50				
Kentucky, except Louisville	36 00	35 00	29 50	30 50	32 00	21 50	22 50	24 00				
Louisville	35 00	34 00	28 50	29 50	31 00	20 50	21 50	23 00				
Illinois, except points named	36 00	35 00	29 50	30 50	32 00	21 50	22 50	24 00				
Illinois, north and east of a line from Danville through Bloomington and Peoria, thence north through Freeport to Wisconsin line (these Cities included) except Cook County	35 00	34 00	28 50	29 50	31 00	20 50	21 50	23 00				
Cook County	34 00	33 00	27 50	28 50	30 00	19 50	20 50	22 00				
Missouri except points named	38 00	37 00	31 50	32 50	34 00	23 50	24 50	26 00				
St. Louis, Mo	36 00	35 00	29 50	30 50	32 00	21 50	22 50	24 00				
Kansas City and St. Joseph, Mo	37 00	36 00	30 50	31 50	33 00	22 50	23 50	25 00				
Kansas, except points named	40 00	39 00	33 50	34 50	36 00	25 50	26 50	28 00				
Atchison and Leavenworth	37 00	36 00	30 50	31 50	33 00	22 50	23 50	25 00				
Topeka and Fort Scott	39 00	38 00	32 50	33 50	35 00	24 50	25 50	27 00				
Nebraska, except Omaha and Lincoln	38 50	37 50	32 00	33 00	34 50	24 00	25 00	26 50				
Lincoln	38 00	37 00	31 50	32 50	34 00	23 50	24 50	26 00				
Omaha	37 00	36 00	30 50	31 50	33 00	22 50	23 50	25 00				
Montana	48 00	47 00	41 50	42 50	44 00	33 50	34 50	36 00				
Wyoming, except Cheyenne	51 00	50 00	44 50	45 50	47 00	36 50	37 50	39 00				
Colorado and Cheyenne	42 50	41 50	36 00	37 00	38 50	28 00	29 00	30 50				
New Mexico	47 50	46 50	41 00	42 00	43 50	33 00	34 00	35 50				
Arizona	57 00	56 00	50 50	51 50	53 00	42 50	43 50	45 00				
Utah, except Salt Lake City	50 50	49 50	44 00	45 00	46 50	36 00	37 00	38 50				
Salt Lake City	49 50	48 50	43 00	44 00	45 50	35 00	36 00	37 50				
Nevada	57 50	56 50	51 00	52 00	53 50	43 00	44 00	45 50				
California, Oregon and Washington	51 50	50 50	45 00	46 00	47 50	37 00	38 00	39 50				
Idaho	54 00	53 00	47 50	48 50	50 00	39 50	40 50	42 00				
Wisconsin, except points named	35 00	34 00	28 50	29 50	31 00	20 50	21 50	23 00				
Wisconsin, Lake Michigan ports	34 00	33 00	27 50	28 50	30 00	19 50	20 50	22 00				
Ashland and Superior	35 50	34 50	29 00	30 00	31 50	21 00	22 00	23 50				
Minnesota south of line from Minneapolis west through Granite Falls to the State Line	36 50	35 50	30 00	31 00	32 50	22 00	23 00	24 50				
Minnesota north of this line same as Minneapolis or Duluth, plus the freight from these points, as per schedule below.												
Duluth, Minneapolis, St. Paul, Red Wing and Stillwater	35 50	34 50	29 00	30 00	31 50	21 00	22 00	23 50				
Winona	35 00	34 00	28 50	29 50	31 00	20 50	21 50	23 00				
North Dakota, Minneapolis price plus freight from Minneapolis, as per schedule below:												
South Dakota, except points named	38 50	37 50	32 00	33 00	34 50	24 00	25 00	26 50				
Pierre	40 00	39 00	33 50	34 50	36 00	25 50	26 50	28 00				
Watertown and Sioux Falls	37 50	36 50	31 00	32 00	33 50	23 00	24 00	25 50				
Deadwood and other Black Hill points	46 50	45 50	40 00	41 00	42 50	32 00	33 00	34 50				
Iowa, except points named	37 00	36 00	30 50	31 50	33 00	22 50	23 50	25 00				
Burlington and Mississippi River points	36 00	35 00	29 50	30 50	32 00	21 50	22 50	24 00				
Sioux City	37 50	36 50	31 00	32 00	33 50	23 00	24 00	25 50				

The above only are standard stock widths in matched.

Jointed 2½, 3½ and wider only are standard widths.

Flooring 1⅛, 1⅜ and 1¼ inches thick, $1.00 more in No. 1 and Factory than ⅞ inch; clear 1⅛ inch $1.00 more than ⅞ inch; clear 1⅜ inch $3.00 more than ⅞ inch, and clear 1¼ inch $4.00 more than ⅞ inch.

When Flooring is selected to lengths six feet and longer add $3.00 per M; Eight feet and longer add $5.00 per M.

Flooring of any width or thickness is measured ¼ inch waste for matching; or ½ inch waste for jointing.

RULES FOR GRADING MAPLE FLOORING

CLEAR—Shall have one face free of all defects, but the question of color shall not be considered. Standard lengths in this grade shall be trimmed from 4 to 16 feet inclusive.

NO. 1—Will admit of tight, sound knots and slight imperfections in dressing, but must lay without waste. Standard lengths in this grade shall be trimmed from 2 to 16 feet, inclusive.

FACTORY FLOORING—Must be of such character as will lay and give a good, serviceable floor, with some cutting. Lengths, 2 to 16 feet.

On and after June 1, 1905, the rules for grading Clear Maple Flooring shall be as follows:

CLEAR—Shall have one face free of all defects, but the question of color shall not be considered. Standard lengths in all widths in this grade shall be 2 to 16 feet inclusive, the proportion of lengths 2 to 3½ feet shall be what the stock will produce up to 5% to 10%.

FREIGHT SCHEDULE FOR NORTHERN MINNESOTA AND NORTH DAKOTA POINTS

For Flooring tongued and grooved ⅞ inch and thicker, dropping fractions of cent in rate.

Rate	Freight	Rate	Freight	Rate	Freight	Rate	Freight	Rate	Freight	Rate	Freight	Rate	Freight	Rate	Freight
3c	$0 75	8c	$1 75	13c	$3 00	18c	$4 00	23c	$5 25	28c	$6 25	33c	$7 50	38c	$8 50
4c	1 00	9c	2 00	14c	3 25	19c	4 25	24c	5 50	29c	6 50	34c	7 75	39c	8 75
5c	1 00	10c	2 25	15c	3 50	20c	4 50	25c	5 75	30c	6 75	35c	8 00	40c	9 00
6c	1 25	11c	2 50	16c	3 50	21c	4 75	26c	5 75	31c	7 00	36c	8 00		
7c	1 50	12c	2 75	17c	3 75	22c	5 00	27c	6 00	32c	7 25	37c	8 25		

GOV. EXHIBIT 29

CHART

TOO

LARGE

FOR

FILMING

4" THICKNESS

RATES 4-41			RATES 42-61		
INDEX	GRADE	1½", 2" or 2½" FACE	INDEX	GRADE	1½", 2" or 2½" FACE
A	CLEAR No. 1	35.50 26.50	C B C C	CLEAR No. 1	38.75 29.75
D F	CLEAR No. 1	36.00 27.00	C D C F	CLEAR No. 1	39.00 30.00
G H	CLEAR No. 1	36.25 27.25	C G C H	CLEAR No. 1	39.25 30.25
I A J A A	CLEAR No. 1	36.50 27.50	C I C J D A	CLEAR No. 1	39.50 30.50
A B A C	CLEAR No. 1	36.75 27.75	D B D C	CLEAR No. 1	39.75 30.75
A D A E A F	CLEAR No. 1	37.00 28.00	D D D E D F	CLEAR No. 1	40.00 31.00
A G A H	CLEAR No. 1	37.25 28.25	D G D H	CLEAR No. 1	40.25 31.25
A I A J B A	CLEAR No. 1	37.50 28.50	D I D J E A	CLEAR No. 1	40.50 31.50
B B B C	CLEAR No. 1	37.75 28.75	E B E C	CLEAR No. 1	40.75 31.75
B D B E B F	CLEAR No. 1	38.00 29.00	E D E E E F	CLEAR No. 1	41.00 32.00
B G B H	CLEAR No. 1	38.25 29.25	E G E H	CLEAR No. 1	41.25 32.25
B I B J C A	CLEAR No. 1	38.50 29.50	E I E J F A	CLEAR No. 1	41.50 32.50

May 22, 1913

5" THICKNESS

RATES 62-91			RATES 92-121		
INDEX	GRADE	1½", 2" or 2½" FACE	INDEX	GRADE	1½", 2" or 2½" FACE
F B F C	CLEAR No. 1	41.75 32.75	I B I C	CLEAR No. 1	44.75 35.75
F D F E F F	CLEAR No. 1	42.00 33.00	I D I E I F	CLEAR No. 1	45.00 36.00
F G F H	CLEAR No. 1	42.25 33.25	I G I H	CLEAR No. 1	45.25 36.25
F I G J G A	CLEAR No. 1	42.50 33.50	I I A J J A J A	CLEAR No. 1	45.50 36.50
G B G C	CLEAR No. 1	42.75 33.75	A J B A J C	CLEAR No. 1	45.75 36.75
G D G E G F	CLEAR No. 1	43.00 34.00	A J D A J E A J F	CLEAR No. 1	46.00 37.00
G G G H	CLEAR No. 1	43.25 34.25	A J G A J H	CLEAR No. 1	46.25 37.25
G I H J H A	CLEAR No. 1	43.50 34.50	A J I A A J A A A	CLEAR No. 1	46.50 37.50
H B H C	CLEAR No. 1	43.75 34.75	A A B A A C	CLEAR No. 1	46.75 37.75
H D H E H F	CLEAR No. 1	44.00 35.00	A A D A A E A A F	CLEAR No. 1	47.00 38.00
H G H H	CLEAR No. 1	44.25 35.25	A A G A A H	CLEAR No. 1	47.25 38.25
H I I J I A	CLEAR No. 1	44.50 35.50	A A I A B J A B A	CLEAR No. 1	47.50 38.50

May 22, 1913

For White Clear ½-inch add $8.00 to price of Clear ¼-inch.
Flooring ½-inch thick, all faces, is measured ½-inch waste for matching.
Terms: 60 days from date of invoice or 2 per cent discount for cash in 15 days from date of shipment on net bill after deducting freight.

KEY { A 1 B 2 C 3 D 4 E 5 F 6 G 7 H 8 I 9 J 0

May 22, 1913

GOV. EXHIBIT 304.

RATES 63–74

INDEX	GRADE	13/16" x 1 1/2" FACE	13/16" x 2" FACE	13/16" x 2 1/4" FACE	13/16" x 3 1/4" FACE
F. C.	CLEAR	59.00	59.00	59.75	55.75
	No. 1	44.50	50.50	53.25	52.75
	FACTORY	30.00	36.00	39.75	43.75
F. D.	CLEAR	59.25	59.25	60.00	56.00
	No. 1	44.75	50.75	53.50	53.00
	FACTORY	30.25	36.25	40.00	44.00
F. E.	CLEAR	59.50	59.50	60.25	56.25
	No. 1	45.00	51.00	53.75	53.25
	FACTORY	30.50	36.50	40.25	44.25
F. F.	CLEAR	59.75	59.75	60.25	56.25
	No. 1	45.25	51.25	53.75	53.25
	FACTORY	30.75	36.75	40.25	44.25
F. G.	CLEAR	60.00	60.00	60.50	56.50
	No. 1	45.50	51.50	54.00	53.50
	FACTORY	31.00	37.00	40.50	44.50
F. H.	CLEAR	60.00	60.00	60.75	56.75
	No. 1	45.50	51.50	54.25	53.75
	FACTORY	31.00	37.00	40.75	44.75
F. I.	CLEAR	60.25	60.25	61.00	57.00
	No. 1	45.75	51.75	54.50	54.00
	FACTORY	31.25	37.25	41.00	45.00
G. J.	CLEAR	60.50	60.50	61.25	57.25
	No. 1	46.00	52.00	54.75	54.25
	FACTORY	31.50	37.50	41.25	45.25
G. A.	CLEAR	60.75	60.75	61.50	57.50
	No. 1	46.25	52.25	55.00	54.50
	FACTORY	31.75	37.75	41.50	45.50
G. B.	CLEAR	61.00	61.00	61.50	57.75
	No. 1	46.50	52.50	55.00	54.75
	FACTORY	32.00	38.00	41.50	45.75
G. C.	CLEAR	61.00	61.00	61.75	58.00
	No. 1	46.50	52.50	55.25	55.00
	FACTORY	32.00	38.00	41.75	46.00
G. D.	CLEAR	61.25	61.25	62.00	58.25
	No. 1	46.75	52.75	55.50	55.25
	FACTORY	32.25	38.25	42.00	46.25

RATES 75–86

INDEX	GRADE	13/16" x 1 1/2" FACE	13/16" x 2" FACE	13/16" x 2 1/4" FACE	13/16" x 3 1/4" FACE
G. E.	CLEAR	61.50	61.50	62.25	58.50
	No. 1	47.00	53.00	55.75	55.50
	FACTORY	32.50	38.50	42.25	46.50
G. F.	CLEAR	61.75	61.75	62.50	58.50
	No. 1	47.25	53.25	56.00	55.50
	FACTORY	32.75	38.75	42.50	46.50
G. G.	CLEAR	62.00	62.00	62.75	58.75
	No. 1	47.50	53.50	56.25	55.75
	FACTORY	33.00	39.00	42.75	46.75
G. H.	CLEAR	62.00	62.00	63.00	59.00
	No. 1	47.50	53.50	56.50	56.00
	FACTORY	33.00	39.00	43.00	47.00
G. I.	CLEAR	62.25	62.25	63.00	59.25
	No. 1	47.75	53.75	56.50	56.25
	FACTORY	33.25	39.25	43.00	47.25
H. J.	CLEAR	62.50	62.50	63.25	59.50
	No. 1	48.00	54.00	56.75	56.50
	FACTORY	33.50	39.50	43.25	47.50
H. A.	CLEAR	62.75	62.75	63.50	59.75
	No. 1	48.25	54.25	57.00	56.75
	FACTORY	33.75	39.75	43.50	47.75
H. B.	CLEAR	63.00	63.00	63.75	60.00
	No. 1	48.50	54.50	57.25	57.00
	FACTORY	34.00	40.00	43.75	48.00
H. C.	CLEAR	63.00	63.00	64.00	60.25
	No. 1	48.50	54.50	57.50	57.25
	FACTORY	34.00	40.00	44.00	48.25
H. D.	CLEAR	63.25	63.25	64.25	60.50
	No. 1	48.75	54.75	57.75	57.50
	FACTORY	34.25	40.25	44.25	48.50
H. E.	CLEAR	63.50	63.50	64.25	60.75
	No. 1	49.00	55.00	57.75	57.75
	FACTORY	34.50	40.50	44.25	48.75
H. F.	CLEAR	63.75	63.75	64.50	60.75
	No. 1	49.25	55.25	58.00	57.75
	FACTORY	34.75	40.75	44.50	48.75

RATES 87–98

INDEX	GRADE	13/16" x 1 1/2" FACE	13/16" x 2" FACE	13/16" x 2 1/4" FACE	13/16" x 3 1/4" FACE
H. G.	CLEAR	64.00	64.00	64.75	61.00
	No. 1	49.50	55.50	58.25	58.00
	FACTORY	35.00	41.00	44.75	49.00
H. H.	CLEAR	64.00	64.00	65.00	61.25
	No. 1	49.50	55.50	58.50	58.25
	FACTORY	35.00	41.00	45.00	49.25
H. I.	CLEAR	64.25	64.25	65.25	61.50
	No. 1	49.75	55.75	58.75	58.50
	FACTORY	35.25	41.25	45.25	49.50
I. J.	CLEAR	64.50	64.50	65.50	61.75
	No. 1	50.00	56.00	59.00	58.75
	FACTORY	35.50	41.50	45.50	49.75
I. A.	CLEAR	64.75	64.75	65.50	62.00
	No. 1	50.25	56.25	59.00	59.00
	FACTORY	35.75	41.75	45.50	50.00
I. B.	CLEAR	65.00	65.00	65.75	62.25
	No. 1	50.50	56.50	59.25	59.25
	FACTORY	36.00	42.00	45.75	50.25
I. C.	CLEAR	65.00	65.00	66.00	62.50
	No. 1	50.50	56.50	59.50	59.50
	FACTORY	36.00	42.00	46.00	50.50
I. D.	CLEAR	65.25	65.25	66.25	62.75
	No. 1	50.75	56.75	59.75	59.75
	FACTORY	36.25	42.25	46.25	50.75
I. E.	CLEAR	65.50	65.50	66.50	63.00
	No. 1	51.00	57.00	60.00	60.00
	FACTORY	36.50	42.50	46.50	51.00
I. F.	CLEAR	65.75	65.75	66.75	63.00
	No. 1	51.25	57.25	60.25	60.00
	FACTORY	36.75	42.75	46.75	51.00
I. G.	CLEAR	66.00	66.00	66.75	63.25
	No. 1	51.50	57.50	60.25	60.25
	FACTORY	37.00	43.00	46.75	51.25
I. H.	CLEAR	66.00	66.00	67.00	63.50
	No. 1	51.50	57.50	60.50	60.50
	FACTORY	37.00	43.00	47.00	51.50

INDEX	GRADE
I. I.	CLEAR
	No. 1
	FACTORY
A. J. J.	CLEAR
	No. 1
	FACTORY
A. J. A.	CLEAR
	No. 1
	FACTORY
A. J. B.	CLEAR
	No. 1
	FACTORY
A. J. C.	CLEAR
	No. 1
	FACTORY
A. J. D.	CLEAR
	No. 1
	FACTORY
A. J. E.	CLEAR
	No. 1
	FACTORY
A. J. F.	CLEAR
	No. 1
	FACTORY
A. J. G.	CLEAR
	No. 1
	FACTORY
A. J. H.	CLEAR
	No. 1
	FACTORY
A. J. I.	CLEAR
	No. 1
	FACTORY
A. A. J.	CLEAR
	No. 1
	FACTORY

The 1½ inch, 2 inch, 2¼ inch and 3¼ inch faces only are standard stock widths in matched. Jointed 2½ inch, 3¼ inch and wider only are standard widths. Pr
For Thick Flooring add to price of same face in 13/16 inch, as follows: 1 1/16 inch Clear, $1.00; No. 1, $2.00; Factory, $1.00. 1 5/16 inch All Grades, $2.00. 1
For White Clear 13/16 inch add $15.00 to price of same face in Clear 13/16 inch.
Flooring of any width 13/16 inch and thicker is measured ¾ inch waste for matching, or ½ inch waste for jointing.
Terms: 60 days from date of invoice or 2 per cent discount for cash in 15 days from date of shipment on net bill after deducting freight.

KEY	A	B	C	D	E	F	G	H	I	J
	1	2	3	4	5	6	7	8	9	0

May 21, 1913

13/16" x 2 1/4" FACE	13/16" x 3 1/4" FACE
62.25	58.5
55.75	55.5
42.25	46.50
62.50	58.50
56.00	55.50
42.50	46.50
62.75	58.75
56.25	55.75
42.75	46.75
63.00	59.00
56.50	56.00
43.00	47.00
63.00	59.25
56.50	56.25
43.00	47.25
63.25	59.50
56.75	56.50
43.25	47.50
63.50	59.75
57.00	56.75
43.50	47.75
63.75	60.00
57.25	57.00
43.75	48.00
64.00	60.25
57.50	57.25
44.00	48.25
64.25	60.50
57.75	57.50
44.25	48.50
64.25	60.75
57.75	57.75
44.25	48.75
64.50	60.75
58.00	57.75
44.50	48.75

RATES 87-98

INDEX	GRADE	13/16" x 1 1/2" FACE	13/16" x 2" FACE	13/16" x 2 1/4" FACE	13/16" x 3 1/4" FACE
H.G.	CLEAR	64.00	64.00	64.75	61.00
	No. 1	49.50	55.50	58.25	58.00
	FACTORY	35.00	41.00	44.75	49.00
H.H.	CLEAR	64.00	64.00	65.00	61.25
	No. 1	49.50	55.50	58.50	58.25
	FACTORY	35.00	41.00	45.00	49.25
H.I.	CLEAR	64.25	64.25	65.25	61.50
	No. 1	49.75	55.75	58.75	58.50
	FACTORY	35.25	41.25	45.25	49.50
I.J.	CLEAR	64.50	64.50	65.50	61.75
	No. 1	50.00	56.00	59.00	58.75
	FACTORY	35.50	41.50	45.50	49.75
I.A.	CLEAR	64.75	64.75	65.50	62.00
	No. 1	50.25	56.25	59.00	59.00
	FACTORY	35.75	41.75	45.50	50.00
I.B.	CLEAR	65.00	65.00	65.75	62.25
	No. 1	50.50	56.50	59.25	59.25
	FACTORY	36.00	42.00	45.75	50.25
I.C.	CLEAR	65.00	65.00	66.00	62.50
	No. 1	50.50	56.50	59.50	59.50
	FACTORY	36.00	42.00	46.00	50.50
I.D.	CLEAR	65.25	65.25	66.25	62.75
	No. 1	50.75	56.75	59.75	59.75
	FACTORY	36.25	42.25	46.25	50.75
I.E.	CLEAR	65.50	65.50	66.50	63.00
	No. 1	51.00	57.00	60.00	60.00
	FACTORY	36.50	42.50	46.50	51.00
I.F.	CLEAR	65.75	65.75	66.75	63.00
	No. 1	51.25	57.25	60.25	60.00
	FACTORY	36.75	42.75	46.75	51.00
I.G.	CLEAR	66.00	66.00	66.75	63.25
	No. 1	51.50	57.50	60.25	60.25
	FACTORY	37.00	43.00	46.75	51.25
I.H.	CLEAR	66.00	66.00	67.00	63.50
	No. 1	51.50	57.50	60.50	60.50
	FACTORY	37.00	43.00	47.00	51.50

RATES 99-110

INDEX	GRADE	13/16" x 1 1/2" FACE	13/16" x 2" FACE	13/16" x 2 1/4" FACE	13/16" x 3 1/4" FACE
I. I.	CLEAR	66.25	66.25	67.25	63.75
	No. 1	51.75	57.75	60.75	60.75
	FACTORY	37.25	43.25	47.25	51.75
A.J.J.	CLEAR	66.50	66.50	67.50	64.00
	No. 1	52.00	58.00	61.00	61.00
	FACTORY	37.50	43.50	47.50	52.00
A.J.A.	CLEAR	66.75	66.75	67.75	64.25
	No. 1	52.25	58.25	61.25	61.25
	FACTORY	37.75	4 .75	47.75	52.25
A.J.B.	CLEAR	67.00	67.00	68.00	64.50
	No. 1	52.50	58.50	61.50	61.50
	FACTORY	38.00	44.00	48.00	52.50
A.J.C.	CLEAR	67.00	67.00	68.25	64.75
	No. 1	52.50	58.50	61.75	61.75
	FACTORY	38.00	44.00	48.25	52.75
A.J.D.	CLEAR	67.25	67.25	68.25	65.00
	No. 1	52.75	58.75	61.75	62.00
	FACTORY	38.25	44.25	48.25	53.00
A.J.E.	CLEAR	67.50	67.50	68.50	65.25
	No. 1	53.00	59.00	62.00	62.25
	FACTORY	38.50	44.50	48.50	53.25
A.J.F.	CLEAR	67.75	67.75	68.75	65.25
	No. 1	53.25	59.25	62.25	62.25
	FACTORY	38.75	44.75	48.75	53.25
A.J.G.	CLEAR	68.00	68.00	69.00	65.50
	No. 1	53.50	59.50	62.50	62.50
	FACTORY	39.00	45.00	49.00	53.50
A.J.H.	CLEAR	68.00	68.00	69.25	65.75
	No. 1	53.50	59.50	62.75	62.75
	FACTORY	39.00	45.00	49.25	53.75
A.J.I.	CLEAR	68.25	68.25	69.50	66.00
	No. 1	53.75	59.75	63.00	63.00
	FACTORY	39.25	45.25	49.50	54.00
A.A.J.	CLEAR	68.50	68.50	69.50	66.25
	No. 1	54.00	60.00	63.00	63.25
	FACTORY	39.50	45.50	49.50	54.25

RATES 111-122

INDEX	GRADE	13/16" x 1 1/2" FACE	13/16" x 2" FACE	13/16" x 2 1/4" FACE	13/16" x 3 1/4" FACE
A.A.A.	CLEAR	68.75	68.75	69.75	66.50
	No. 1	54.25	60.25	63.25	63.50
	FACTORY	39.75	45.75	49.75	54.50
A.A.B.	CLEAR	69.00	69.00	70.00	66.75
	No. 1	54.50	60.50	63.50	63.75
	FACTORY	40.00	46.00	50.00	54.75
A.A.C.	CLEAR	69.00	69.00	70.25	67.00
	No. 1	54.50	60.50	63.75	64.00
	FACTORY	40.00	46.00	50.25	55.00
A.A.D.	CLEAR	69.25	69.25	70.50	67.25
	No. 1	54.75	60.75	64.00	64.25
	FACTORY	40.25	46.25	50.50	55.25
A.A.E.	CLEAR	69.50	69.50	70.75	67.50
	No. 1	55.00	61.00	64.25	64.50
	FACTORY	40.50	46.50	50.75	55.50
A.A.F.	CLEAR	69.75	69.75	70.75	67.50
	No. 1	55.25	61.25	64.25	64.50
	FACTORY	40.75	46.75	50.75	55.50
A.A.G.	CLEAR	70.00	70.00	71.00	67.75
	No. 1	55.50	61.50	64.50	64.75
	FACTORY	41.00	47.00	51.00	55.75
A.A.H.	CLEAR	70.00	70.00	71.25	68.00
	No. 1	55.50	61.50	64.75	65.00
	FACTORY	41.00	47.00	51.25	56.00
A.A.I.	CLEAR	70.25	70.25	71.50	68.25
	No. 1	55.75	61.75	65.00	65.25
	FACTORY	41.25	47.25	51.50	56.25
A.B.J.	CLEAR	70.50	70.50	71.75	68.50
	No. 1	56.00	62.00	65.25	65.50
	FACTORY	41.50	47.50	51.75	56.50
A.B.A.	CLEAR	70.75	70.75	72.00	68.75
	No. 1	56.25	62.25	65.50	65.75
	FACTORY	41.75	47.75	52.00	56.75
A.B.B.	CLEAR	71.00	71.00	72.25	69.00
	No. 1	56.50	62.50	65.75	66.00
	FACTORY	42.00	48.00	52.25	57.00

andard stock widths in matched. Jointed 2½ inch, 3½ inch and wider only are standard widths. Price of jointed stock $1.00 more than matched.
as follows: 1⅛ inch Clear, $1.00; No. 1, $2.00; Factory, $1.00. 1⅝ inch All Grades, $2.00. 1⅞ inch All Grades $3.00.
n Clear ⅜ inch.
ach waste for matching, or ½ inch waste for jointing.
t for cash in 15 days from date of shipment on net bill after deducting freight.

B	C	D	E	F	G	H	I	J
2	3	4	5	6	7	8	9	0

RATES 4-14

INDEX	GRADE	13/16" x 1 1/2" FACE	13/16" x 2" FACE	13/16" x 2 1/4" FACE	13/16" x 3 1/4" FACE
A.	CLEAR	46.50	46.50	46.50	41.50
	No. 1	32.00	38.00	40.00	38.50
	FACTORY	17.50	23.50	26.50	29.50
D.	CLEAR	47.25	47.25	47.25	42.50
	No. 1	32.75	38.75	40.75	39.50
	FACTORY	18.25	24.25	27.25	30.50
E.	CLEAR	47.50	47.50	47.50	42.75
	No. 1	33.00	39.00	41.00	39.75
	FACTORY	18.50	24.50	27.50	30.75
F.	CLEAR	47.75	47.75	47.75	42.75
	No. 1	33.25	39.25	41.25	39.75
	FACTORY	18.75	24.75	27.75	30.75
G.	CLEAR	48.00	48.00	48.00	43.00
	No. 1	33.50	39.50	41.50	40.00
	FACTORY	19.00	25.00	28.00	31.00
H.	CLEAR	48.00	48.00	48.25	43.25
	No. 1	33.50	39.50	41.75	40.25
	FACTORY	19.00	25.00	28.25	31.25
I.	CLEAR	48.25	48.25	48.50	43.50
	No. 1	33.75	39.75	42.00	40.50
	FACTORY	19.25	25.25	28.50	31.50
A. J.	CLEAR	48.50	48.50	48.50	43.75
	No. 1	34.00	40.00	42.00	40.75
	FACTORY	19.50	25.50	28.50	31.75
A. A.	CLEAR	48.75	48.75	48.75	44.00
	No. 1	34.25	40.25	42.25	41.00
	FACTORY	19.75	25.75	28.75	32.00
A. B.	CLEAR	49.00	49.00	49.00	44.25
	No. 1	34.50	40.50	42.50	41.25
	FACTORY	20.00	26.00	29.00	32.25
A. C.	CLEAR	49.00	49.00	49.25	44.50
	No. 1	34.50	40.50	42.75	41.50
	FACTORY	20.00	26.00	29.25	32.50
A. D.	CLEAR	49.25	49.25	49.50	44.75
	No. 1	34.75	40.75	43.00	41.75
	FACTORY	20.25	26.25	29.50	32.75

RATES 15-26

INDEX	GRADE	13/16" x 1 1/2" FACE	13/16" x 2" FACE	13/16" x 2 1/4" FACE	13/16" x 3 1/4" FACE
A. E.	CLEAR	49.50	49.50	49.75	45.00
	No. 1	35.00	41.00	43.25	42.00
	FACTORY	20.50	26.50	29.75	33.00
A. F.	CLEAR	49.75	49.75	49.75	45.00
	No. 1	35.25	41.25	43.25	42.00
	FACTORY	20.75	26.75	29.75	33.00
A. G.	CLEAR	50.00	50.00	50.00	45.25
	No. 1	35.50	41.50	43.50	42.25
	FACTORY	21.00	27.00	30.00	33.25
A. H.	CLEAR	50.00	50.00	50.25	45.50
	No. 1	35.50	41.50	43.75	42.50
	FACTORY	21.00	27.00	30.25	33.50
A. I.	CLEAR	50.25	50.25	50.50	45.75
	No. 1	35.75	41.75	44.00	42.75
	FACTORY	21.25	27.25	30.50	33.75
B. J.	CLEAR	50.50	50.50	50.75	46.00
	No. 1	36.00	42.00	44.25	43.00
	FACTORY	21.50	27.50	30.75	34.00
B. A.	CLEAR	50.75	50.75	51.00	46.25
	No. 1	36.25	42.25	44.50	43.25
	FACTORY	21.75	27.75	31.00	34.25
B. B.	CLEAR	51.00	51.00	51.00	46.50
	No. 1	36.50	42.50	44.50	43.50
	FACTORY	22.00	28.00	31.00	34.50
B. C.	CLEAR	51.00	51.00	51.25	46.75
	No. 1	36.50	42.50	44.75	43.75
	FACTORY	22.00	28.00	31.25	34.75
B. D.	CLEAR	51.25	51.25	51.50	47.00
	No. 1	36.75	42.75	45.00	44.00
	FACTORY	22.25	28.25	31.50	35.00
B. E.	CLEAR	51.50	51.50	51.75	47.25
	No. 1	37.00	43.00	45.25	44.25
	FACTORY	22.50	28.50	31.75	35.25
B. F.	CLEAR	51.75	51.75	52.00	47.25
	No. 1	37.25	43.25	45.50	44.25
	FACTORY	22.75	28.75	32.00	35.25

RATES 27-38

INDEX	GRADE	13/16" x 1 1/2" FACE	13/16" x 2" FACE	13/16" x 2 1/4" FACE	13/16" x 3 1/4" FACE
B. G.	CLEAR	52.00	52.00	52.25	47.50
	No. 1	37.50	43.50	45.75	44.50
	FACTORY	23.00	29.00	32.25	35.50
B. H.	CLEAR	52.00	52.00	52.50	47.75
	No. 1	37.50	43.50	46.00	44.75
	FACTORY	23.00	29.00	32.50	35.75
B. I.	CLEAR	52.25	52.25	52.50	48.00
	No. 1	37.75	43.75	46.00	45.00
	FACTORY	23.25	29.25	32.50	36.00
C. J.	CLEAR	52.50	52.50	52.75	48.25
	No. 1	38.00	44.00	46.25	45.25
	FACTORY	23.50	29.50	32.75	36.25
C. A.	CLEAR	52.75	52.75	53.00	48.50
	No. 1	38.25	44.25	46.50	45.50
	FACTORY	23.75	29.75	33.00	36.50
C. B.	CLEAR	53.00	53.00	53.25	48.75
	No. 1	38.50	44.50	46.75	45.75
	FACTORY	24.00	30.00	33.25	36.75
C. C.	CLEAR	53.00	53.00	53.50	49.00
	No. 1	38.50	44.50	47.00	46.00
	FACTORY	24.00	30.00	33.50	37.00
C. D.	CLEAR	53.25	53.25	53.75	49.25
	No. 1	38.75	44.75	47.25	46.25
	FACTORY	24.25	30.25	33.75	37.25
C. E.	CLEAR	53.50	53.50	53.75	49.50
	No. 1	39.00	45.00	47.25	46.50
	FACTORY	24.50	30.50	33.75	37.50
C. F.	CLEAR	53.75	53.75	54.00	49.50
	No. 1	39.25	45.25	47.50	46.50
	FACTORY	24.75	30.75	34.00	37.50
C. G.	CLEAR	54.00	54.00	54.25	49.75
	No. 1	39.50	45.50	47.75	46.75
	FACTORY	25.00	31.00	34.25	37.75
C. H.	CLEAR	54.00	54.00	54.50	50.00
	No. 1	39.50	45.50	48.00	47.00
	FACTORY	25.00	31.00	34.50	38.00

INDEX	GRA
C. I.	CLEAR No. 1 FACTO
D. J.	CLEAR No. 1 FACTO
D. A.	CLEAR No. 1 FACTO
D. B.	CLEAR No. 1 FACTO
D. C.	CLEAR No. 1 FACTO
D. D.	CLEAR No. 1 FACTO
D. E.	CLEAR No. 1 FACTO
D. F.	CLEAR No. 1 FACTO
D. G.	CLEAR No. 1 FACTO
D. H.	CLEAR No. 1 FACTO
D. I.	CLEAR No. 1 FACTO
E. J.	CLEAR No. 1 FACTO

The 1½ inch, 2 inch, 2¼ inch and 3¼ inch faces only are standard stock widths in matched. Jointed 2½ inch, 3½ inch and wider only are standard widths.
For Thick Flooring add to price of same face in 13/16 inch, as follows: 1 1/16 inch Clear, $1.00; No. 1, $2.00; Factory, $1.00. 1 3/16 inch All Grades, $2.00.
For White Clear 5/16 inch add $15.00 to price of same face in Clear 1/2 inch.
Flooring of any width 5/16 inch and thicker is measured ¼ inch waste for matching, or ½ inch waste for jointing.
Terms: 60 days from date of invoice or 2 per cent discount for cash in 15 days from date of shipment on net bill after deducting freight.

KEY	A	B	C	D	E	F	G	H	I	J
	1	2	3	4	5	6	7	8	9	0

13/16" x 2 1/4" FACE	13/16" x 3 1/4" FACE
49.75	45.00
43.25	42.00
29.75	33.00
49.75	45.00
43.25	42.00
29.75	33.00
50.00	45.25
43.50	42.25
30.00	33.25
50.25	45.50
43.75	42.50
30.25	33.50
50.50	45.75
44.00	42.75
30.50	33.75
50.75	46.00
44.25	43.00
30.75	34.00
51.00	46.25
44.50	43.25
31.00	34.25
51.00	46.50
44.50	43.50
31.00	34.50
51.25	46.75
44.75	43.75
31.25	34.75
51.50	47.00
45.00	44.00
31.50	35.00
51.75	47.25
45.25	44.25
31.75	35.25
52.00	47.25
45.50	44.25
32.00	35.25

RATES 27-38

INDEX	GRADE	13/16" x 1 1/2" FACE	13/16" x 2" FACE	13/16" x 2 1/4" FACE	13/16" x 3 1/4" FACE
B. G.	CLEAR	52.00	52.00	52.25	47.50
	No. 1	37.50	43.50	45.75	44.50
	FACTORY	23.00	29.00	32.25	35.50
B. H.	CLEAR	52.00	52.00	52.50	47.75
	No. 1	37.50	43.50	46.00	44.75
	FACTORY	23.00	29.00	32.50	35.75
B. I.	CLEAR	52.25	52.25	52.50	48.00
	No. 1	37.75	43.75	46.00	45.00
	FACTORY	23.25	29.25	32.50	36.00
C. J.	CLEAR	52.50	52.50	52.75	48.25
	No. 1	38.00	44.00	46.25	45.25
	FACTORY	23.50	29.50	32.75	36.25
C. A.	CLEAR	52.75	52.75	53.00	48.50
	No. 1	38.25	44.25	46.50	45.50
	FACTORY	23.75	29.75	33.00	36.50
C. B.	CLEAR	53.00	53.00	53.25	48.75
	No. 1	38.50	44.50	46.75	45.75
	FACTORY	24.00	30.00	33.25	36.75
C. C.	CLEAR	53.00	53.00	53.50	49.00
	No. 1	38.50	44.50	47.00	46.00
	FACTORY	24.00	30.00	33.50	37.00
C. D.	CLEAR	53.25	53.25	53.75	49.25
	No. 1	38.75	44.75	47.25	46.25
	FACTORY	24.25	30.25	33.75	37.25
C. E.	CLEAR	53.50	53.50	53.75	49.50
	No. 1	39.00	45.00	47.25	46.50
	FACTORY	24.50	30.50	33.75	37.50
C. F.	CLEAR	53.75	53.75	54.00	49.50
	No. 1	39.25	45.25	47.50	46.50
	FACTORY	24.75	30.75	34.00	37.50
C. G.	CLEAR	54.00	54.00	54.25	49.75
	No. 1	39.50	45.50	47.75	46.75
	FACTORY	25.00	31.00	34.25	37.75
C. H.	CLEAR	54.00	54.00	54.50	50.00
	No. 1	39.50	45.50	48.00	47.00
	FACTORY	25.00	31.00	34.50	38.00

RATES 39-50

INDEX	GRADE	13/16" x 1 1/2" FACE	13/16" x 2" FACE	13/16" x 2 1/4" FACE	13/16" x 3 1/4" FACE
C. I.	CLEAR	54.25	54.25	54.75	50.25
	No. 1	39.75	45.75	48.25	47.25
	FACTORY	25.25	31.25	34.75	38.25
D. J.	CLEAR	54.50	54.50	55.00	50.50
	No. 1	40.00	46.00	48.50	47.50
	FACTORY	25.50	31.50	35.00	38.50
D. A.	CLEAR	54.75	54.75	55.00	50.75
	No. 1	40.25	46.25	48.50	47.75
	FACTORY	25.75	31.75	35.00	38.75
D. B.	CLEAR	55.00	55.00	55.25	51.00
	No. 1	40.50	46.50	48.75	48.00
	FACTORY	26.00	32.00	35.25	39.00
D. C.	CLEAR	55.00	55.00	55.50	51.25
	No. 1	40.50	46.50	49.00	48.25
	FACTORY	26.00	32.00	35.50	39.25
D. D.	CLEAR	55.25	55.25	55.75	51.50
	No. 1	40.75	46.75	49.25	48.50
	FACTORY	26.25	32.25	35.75	39.50
D. E.	CLEAR	55.50	55.50	56.00	51.75
	No. 1	41.00	47.00	49.50	48.75
	FACTORY	26.50	32.50	36.00	39.75
D. F.	CLEAR	55.75	55.75	56.25	51.75
	No. 1	41.25	47.25	49.75	48.75
	FACTORY	26.75	32.75	36.25	39.75
D. G.	CLEAR	56.00	56.00	56.25	52.00
	No. 1	41.50	47.50	49.75	49.00
	FACTORY	27.00	33.00	36.25	40.00
D. H.	CLEAR	56.00	56.00	56.50	52.25
	No. 1	41.50	47.50	50.00	49.25
	FACTORY	27.00	33.00	36.50	40.25
D. I.	CLEAR	56.25	56.25	56.75	52.50
	No. 1	41.75	47.75	50.25	49.50
	FACTORY	27.25	33.25	36.75	40.50
E. J.	CLEAR	56.50	56.50	57.00	52.75
	No. 1	42.00	48.00	50.50	49.75
	FACTORY	27.50	33.50	37.00	40.75

RATES 51-62

INDEX	GRADE	13/16" x 1 1/2" FACE	13/16" x 2" FACE	13/16" x 2 1/4" FACE	13/16" x 3 1/4" FACE
E. A.	CLEAR	56.75	56.75	57.25	53.00
	No. 1	42.25	48.25	50.75	50.00
	FACTORY	27.75	33.75	37.25	41.00
E. B.	CLEAR	57.00	57.00	57.50	53.25
	No. 1	42.50	48.50	51.00	50.25
	FACTORY	28.00	34.00	37.50	41.25
E. C.	CLEAR	57.00	57.00	57.75	53.50
	No. 1	42.50	48.50	51.25	50.50
	FACTORY	28.00	34.00	37.75	41.50
E. D.	CLEAR	57.25	57.25	57.75	53.75
	No. 1	42.75	48.75	51.25	50.75
	FACTORY	28.25	34.25	37.75	41.75
E. E.	CLEAR	57.50	57.50	58.00	54.00
	No. 1	43.00	49.00	51.50	51.00
	FACTORY	28.50	34.50	38.00	42.00
E. F.	CLEAR	57.75	57.75	58.25	54.00
	No. 1	43.25	49.25	51.75	51.00
	FACTORY	28.75	34.75	38.25	42.00
E. G.	CLEAR	58.00	58.00	58.50	54.25
	No. 1	43.50	49.50	52.00	51.25
	FACTORY	29.00	35.00	38.50	42.25
E. H.	CLEAR	58.00	58.00	58.75	54.50
	No. 1	43.50	49.50	52.25	51.50
	FACTORY	29.00	35.00	38.75	42.50
E. I.	CLEAR	58.25	58.25	59.00	54.75
	No. 1	43.75	49.75	52.50	51.75
	FACTORY	29.25	35.25	39.00	42.75
F. J.	CLEAR	58.50	58.50	59.00	55.00
	No. 1	44.00	50.00	52.50	52.00
	FACTORY	29.50	35.50	39.00	43.00
F. A.	CLEAR	58.75	58.75	59.25	55.25
	No. 1	44.25	50.25	52.75	52.25
	FACTORY	29.75	35.75	39.25	43.25
F. B.	CLEAR	59.00	59.00	59.50	55.50
	No. 1	44.50	50.50	53.00	52.50
	FACTORY	30.00	36.00	39.50	43.50

dard stock widths in matched. Jointed 2½ inch, 3½ inch and wider only are standard widths. Price of jointed stock $1.00 more than matched.
follows: 1⅛ inch Clear, $1.00; No. 1, $2.00; Factory, $1.00. 1⅝ inch All Grades, $2.00. 1⅞ inch All Grades $3.00.
Clear ¼ inch.
ch waste for matching, or ½ inch waste for jointing.
for cash in 15 days from date of shipment on net bill after deducting freight.

B	C	D	E	F	G	H	I	J
2	3	4	5	6	7	8	9	0

GOV. EXHIBIT 31

Exhibit 24 Lewis C

RATE BOOK

Compiled and Published by the

Maple Flooring Manufacturers' Association

Stock Exchange Building
Chicago, Illinois

Table of Values
May 15, 1916

Copyright 1916
By Maple Flooring Manufacturers' Association
Chicago

KEY

A.	B.	C.	D.	E.	F.	G.	H.	I.	J.
1.	2.	3.	4.	5.	6.	7.	8.	9.	0.

To ascertain values at an unlisted point allow 25 cents for each one cent difference in the rate of freight between the nearest listed point and the unlisted point from point of shipment.

To open this book for the removal of old or the insertion of new leaves, press the little invisible buttons on the back of the book.

To close, press the arches together.

ALABAMA

Alabama City	C. I.	Langdale	D. H.
Anniston	C. I.	Manchester	D. J.
Bessemer	C. C.	Mobile	C. F.
Birmingham	C. C.	Montgomery	C. E.
Cordova	C. H.	New Decatur	C. A.
Decatur	C. A.	Opelika	D. A.
Eufaula	D. A.	Phoenix City	D. A.
Florence	C. A.	Roanoke	D. F.
Gadsden	C. I.	Selma	C. E.
Huntsville	C. J.	Sheffield	C. A.
Jacksonville	D. A.	Talladega	C. I.
Jasper	C. H.	Troy	D. D.
		Tuscaloosa	C. D.

ARIZONA

	MINIMUM WEIGHT			MINIMUM WEIGHT	
	60,000 Lbs.	40,000 Lbs.		60,000 Lbs.	40,000 Lbs.
Bisbee	G. B.	H. C.	Mesa	G. B.	H. C.
Clifton	A.J.B.	A.A.C.	Phoenix	G. B.	H. C.
Douglas	G. B.	H. C.	Prescott	G. B.	H. C.
Globe	I. J.	I. I.	Tucson	G. B.	H. C.

WYOMING

Cheyenne	D. G.	Riverton	G. J.
Douglas	F. J.	Rock Springs	G. B.
Evanston	G. H.		
Ft. Russell	D. G.	Sheridan	F. D.

STANDARD FACES.

In $\frac{1}{2}$" and thicker the $1\frac{1}{4}$", 2", $2\frac{1}{4}$" and $3\frac{1}{4}$" faces only are standard stock widths in matched.

Jointed $2\frac{1}{4}$", $3\frac{1}{4}$" and wider only are standard widths.

STANDARD MEASUREMENT.

Flooring $\frac{1}{2}$" and thicker, all faces, is measured $\frac{1}{4}$" waste for matching.

Flooring $\frac{1}{2}$" and thinner, all faces, is measured $\frac{1}{4}$" waste for matching.

Jointed flooring, all thicknesses and faces, is measured $\frac{1}{4}$" waste.

TERMS.

Terms of sale: 60 days net from date of invoice, and not more than 2% discount for cash shall be allowed after deducting freight.

TABLE OF VALUES

FREIGHT RATES 4-14

INDEX	MAPLE	13/16" x 1 1/2" FACE	13/16" x 2" FACE	13/16" x 2 1/4" FACE	13/16" x 3 1/4" FACE
A.	CLEAR	45.50	45.50	46.50	42.00
	No. 1	32.00	38.00	40.00	38.50
	FACTORY	17.50	24.50	26.50	29.50
D.	CLEAR	46.25	46.25	47.25	43.00
	No. 1	32.75	38.75	40.75	39.50
	FACTORY	18.25	25.25	27.25	30.50
E.	CLEAR	46.50	46.50	47.50	43.25
	No. 1	33.00	39.00	41.00	39.75
	FACTORY	18.50	25.50	27.50	30.75
F.	CLEAR	46.75	46.75	47.75	43.25
	No. 1	33.25	39.25	41.25	39.75
	FACTORY	18.75	25.75	27.75	30.75
G.	CLEAR	47.00	47.00	48.00	43.50
	No. 1	33.50	39.50	41.50	40.00
	FACTORY	19.00	26.00	28.00	31.00
H.	CLEAR	47.00	47.00	48.00	43.75
	No. 1	33.50	39.50	41.50	40.25
	FACTORY	19.00	26.00	28.00	31.25
I.	CLEAR	47.25	47.25	48.25	44.00
	No. 1	33.75	39.75	41.75	40.50
	FACTORY	19.25	26.25	28.25	31.50
A. J.	CLEAR	47.50	47.50	48.50	44.25
	No. 1	34.00	40.00	42.00	40.75
	FACTORY	19.50	26.50	28.50	31.75
A. A.	CLEAR	47.75	47.75	48.75	44.50
	No. 1	34.25	40.25	42.25	41.00
	FACTORY	19.75	26.75	28.75	32.00
A. B.	CLEAR	48.00	48.00	49.00	44.75
	No. 1	34.50	40.50	42.50	41.25
	FACTORY	20.00	27.00	29.00	32.25
A. C.	CLEAR	48.00	48.00	49.00	45.00
	No. 1	34.50	40.50	42.50	41.50
	FACTORY	20.00	27.00	29.00	32.50
A. D.	CLEAR	48.25	48.25	49.25	45.25
	No. 1	34.75	40.75	42.75	41.75
	FACTORY	20.25	27.25	29.25	32.75

TABLE OF VALUES

FREIGHT RATES 15-26

INDEX	MAPLE	13/16" x 1 1/2" FACE	13/16" x 2" FACE	13/16" x 2 1/4" FACE	13/16" x 3 1/4" FACE
A. E.	CLEAR	48.50	48.50	49.50	45.50
	No. 1	35.00	41.00	43.00	42.00
	FACTORY	20.50	27.50	29.50	33.00
A. F.	CLEAR	48.75	48.75	49.75	45.50
	No. 1	35.25	41.25	43.25	42.00
	FACTORY	20.75	27.75	29.75	33.00
A. G.	CLEAR	49.00	49.00	50.00	45.75
	No. 1	35.50	41.50	43.50	42.25
	FACTORY	21.00	28.00	30.00	33.25
A. H.	CLEAR	49.00	49.00	50.00	46.00
	No. 1	35.50	41.50	43.50	42.50
	FACTORY	21.00	28.00	30.00	33.50
A. I.	CLEAR	49.25	49.25	50.25	46.25
	No. 1	35.75	41.75	43.75	42.75
	FACTORY	21.25	28.25	30.25	33.75
B. J.	CLEAR	49.50	49.50	50.50	46.50
	No. 1	36.00	42.00	44.00	43.00
	FACTORY	21.50	28.50	30.50	34.00
B. A.	CLEAR	49.75	49.75	50.75	46.75
	No. 1	36.25	42.25	44.25	43.25
	FACTORY	21.75	28.75	30.75	34.25
B. B.	CLEAR	50.00	50.00	51.00	47.00
	No. 1	36.50	42.50	44.50	43.50
	FACTORY	22.00	29.00	31.00	34.50
B. C.	CLEAR	50.00	50.00	51.00	47.25
	No. 1	36.50	42.50	44.50	43.75
	FACTORY	22.00	29.00	31.00	34.75
B. D.	CLEAR	50.25	50.25	51.25	47.50
	No. 1	36.75	42.75	44.75	44.00
	FACTORY	22.25	29.25	31.25	35.00
B. E.	CLEAR	50.50	50.50	51.50	47.75
	No. 1	37.00	43.00	45.00	44.25
	FACTORY	22.50	29.50	31.50	35.25
B. F.	CLEAR	50.75	50.75	51.75	47.75
	No. 1	37.25	43.25	45.25	44.25
	FACTORY	22.75	29.75	31.75	35.25

TABLE OF VALUES

FREIGHT RATES 111-122

INDEX	MAPLE	13/16" x 1 1/2" FACE	13/16" x 2" FACE	13/16" x 2 1/4" FACE	13/16" x 3 1/4" FACE
A.A.A.	CLEAR	67.75	67.75	68.75	67.00
	No. 1	54.25	60.25	62.25	63.50
	FACTORY	39.75	46.75	48.75	54.50
A.A.B.	CLEAR	68.00	68.00	69.00	67.25
	No. 1	54.50	60.50	62.50	63.75
	FACTORY	40.00	47.00	49.00	54.75
A.A.C.	CLEAR	68.00	68.00	69.00	67.50
	No. 1	54.50	60.50	62.50	64.00
	FACTORY	40.00	47.00	49.00	55.00
A.A.D.	CLEAR	68.25	68.25	69.25	67.75
	No. 1	54.75	60.75	62.75	64.25
	FACTORY	40.25	47.25	49.25	55.25
A.A.E.	CLEAR	68.50	68.50	69.50	68.00
	No. 1	55.00	61.00	63.00	64.50
	FACTORY	40.50	47.50	49.50	55.50
A.A.F.	CLEAR	68.75	68.75	69.75	68.00
	No. 1	55.25	61.25	63.25	64.50
	FACTORY	40.75	47.75	49.75	55.50
A.A.G.	CLEAR	69.00	69.00	70.00	68.25
	No. 1	55.50	61.50	63.50	64.75
	FACTORY	41.00	48.00	50.00	55.75
A.A.H.	CLEAR	69.00	69.00	70.00	68.50
	No. 1	55.50	61.50	63.50	65.00
	FACTORY	41.00	48.00	50.00	56.00
A.A.I.	CLEAR	69.25	69.25	70.25	68.75
	No. 1	55.75	61.75	63.75	65.25
	FACTORY	41.25	48.25	50.25	56.25
A.B.J.	CLEAR	69.50	69.50	70.50	69.00
	No. 1	56.00	62.00	64.00	65.50
	FACTORY	41.50	48.50	50.50	56.50
A.B.A.	CLEAR	69.75	69.75	70.75	69.25
	No. 1	56.25	62.25	64.25	65.75
	FACTORY	41.75	48.75	50.75	56.75
A.B.B.	CLEAR	70.00	70.00	71.00	69.50
	No. 1	56.50	62.50	64.50	66.00
	FACTORY	42.00	49.00	51.00	57.00

31 M

APPLICATION OF MINIMUM PRICES.

The Delivered Prices in the Table of Values of May 15, 1916, in the Association Rate Book and Index of Towns, are the basis of the Minimum Prices—not F. O. B. mill prices.

Minimum Prices of $1\frac{1}{16}$", $1\frac{1}{16}$" and $1\frac{1}{16}$" Maple, Beech and Birch Flooring are based on the Rate Book Full List Delivered Prices of $\frac{13}{16}$" D. & M. Maple.

Minimum Prices of $\frac{13}{16}$" Jointed Flooring are based on the Rate Book Full List Delivered Prices of $\frac{13}{16}$" D. & M. Maple.

Prices of $2\frac{1}{2}$" face D. & M. or Jointed are based on $2\frac{1}{4}$" face D. & M.

Prices of 3" or wider faces D. & M. or Jointed are based on $3\frac{1}{4}$" face D. & M.

A Minimum Price is the bottom price, not an average price.

Don't stay at the bottom.

When your stock conditions and sales opportunities will not warrant your holding for top prices, insist at least on getting a substantial advance over the Minimum Price.

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CONCESSIONS.

Concessions from Delivered Prices in Table of Values of May 15, 1916:
All concessions named include any and all commissions which may be incurred in marketing the flooring.

Concessions on $\frac{13}{16}$" x $2\frac{1}{4}$" Face D. & M.:

	Maple	Beech	Birch
Clear	$1.50	$4.50	$2.50
No. 1	1.00	4.00	2.00
Factory	2.00	5.00	2.00

Concessions on $\frac{13}{16}$" x $1\frac{1}{2}$", 2" and $3\frac{1}{4}$" Faces D. & M.:

	Maple	Beech	Birch
Clear	$3.00	$6.00	$4.00
No. 1	2.50	5.50	3.50
Factory	4.00	7.00	4.00

Basis on $1\frac{1}{16}$", $1\frac{5}{16}$" and $1\frac{13}{16}$", from Rate Book Full List Prices of $\frac{13}{16}$" Maple D. & M.:

Maple, Beech, Birch	$1\frac{1}{16}$" Concessions	$1\frac{5}{16}$" Add to List	$1\frac{13}{16}$" Add to List
Clear	$ .50	$ .50	$1.50
No. 1	Full List	1.00	2.00
Factory	1.00	Full List	1.00

Basis on $2\frac{1}{4}$" face D. & M. same as on $2\frac{1}{4}$" face D. & M. of same grade, thickness and wood.
Basis on 3" face and 4" face D. & M. same as on $3\frac{1}{4}$" face D. & M. of same grade, thickness and wood.

Concessions on $\frac{13}{16}$" Jointed Flooring from Rate Book Full List Prices of $\frac{13}{16}$" Maple D. & M.:

	Maple	Beech	Birch
Clear	$1.50	$4.50	$2.50
No. 1	1.00	4.00	2.00
Factory	2.50	5.50	2.50

Terms of sale: 60 days net from date of invoice, and not more than 2% discount for cash shall be allowed after deducting freight.

536

Effective Nov. 1, 1916, and until further notice.

CONCESSIONS.

Concessions from Delivered Prices in Table of Values of May 15, 1916:
All concessions named include any and all commissions which may be incurred in marketing the flooring.

Concessions on $\frac{13}{16}$" x $2\frac{1}{4}$" Face D. & M.:

	Maple	Beech	Birch
Clear	$1.50	$4.50	$2.50
No. 1	1.00	4.00	2.00
Factory	2.00	5.00	2.00

Concessions on $\frac{13}{16}$" x $1\frac{1}{2}$", 2" and $3\frac{1}{4}$" Faces D. & M.:

	Maple	Beech	Birch
Clear	$3.00	$6.00	$4.00
No. 1	2.50	5.50	3.50
Factory	4.00	7.00	4.00

Basis on $1\frac{1}{16}$", $1\frac{5}{16}$" and $1\frac{13}{16}$", from Rate Book Full List Prices of $\frac{13}{16}$" Maple D. & M.:

Maple, Beech, Birch	$1\frac{1}{16}$" Concessions	$1\frac{5}{16}$" Add to List	$1\frac{13}{16}$" Add to List
Clear	$ .50	$ .50	$1.50
No. 1	Full List	1.00	2.00
Factory	1.00	Full List	1.00

Basis on $2\frac{1}{4}$" face D. & M. same as on $2\frac{1}{4}$" face D. & M. of same grade, thickness and wood.
Basis on 3" face and 4" face D. & M. same as on $3\frac{1}{4}$" face D. & M. of same grade, thickness and wood.

Concessions on $\frac{13}{16}$" Jointed Flooring from Rate Book Full List Prices of $\frac{13}{16}$" Maple D. & M.:

	Maple	Beech	Birch
Clear	$1.50	$4.50	$2.50
No. 1	1.00	4.00	2.00
Factory	2.50	5.50	2.50

Terms of sale: 60 days net from date of invoice, and not more than 2% discount for cash shall be allowed after deducting freight.

537

Effective Nov. 1, 1916, and until further notice.

CONCESSIONS.

Concessions from Delivered Prices in Table of Values of January 26, 1917.

In addition to the Concession named a Commission not exceeding $1.00 may be allowed to your Registered Special Representative.

Concessions on $\frac{13}{16}$" x $1\frac{1}{2}$", 2", $2\frac{1}{4}$" and $3\frac{1}{4}$" Faces D. & M.:

	Maple	Beech	Birch
Clear	$3.00	$6.00	$4.00
No. 1.....	3.00	6.00	5.00
Factory	3.00	3.00	3.00

Basis on $1\frac{1}{16}$", $1\frac{5}{16}$" and $1\frac{13}{16}$" from Rate Book Full List Prices of $\frac{13}{16}$" Maple D. & M.:

Maple, Beech, Birch	$1\frac{1}{16}$" Concessions	$1\frac{5}{16}$"	$1\frac{13}{16}$" Add to List
Clear	$1.00	Full List	$1.00
No. 1.....	1.00	Full List	1.00
Factory	1.00	Full List	1.00

Basis on $2\frac{1}{2}$" face D. & M., same as on $2\frac{1}{4}$" face D. & M. of same grade, thickness and wood.

Basis on 3" face and 4" face D. & M., same as on $3\frac{1}{4}$" face D. & M. of same grade, thickness and wood.

Basis on Jointed Flooring from Rate Book Full List Prices of $\frac{13}{16}$" Maple D. & M.:

Maple, Beech, Birch	$\frac{13}{16}$" Concessions	$1\frac{1}{16}$" Add to List	$1\frac{5}{16}$" Add to List	$1\frac{13}{16}$" Add to List
Clear ...	$1.50	.50	$1.50	$2.50
No. 1...	1.50	.50	1.50	2.50
Factory.	1.50	.50	1.50	2.50

Terms of sale: 60 days net from date of invoice, and not more than 2% discount for cash shall be allowed after deducting freight.

538

Effective February 10 to April 30, 1917.

[fol. 525] GOVERNMENT'S EXHIBIT No. 31-C

[Omitted in printing]

[fol. 526] GOVERNMENT'S EXHIBIT No. 31-D

[Omitted in printing]

[fol. 527] GOVERNMENT'S EXHIBIT No. 31-E

[Omitted in printing]

[fol. 528] GOVERNMENT'S EXHIBIT No. 31-F

[Omitted in printing]

[fol. 529] GOVERNMENT'S EXHIBIT No. 31-G

[Omitted in printing]

[fol. 530] GOVERNMENT'S EXHIBIT No. 31-H

[Omitted in printing]

[fol. 531] GOVERNMENT'S EXHIBIT No. 31-I

[Omitted in printing]

[fol. 532] GOVERNMENT'S EXHIBITS Nos. 31-J-K, AND-L

[Omitted in printing]

(Here follows Government's Exhibit 31-M, marked side folio page 533)

[fol. 534] GOVERNMENT'S EXHIBIT No. 31-N

[Omitted in printing]

[fol. 535] GOVERNMENT'S EXHIBIT No. 31-O

[Omitted in printing]

(Here follow Government's Exhibits Nos. 31-P, 31-Q, 31-R, and 32, marked side folio pages 536-540, inclusive.)

[fols. 541-551] GOVERNMENT'S EXHIBIT No. 33

Differentials

Beech, Same as Maple, all Thicknesses, Faces and Grades.

Birch, 13/16" Clear, $15.00 more than Maple 13/16" Clear, same Face.

Birch, 13/16" No. 1, $5.00 more than Maple 13/16" No. 1 same Face.

Birch, 13/16" Factory, same as Maple 13/16" Factory all Faces.

M. B. & B. thick D. & M.	1 1/16", add to 13/16" maple	1 5/16", add to 13/16" maple	1 11/16", add to 13/16" maple
Clear	$5.00	$7.00	$8.00
No. 1	5.00	7.00	8.00
Factory	5.00	7.00	8.00

The 2½" face, same as 2¼" face of same grade, thickness and wood.

The 3", 3½" and 4" faces, same as 3¼" face of same grade, thickness and wood.

M. B. & B. jointed	13/16", add to 13/16" D. & M. maple	1 1/16", add to 13/16" D. & M. maple	1 5/16", add to 13/16" D. & M. maple	1 11/16", add to 13/16" D. & M. maple
Clear	$3.00	$8.00	$10.00	$11.00
No. 1	3.00	8.00	10.00	11.00
Factory	3.00	8.00	10.00	11.00

Terms of Sale: 60 days net or 2% discount for cash in 15 days, or 1% discount for cash in 30 days from date of invoice after deducting freight. War tax to be paid by consignee.

If the car has not arrived, the discount may be deducted on 90% of the invoice less estimated freight, for cash within proper discount period, the balance with original paid freight bill to be remitted net within 5 days after arrival of car. No cash discount will be allowed after 30 days from date of shipment.

Supplement to "Table of Values Based Upon Average Cost."

March 1, 1920.

[fols. 552 & 553] Table of Values Based upon Average Cost

Thickness

Maple or Beech Flooring

Clear Birch—Add $10.00.

No. 1 Birch—Same as Maple and Beech.

White Clear Maple—Add $15.00 to Clear Maple.

Red Clear Beech—Add $20.00 to Clear Beech.

Red Clear Birch—Add $20.00 to Clear Birch.

Gov. Exhibit 34

RATE BOOK

Compiled and Published by the

Maple Flooring Manufacturers Association

Stock Exchange Building
Chicago, Illinois

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By Maple Flooring Manufacturers Association
Chicago

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KEY

A.	B.	C.	D.	E.	F.	G.	H.	I.	J.
1.	2.	3.	4.	5.	6.	7.	8.	9.	0.

To ascertain values at an unlisted point allow 25 cents for each one cent difference in the rate of freight between the nearest listed point and the unlisted point from point of shipment.

To open this book for the removal of old or the insertion of new leaves, press the little invisible buttons on the back of the book.

To close, press the arches together.

Akron	E E	Gurnee	F J
Alabama City	E I	Helena	E A
Aldrich	F A	Hobbs Island	D H
Andalusia	E F	Holt	E D
Anniston	E I	Huntsville	D H
Attalla	E I	Ironaton	E I
Avondale	E A	Irondale	E A
Barclay	E I	Jacksonville	E I
Bessemer	E A	Jasper	E C
Birmingham	E A	Jenifer	E I
Blocton	F A	Laketon	E A
Blocton Junction	F A	Lanette	F D
Boyles	E A	Langdale	F I
Brewton	E I	Manchester	F C
Brierfield	F A	Maplesville	E G
Calera	E G	Mobile	F F
Chase	D H	Montevallo	F A
Columbiana	F B	Montgomery	E D
Cordova	E C	Munford	E I
Cullman	E A	Normal	D H
Currys	E I	No. Birmingham	E A
Decatur	D H	Northport	E D
Demopolis	E F	Opelika	F A
Dothan	F B	Oxford	E I
East Birmingham	E A	Oxmoor	E A
East Gilca	F A	Ozark	F A
Ensley	E A	Phenix City	F A
Enterprise	F B	Piedmont	F A
Eufaula	F A	Powderly	E A
Fairfield	E A	Pratt City	E A
Florala	F I	Prattville	E G
Florence	D H	Ridgefield	E A
Gadsden	E I	Roanoke	F G
Gate City	E A	Ruffner	E A
Girard	F A	Selma	E D
Glen Carbon	F J	Sheffield	D H
Grasselli	E A	Shelby	F A
Greenville	E E	Silver Run	E I
Guntersville	D H	Simmons	E A

ILLINOIS

Abingdon	C D	Bushnell	C D
Albion	C D	Cairo	C F
Aledo	C E	Cambridge	C E
*Algonquin	B G	Camp Point	C D
Alton	C D	Canton	C D
Anna	C F	*Capron	B E
*Antioch	B E	Carbondale	C F
Arcola	C B	Cardiff	C J
*Arlington Hgts	B H	Carlinville	C C
Ashland	C C	Carlyle	C E
Assumption	C C	Carmi	C E
Astoria	C D	*Carpenterville	B G
Athens	C C	Carriers Mills	C F
Atlanta	C B	Carrollton	C D
Auburn	C C	Carterville	C F
Augusta	C D	Carthage	C E
*Aurora	B H	Casey (ClarkCo.)	C A
Barrington	B I	Central City (Marion Co.)	C E
Barry	C D		
*Batavia	B I	Centralia	C D
Beardstown	C D	Champaign	C A
Beecher	B D	Charleston	C B
Belleville	C D	Chenoa	C A
Belvidere	B G	Cherry (Bureau Co.)	C B
Bement	C B		
Benton	C D	Chester	C F
Berwyn	B D	*Chicago	B D
Bloomington	C A	Chicago Heights	B D
Blue Island	B D	Chillicothe	C B
Braceville	C A	Chrisman	C A
Bradley	B D	Christopher	C F
Breese	C A	Cicero	B D
Bridgeport	C C	Clinton	C B
Brookfield	B D	Coal City	C A
Brooklyn	C D	Colchester	C E
Brookport	C F	Collinsville	C D
Buda	C B	Cowden	C C
Bunker Hill	C E	Cuba (FultonCo.)	C C

*Via Car Ferry.

November 8, 1920.

579 = 602

MARYLAND

Annapolis	D I	Hancock	D B
Baltimore	D B	Havre de Grace	D C
Barton	C H	Highlandtown	D B
Bel Air	E G	Hyattsville	D B
Berlin	D F	Laurel	D B
Brunswick	D B	Lonaconing	C H
Cambridge	D H	Midland	C H
Catonsville	D F	Mt. Savage	C H
Centreville	D H	Mt. Washington	D B
Chestertown	D H	Oakland	C H
Cockeysville	D B	Oxford	D H
Crisfield	E H	Pocomoke	D H
Cumberland	C H	Port Deposit	D C
Deal's Island	E H	Princess Anne	D H
Deer Pk. Village	C H	Quantico	E H
Denton	D F	Rockville	D B
Easton	D H	St. Michaels	D E
Eckhart	C H	Salisbury	D E
Elkton	D C	Snow Hill	D H
Ellicott City	D B	Sparrows Point	D B
Emmitsburg	D F	Texas	D B
Federalsburg	D H	Towson	E A
Frederick	D B	Western Port	C H
Frostburg	C H	Westminster	D B
Hagerstown	D B	Williamsport (Washington Co.)	D B

January 22, 1921.

MASSACHUSETTS

All points D G

January 22, 1921. 603 = 635

Middletown	D E	Oneida	D A
Millbrook	D G	Oneonta	D C
Mineola	D I	Oriskany	D A
Minetto	C H	Oriskany Falls	D A
Mohawk	D C	Ossining	D E
Monroe	D E	Oswego	C H
Montgomery	D E	Otisville	D E
Monticello	D G	Owego	C H
Montour Falls	C H	Oxford	D A
Montrose	D E	Oyster Bay, L. I.	E A
Moravia	C H	Ozone Park, L. I.	D E
Mount Kisco	D G	Painted Post	C H
Mount Morris	C E	Palmyra	C H
Mount Vernon	D E	Parkville, L. I	D E
Nanuet	D E	Patchogue	E A
Naples	C H	Pawling	D G
Nepperhan	D E	Pearl River	D E
Newark	C H	Peekskill	D E
New Berlin	D E	Pelham Manor	D E
Newburgh	D E	Penn Yan	C H
New Hartford	D A	Perrys	C E
New Hyde Park	D I	Perrysburg	B I
New Paltz	D E	Phelps	C H
New Rochelle	D E	Philmont	D G
New York City	D E	Phoenix	C H
New York Mills	D A	Piermont	D E
Niagara Falls	B I	Pittsford	C H
Norfolk	D G	Plattsburg	D G
North Collins	B I	Pleasant Plains	D E
Northport	E A	Pleasantville	D G
North Tonawanda	B I	Port Byron	C H
Northville	E F	Port Chester	D G
Norwich	D A	Port Ewen	D G
Norwood	D G	Port Henry	D G
Nunda	C E	Port Jefferson	E A
Nyack	D E	Port Jervis	D E
Oakfield	C E	Port Kent	D G
Ogdensburg	D G	Portland	B I
Olean	C E	Port Richmond	D E

Oakmont	C C	Pottstown	D C
Oil City	C C	Pottsville	D C
Old Forge	D C	Punxsutawney	C E
Olyphant	D C	Quakertown	D C
Oneida	D C	Ramey	D B
Orwigsburg	D C	Rankin Station	C C
Osceola Mills	D B	Reading	D C
Oxford	D C	Red Lion	E A
Palmerton	D C	Reedsville	D B
Palmyra	D C	Renovo	D B
Palo Alto	D C	Retreat	D C
Parkers Landing	C C	Reynoldsville	C E
Parkersburg	D C	Ridgway	C E
Parnassus	C C	Ridley Park	D C
Parsons	D C	Roaring Spring	C H
Patton (Cambria Co.)	D C	Rochester	C E
		Rock Point	C C
Peckville	D C	Rockwood	C H
Pen Argyl	D E	Roscoe	C F
Pennbrook	D B	Royersford	D C
Penn	C C	Saltsburg	C F
Pennsburg	D C	Saxton	D B
Perkasie	D C	Sayre	C H
Philadelphia	D C	Schuylkill Haven	D C
Philipsburg	D C	Scottdale	C F
Phoenixville	D C	Scranton	D C
Pine Grove	D C	Selinsgrove	D B
Pitcairn	C C	Sellersville	D C
Pittsburgh	C C	Sewickley	C C
Pittston	D C	Shaft	D C
Plains	D C	Shamokin	D C
Plymouth	D C	Sharon	C A
Plymouth Meet'g	D C	Sharon Hill	D C
Point Marion	C F	Sharpsburg	C C
Polk	C C	Sharpsville	C A
Portage	C H	Sheffield	C E
Port Allegany	C E	Shenandoah	D C
Port Carbon	D C	Shickshinny	D C
		Shinglehouse	C E

WYOMING

Basin	AJD	Laramie	H F
Cambria	I B	Lovell	AJD
Casper	H D	Lusk	H B
Cheyenne	G C	New Castle	I B
Cody	A B J	Opal	H G
Cowley	AJD	Pine Bluff	G C
Cokeville	A J J	Powell	A B J
Cumberland	I H	Rawlins	H F
Diamondville	I H	Riverton	AJD
Douglas	I A	Rock River	G I
Evanston	A J F	Rock Springs	AJG
Fort Russell	G C	Sheridan	I F
Gillette	I F	Sunrise	H G
Glenrock	I B	Superior	A J G
Green River	AJH	Thermopolis	AJD
Hanna	I C	Torrington	H B
Hudson	AJD	Wheatland	H G
Kemmerer	IH	Worland	AJD
Lander	AJD		

CONCESSIONS AND ADDITIONS.

Table of Values January 6, 1921.

Basis on $\frac{13}{16}$" x 1½", 2", 2½" and 3¼" Faces D. & M.:

$\frac{13}{16}$"	Maple Concession	Beech Concession	Birch Concession
Clear	$5.00	$15.00	Full List
No. 1	5.00	15.00	$5.00
Factory	5.00	15.00	5.00

Basis on Maple, Beech and Birch, $1\frac{1}{16}$", $1\frac{5}{16}$" and $1\frac{13}{16}$", from Rate Book Full List Values of $\frac{13}{16}$" Maple D. & M.:

Maple, Beech and Birch Thick	$1\frac{1}{16}$" Full List	$1\frac{5}{16}$" Addition	$1\frac{13}{16}$" Addition
Clear	Full List	$2.00	$3.00
No. 1	Full List	2.00	3.00
Factory	Full List	2.00	3.00

Basis on 2½" face, same as on 2¼" face of same grade, thickness and wood.

Basis on 3", 3½" and 4" faces, same as on 3¼" face of same grade, thickness and wood.

Basis on Maple, Beech and Birch Jointed Flooring from Rate Book Full List Values of $\frac{13}{16}$" Maple D. & M.:

Maple, Beech and Birch Jointed	$\frac{13}{16}$" Concession	$1\frac{1}{16}$" Addition	$1\frac{5}{16}$" Addition	$1\frac{13}{16}$" Addition
Clear	$2.00	$3.00	$5.00	$6.00
No. 1	2.00	3.00	5.00	6.00
Factory	2.00	3.00	5.00	6.00

Established for First Quarter, 1921.

COMMISSIONS.

A Commission not exceeding $2.00 may be allowed to your own Registered Special Representative, or a Commission not exceeding $1.50 may be allowed to Registered Wholesalers and Commission Men.

Your Registered Special Representative may allow the Wholesaler's Commission of $1.50 when selling Registered Wholesalers and Commission Men, but the Commission to be paid to your Registered Special Representative on his sales to Registered Wholesalers and Commission Men to whom he allows the $1.50 Wholesaler's Commission shall not exceed $1.00. In no event shall the total Commissions allowed exceed $2.50.

TERMS OF SALE.

Sixty days net or 2% discount for cash in 15 days, or 1% discount for cash in 30 days from date of invoice after deducting freight. War tax to be paid by consignee.

If the car has not arrived, the discount may be deducted on 90% of the invoice less estimated freight, for cash within proper discount period, the balance with original paid freight bill to be remitted net within 5 days after arrival of car. No cash discount will be allowed after 30 days from date of shipment.

Established for First Quarter, 1921.

DIFFERENTIALS ON SPECIAL GRADES.

White Clear Maple, $\frac{13}{16}$", $20.00 more than Clear Maple, $\frac{13}{16}$", same face.

Red Clear Beech, $\frac{13}{16}$", $20.00 more than Clear Beech, $\frac{13}{16}$", same face.

Red Clear Birch, $\frac{13}{16}$", $20.00 more than Clear Birch $\frac{13}{16}$", same face.

* * * * * *

White Clear Maple, $\frac{1}{2}$", $15.00 more than Clear Maple, $\frac{1}{2}$", same face.

Red Clear Beech, $\frac{1}{2}$", $15.00 more than Clear Beech, $\frac{1}{2}$", same face.

Red Clear Birch, $\frac{1}{2}$", $15.00 more than Clear Birch, $\frac{1}{2}$", same face.

* * * * * *

EXTRA SHORTS.

Clear Maple, Beech or Birch, $\frac{13}{16}$"x2" or 2$\frac{1}{4}$" Face, under 22", $25.00 less than standard lengths of Clear same wood and face.

Clear Maple, Beech or Birch, $\frac{13}{16}$"x1$\frac{1}{2}$" Face, under 22" $35.00 less than standard lengths of Clear same wood and face.

No. 1 Maple, Beech or Birch, $\frac{13}{16}$"x2" or 2$\frac{1}{4}$" Face, under 16", $20.00 less than standard lengths of No. 1, same wood and face.

No. 1 Maple, Beech or Birch, $\frac{13}{16}$"x1$\frac{1}{2}$" Face, under 16", $30.00 less than standard lengths of No. 1, same wood and face.

TABLE OF VALUES

BASED UPON AVERAGE COST

FREIGHT RATES 4-14

INDEX	MAPLE	13/16" x 1 1/2" FACE	13/16" x 2" FACE	13/16" x 2 1/4" FACE	13/16" x 3 1/4" FACE
A.	CLEAR	105.00	105.00	105.00	103.00
	No. 1	82.00	88.00	90.00	90.00
	FACTORY	44.00	53.00	55.00	57.00
D.	CLEAR	105.75	105.75	105.75	104.00
	No. 1	82.75	88.75	90.75	91.00
	FACTORY	44.75	53.75	55.75	58.00
E.	CLEAR	106.00	106.00	106.00	104.25
	No. 1	83.00	89.00	91.00	91.25
	FACTORY	45.00	54.00	56.00	58.25
F.	CLEAR	106.25	106.25	106.25	104.25
	No. 1	83.25	89.25	91.25	91.25
	FACTORY	45.25	54.25	56.25	58.25
G.	CLEAR	106.50	106.50	106.50	104.50
	No. 1	83.50	89.50	91.50	91.50
	FACTORY	45.50	54.50	56.50	58.50
H.	CLEAR	106.50	106.50	106.50	104.75
	No. 1	83.50	89.50	91.50	91.75
	FACTORY	45.50	54.50	56.50	58.75
I.	CLEAR	106.75	106.75	106.75	105.00
	No. 1	83.75	89.75	91.75	92.00
	FACTORY	45.75	54.75	56.75	59.00
A. J.	CLEAR	107.00	107.00	107.00	105.25
	No. 1	84.00	90.00	92.00	92.25
	FACTORY	46.00	55.00	57.00	59.25
A. A.	CLEAR	107.25	107.25	107.25	105.50
	No. 1	84.25	90.25	92.25	92.50
	FACTORY	46.25	55.25	57.25	59.50
A. B.	CLEAR	107.50	107.50	107.50	105.75
	No. 1	84.50	90.50	92.50	92.75
	FACTORY	46.50	55.50	57.50	59.75
A. C.	CLEAR	107.50	107.50	107.50	106.00
	No. 1	84.50	90.50	92.50	93.00
	FACTORY	46.50	55.50	57.50	60.00
A. D.	CLEAR	107.75	107.75	107.75	106.25
	No. 1	84.75	90.75	92.75	93.25
	FACTORY	46.75	55.75	57.75	60.25

January 6, 1921.

TABLE OF VALUES

BASED UPON AVERAGE COST

FREIGHT RATES 135-146

INDEX	MAPLE	13/16" x 1 1/2" FACE	13/16" x 2" FACE	13/16" x 2 1/4" FACE	13/16" x 3 1/4" FACE
A. C. E.	CLEAR	132.00	132.00	132.00	133.50
	No. 1	109.00	115.00	117.00	120.50
	FACTORY	71.00	80.00	82.00	87.50
A. C. F.	CLEAR	132.25	132.25	132.25	133.50
	No. 1	109.25	115.25	117.25	120.50
	FACTORY	71.25	80.25	82.25	87.50
A. C. G.	CLEAR	132.50	132.50	132.50	133.75
	No. 1	109.50	115.50	117.50	120.75
	FACTORY	71.50	80.50	82.50	87.75
A. C. H.	CLEAR	132.50	132.50	132.50	134.00
	No. 1	109.50	115.50	117.50	121.00
	FACTORY	71.50	80.50	82.50	88.00
A. C. I.	CLEAR	132.75	132.75	132.75	134.25
	No. 1	109.75	115.75	117.75	121.25
	FACTORY	71.75	80.75	82.75	88.25
A. D. J.	CLEAR	133.00	133.00	133.00	134.50
	No. 1	110.00	116.00	118.00	121.50
	FACTORY	72.00	81.00	83.00	88.50
A. D. A.	CLEAR	133.25	133.25	133.25	134.75
	No. 1	110.25	116.25	118.25	121.75
	FACTORY	72.25	81.25	83.25	88.75
A. D. B.	CLEAR	133.50	133.50	133.50	136.00
	No. 1	110.50	116.50	118.50	122.00
	FACTORY	72.50	81.50	83.50	89.00
A. D. C.	CLEAR	133.50	133.50	133.50	136.25
	No. 1	110.50	116.50	118.50	122.25
	FACTORY	72.50	81.50	83.50	89.25
A. D. D.	CLEAR	133.75	133.75	133.75	136.50
	No. 1	110.75	116.75	118.75	122.50
	FACTORY	72.75	81.75	83.75	89.50
A. D. E.	CLEAR	134.00	134.00	134.00	136.75
	No. 1	111.00	117.00	119.00	122.75
	FACTORY	73.00	82.00	84.00	89.75
A. D. F.	CLEAR	134.25	134.25	134.25	136.75
	No. 1	111.25	117.25	119.25	122.75
	FACTORY	73.25	82.25	84.25	89.75

January 6, 1921.

TABLE OF VALUES
BASED UPON AVERAGE COST

¼" THICKNESS

MAPLE OR BEECH FLOORING

Clear Birch—Add $5.00.
No. 1 Birch—Same as Maple and Beech.
White Clear Maple—Add $15.00 to Clear Maple.
Red Clear Peech—Add $15.00 to Clear Beech.
Red Clear Birch—Add $15.00 to Clear Birch.

FREIGHT RATES 4-11			FREIGHT RATES 32-61		
INDEX	GRADE	1½", 2" or 2½" FACE	INDEX	GRADE	1½", 2" or 2½" FACE
A	CLEAR No. 1	75.00 60.00	CB CC	CLEAR No. 1	78.25 63.25
DEF	CLEAR No. 1	75.50 60.50	CDCF	CLEAR No. 1	78.50 63.50
GH	CLEAR No. 1	75.75 60.75	CGCH	CLEAR No. 1	78.75 63.75
IJA AA	CLEAR No. 1	76.00 61.00	CICJ CDA	CLEAR No. 1	79.00 64.00
AB AC	CLEAR No. 1	76.25 61.25	DB DC	CLEAR No. 1	79.25 64.25
ADAE AF	CLEAR No. 1	76.50 61.50	DDDE DF	CLEAR No. 1	79.50 64.50
AG AH	CLEAR No. 1	76.75 61.75	DG DH	CLEAR No. 1	79.75 64.75
AIAJ BA	CLEAR No. 1	77.00 62.00	DIEJ EA	CLEAR No. 1	80.00 65.00
BB BC	CLEAR No. 1	77.25 62.25	EB EC	CLEAR No. 1	80.25 65.25
BDBE BF	CLEAR No. 1	77.50 62.50	EDEE EF	CLEAR No. 1	80.50 65.50
BG BH	CLEAR No. 1	77.75 62.75	EG EH	CLEAR No. 1	80.75 65.75
BICI CJ CA	CLEAR No. 1	78.00 63.00	EIEJ FA	CLEAR No. 1	81.00 66.00

January 6, 1921.

709 - 719

Freight rates 4-11			Freight rates 11-31		
Index	Grade	1½", 2" or 2½" face	Index	Grade	1½", 2" or 2½" face
A	Clear	140.00	C B	Clear	143.25
	No. 1	132.00	C C	No. 1	135.25
D	Clear	140.50	C D	Clear	143.50
E	No. 1	132.50	C E	No. 1	135.50
F			C F		
G	Clear	140.75	C C	Clear	143.75
H	No. 1	132.75	C H	No. 1	135.75
I			C I		
A J	Clear	141.00	D J	Clear	144.00
A A	No. 1	133.00	D A	No. 1	136.00
A B	Clear	141.25	D B	Clear	144.25
A C	No. 1	133.25	D C	No. 1	136.25
A D			D D		
A E	Clear	141.50	D E	Clear	144.50
A F	No. 1	133.50	D F	No. 1	136.50
A G	Clear	141.75	D G	Clear	144.75
A H	No. 1	133.75	D H	No. 1	136.75
A I			D I		
B J	Clear	142.00	E J	Clear	145.00
B A	No. 1	134.00	E A	No. 1	137.00
B B	Clear	142.25	E B	Clear	145.25
B C	No. 1	134.25	E C	No. 1	137.25
B D			E D		
B E	Clear	142.50	E E	Clear	145.50
B F	No. 1	134.50	E F	No. 1	137.50
B G	Clear	142.75	E G	Clear	145.75
B H	No. 1	134.75	E H	No. 1	137.76
B I			E I		
C J	Clear	143.00	F J	Clear	146.00
C A	No. 1	135.00	F A	No. 1	138.00

March 1, 1920.

(Here follows Government's Exhibit No. 34, marked side folio pages 554-719, inclusive.)

[fol. 720] GOVERNMENT'S EXHIBIT No. 34-A

Table of Values Based upon Average Cost Freight Rates 4-14

Index	Maple	13/16"x1¼" face	13/16"x2" face	13/16"x2¼" face	13/16"x3¼" face
A.	Clear	85.00	83.00	90.00	80.00
	No. 1	58.00	58.00	65.00	65.00
	Factory	20.00	28.00	30.00	32.00
D.	Clear	85.75	83.75	90.75	81.00
	No. 1	58.75	58.75	65.75	66.00
	Factory	20.75	28.75	30.75	33.00
E.	Clear	86.00	84.00	91.00	81.25
	No. 1	59.00	59.00	66.00	66.25
	Factory	21.00	29.00	31.00	33.25
F.	Clear	86.25	84.25	91.25	81.25
	No. 1	59.25	59.25	66.25	66.25
	Factory	21.25	29.25	31.25	33.25
G.	Clear	86.50	84.50	91.50	81.50
	No. 1	59.50	59.50	66.50	66.50
	Factory	21.50	29.50	31.50	33.50
H.	Clear	86.50	84.50	91.50	81.75
	No. 1	59.50	59.50	66.50	66.75
	Factory	21.50	29.50	31.50	33.75
I.	Clear	86.75	84.75	91.75	82.00
	No. 1	59.75	59.75	66.75	67.00
	Factory	21.75	29.75	31.75	34.00
A. J.	Clear	87.00	85.00	92.00	82.25
	No. 1	60.00	60.00	67.00	67.25
	Factory	22.00	30.00	32.00	34.25
A. A.	Clear	87.25	85.25	92.25	82.50
	No. 1	60.25	60.25	67.25	67.50
	Factory	22.25	30.25	32.25	34.50
A. B.	Clear	87.50	85.50	92.50	82.75
	No. 1	60.50	60.50	67.50	67.75
	Factory	22.50	30.50	32.50	34.75
A. C.	Clear	87.50	85.50	92.50	83.00
	No. 1	60.50	60.50	67.50	68.00
	Factory	22.50	30.50	32.50	35.00
A. D.	Clear	87.75	85.75	92.75	83.25
	No. 1	60.75	60.75	67.75	68.25
	Factory	22.75	30.75	32.75	35.25

May 21, 1921.

[fol. 721] GOVERNMENT'S EXHIBIT No. 34-B

[Omitted in printing]

[fol. 722] GOVERNMENT'S EXHIBIT No. 34-C

[fol. 723] GOVERNMENT'S EXHIBIT No. 34-D

Table of Values Based Upon Average Cost Freight Rates 39-50

Index	Maple	13/16"x1¼" face	13/16"x2" face	13/16"x2¼" face	13/16"x3¼" face
C. I.	Clear	92.75	90.75	97.75	88.75
	No. 1	65.75	65.75	72.75	73.75
	Factory	27.75	35.75	37.75	40.75
D. J.	Clear	93.00	91.00	98.00	89.00
	No. 1	66.00	66.00	73.00	74.00
	Factory	28.00	36.00	38.00	41.00
D. A.	Clear	93.25	91.25	98.25	89.25
	No. 1	66.25	66.25	73.25	74.25
	Factory	28.25	36.25	38.25	41.25
D. B.	Clear	93.50	91.50	98.50	89.50
	No. 1	66.50	66.50	73.50	74.50
	Factory	28.50	36.50	38.50	41.50
D. C.	Clear	93.50	91.50	98.50	89.75
	No. 1	66.50	66.50	73.50	74.75
	Factory	28.50	36.50	38.50	41.75
D. D.	Clear	93.75	91.75	98.75	90.00
	No 1	66.75	66.75	73.75	75.00
	Factory	28.75	36.75	38.75	42.00
D. E.	Clear	94.00	92.00	99.00	90.25
	No. 1	67.00	67.00	74.00	75.25
	Factory	29.00	37.00	39.00	42.25
D. F.	Clear	94.25	92.25	99.25	90.25
	No. 1	67.25	67.25	74.25	75.25
	Factory	29.25	37.25	39.25	42.25
D. G.	Clear	94.50	92.50	99.50	90.50
	No. 1	67.50	67.50	74.50	75.50
	Factory	29.50	37.50	39.50	42.50
D. H.	Clear	94.50	92.50	99.50	90.75
	No. 1	67.50	67.50	74.50	75.75
	Factory	29.50	37.50	39.50	42.75
D. I.	Clear	94.75	92.75	99.75	91.00
	No. 1	67.75	67.75	74.75	76.00
	Factory	29.75	37.75	39.75	43.00
E. J.	Clear	95.00	93.00	100.00	91.25
	No. 1	68.00	68.00	75.00	76.25
	Factory	30.00	38.00	40.00	43.25

May 21, 1921.

[fol. 724] GOVERNMENT'S EXHIBIT No. 34-E

[Omitted in printing]

[fol. 725] GOVERNMENT'S EXHIBIT No. 34-F

[Omitted in printing]

[fol. 726] GOVERNMENT'S EXHIBIT No. 34-G

[Omitted in printing]

[fol. 727] GOVERNMENT'S EXHIBIT No. 34-H

[Omitted in printing]

[fol. 728] GOVERNMENT'S EXHIBIT No. 34-I

[Omitted in printing]

[fol. 729] GOVERNMENT'S EXHIBIT No. 34-J

[Omitted in printing]

[fol. 730] GOVERNMENT'S EXHIBIT No. 34-K

[Omitted in printing]

[fol. 731] GOVERNMENT'S EXHIBIT No. 34-L

[Omitted in printing]

[fol. 732] GOVERNMENT'S EXHIBIT No. 34-M

Concessions and Additions—Table of Values May 21, 1921

13/16" Maple and Birch D. & M.

All Grades and Faces—Full List

13/16" Beech D. & M.

Concessions on	1¼" face	2" face	2¼" face	3¼" face
Clear	$12.00	$10.00	$15.00	$10.00
No. 1	11.00	5.00	10.00	10.00
Factory	Full List	5.00	5.00	2.00

The 2½" face, same as 2¼" face of same wood, grade and thickness.

The 3", 3½" and 4" faces, same as 3¼" face of same wood, grade and thickness.

Differentials on Thick Flooring D. & M.

1 1/16"—$5.00 more than 13/16" D. & M. of same wood, grade and face.
1 5/16"—$7.00 more than 13/16" D. & M. of same wood, grade and face.
1 11/16"—$8.00 more than 13/16" D. & M. of same wood, grade and face.

Differentials on Jointed Flooring

13/16"—$3.00 more than 13/16" D. & M. of same wood, grade and face.
1 1/16"—$8.00 more than 13/16" D. & M. of same wood, grade and face.
1 5/16"—$10.00 more than 13/16" D. & M. of same wood, grade and face.
1 11/16"—$11.00 more than 13/16" D. & M. of same wood, grade and face.

[fol. 733] Commissions

A commission not exceeding $2.00 may be allowed to Wholesalers and Commission Men and to such other Lumber Dealers who are listed as entitled to the Wholesaler's commission.

Terms of Sale

Sixty days net or 2% discount for cash in 15 days, or 1% discount for cash in 30 days from date of invoice after deducting freight. War tax to be paid by consignee.

If the car has not arrived, the discount may be deducted on 90% of the invoice less estimated freight, for cash within proper discount period, the balance with original paid freight bill to be remitted net within 5 days after arrival of car. No cash discount will be allowed after 30 days from date of shipment.

May 21, 1921.

[fol. 734] Government's Exhibit No. 34-N

Table of Values Based upon Average Cost

3/8" Thickness

Maple or Beech Flooring

Clear Birch—Add $5.00.
No. 1 Birch—Same as Maple and Beech.
White Clear Maple—Add $15.00 to Clear Maple.
Red Clear Beech—Add $15.00 to Clear Beech.
Red Clear Birch—Add $15.00 to Clear Birch.

Freight rates 4-31			Freight rates 31-61		
Index	Grade	1¼", 2" or 2¼" face	Index	Grade	1¼", 2" or 2¼" face
A	Clear	60.00	C B	Clear	63.25
	No. 1	45.00	C C	No. 1	48.25
D			C D		
E	Clear	60.50	C F	Clear	63.50
F	No. 1	45.50	C F	No. 1	48.50
G	Clear	60.75	C G	Clear	63.75
H	No. 1	45.75	C H	No. 1	48.75
I			C I		
A J	Clear	61.00	D J	Clear	64.00
A A	No. 1	46.00	D A	No. 1	49.00
A B	Clear	61.25	D B	Clear	64.25
A C	No. 1	46.25	D C	No. 1	49.25
A D			D D		
A E	Clear	61.50	D E	Clear	64.50
A F	No. 1	46.50	D F	No. 1	49.50
A G	Clear	61.75	D G	Clear	64.75
A H	No. 1	46.75	D H	No. 1	49.75
A I			D I		
B J	Clear	62.00	E J	Clear	65.00
B A	No 1	47.00	E A	No. 1	50.00
B B	Clear	62.25	E B	Clear	65.25
B C	No. 1	47.25	E C	No. 1	50.25
B D			E D		
B E	Clear	62.50	E E	Clear	65.50
B F	No. 1	47.50	E F	No. 1	50.50
B G	Clear	62.75	E C	Clear	65.75
B H	No. 1	47.75	E H	No. 1	50.75
B I			E I		
C J	Clear	63.00	F J	Clear	66.00
C A	No. 1	48.00	F A	No. 1	51.00

May 21, 1921.

[fol. 735] GOVERNMENT'S EXHIBIT No. 34-O

[Omitted in printing]

[fol. 736] GOVERNMENT'S EXHIBIT No. 34-P

[Omitted in printing]

(Here follows Government's Exhibit No. 35, marked side folio pages 737-905, inclusive.)

GOV. EXHIBIT 35

Exhibit 24A Lewis

RATE BOOK

FREIGHT RATES
AND
INDEX OF TOWNS

Compiled by
Carey & Learned, Inc.
Freight Traffic Service,
Chicago, for

Maple Flooring Manufacturers Association

Stock Exchange Building
Chicago

Del. Cost Chart
May 31, 1922

Copyright 1922
By Maple Flooring Manufacturers Association
Chicago

737

KEY

Freight Rates	1.	2.	3.	4.	5.	6.	7.	8.	9.	0.
Index Letters	A.	B.	C.	D.	E.	F.	G.	H.	I.	J.

To ascertain delivered costs at an unlisted point allow 25 cents for each one cent difference in the rate of freight between the nearest listed point and the unlisted point from point of shipment.

To open this book for the removal of old or the insertion of new leaves, press the little invisible buttons on the back of the book.

To close, press the arches together.

738 = 751

CONNECTICUT

All Points	D C

DELAWARE

Delaware City	D A	Milford	D A
Dover	D A	Milton	D A
Georgetown	D A	Newark	C I
Harrington	D A	New Castle	C I
Laurel	D A	Seaford	D A
Lewes	D A	Smyrna	D A
Middletown	D A	Wilmington	C I

DISTRICT OF COLUMBIA

Washington	C H

ILLINOIS

Abingdon	B G	Bushnell	B G
Albion	B F	Cairo	B I
Aledo	C B	Cambridge	B G
Algonquin	B D	Camp Point	B G
Alton	B G	Canton	B G
Anna	B I	Capron	B F
Antioch	B J	Carbondale	B I
Arcola	B E	Cardiff	B C
Arlington Hgts	B I	Carlinville	B G
Ashland	B E	Carlyle	B G
Assumption	B E	Carmi	B G
Astoria	B G	Carpenterville	B D
Athens	B E	Carriers Mills	B I
Atlanta	B D	Carrollton	B G
Auburn	B G	Carterville	B I
Augusta	B G	Carthage	B G
Aurora	B D	Casey(ClarkCo.)	B E
Barrington	B J	Central City (Marion Co.)	B F
Barry	B G	Centralia	B F
Batavia	B D	Champaign	B C
Beardstown	B F	Charleston	B E
Beecher	B B	Chenoa	B D
Belleville	B G	Cherry (Bureau Co.)	B I
Belvidere	B F	Chester	B I
Bement	B D	Chicago	B J
Benton	B I	Chicago Heights	B B
Berwyn	B J	Chillicothe	B G
Bloomington	B D	Chrisman	B D
Blue Island	B J	Christopher	B I
Braceville	B D	Cicero	B J
Bradley	B A	Clinton	B D
Breese	B G	Coal City	B D
Bridgeport	B E	Colchester	B G
Brookfield	B J	Collinsville	B G
Brooklyn	B G	Cowden	B F
Brookport	B I	Cuba(FultonCo.)	B G
Buda	B G		
Bunker Hill	B G		

MARYLAND

Annapolis	D D	Hancock	C H
Baltimore	C H	Havre de Grace	C I
Barton	C D	Highlandtown	C H
Bel Air	E A	Hyattsville	C H
Berlin	D A	Laurel	C H
Brunswick	C H	Lonaconing	C D
Cambridge	D A	Midland	C D
Catonsville	D J	Mt. Savage	C D
Centreville	D A	Mt. Washington	C H
Chestertown	D A	Oakland	C D
Cockeysville	C H	Oxford	D A
Crisfield	D A	Pocomoke	D A
Cumberland	C D	Port Deposit	C I
Deal's Island	E A	Princess Anne	D A
Deer Pk. Village	C D	Quantico	E A
Denton	D A	Rockville	C H
Easton	D A	St. Michaels	D A
Eckhart	C D	Salisbury	D A
Elkton	C I	Snow Hill	D A
Ellicott City	C H	Sparrows Point	C H
Emmitsburg	D E	Texas	C H
Federalsburg	D A	Towson	D F
Frederick	C H	Western Port	C D
Frostburg	C D	Westminster	C H
Hagerstown	C H	Williamsport (Washington Co.)	C H

August 15, 1922.

MASSACHUSETTS

All points D C

786 = 819

August 15, 1922.

NEW YORK

Middletown	D A	Oneida	C G
Millbrook	D C	Oneonta	C I
Mineola	D C	Oriskany	C G
Minetto	C D	Oriskany Falls	C G
Mohawk	C I	Ossining	D A
Monroe	D A	Oswego	C D
Montgomery	D A	Otisville	D A
Monticello	D C	Owego	C D
Montour Falls	C D	Oxford	C G
Montrose	D A	Oyster Bay, L. I.	D D
Moravia	C D	Ozone Park, L. I.	D A
Mount Kisco	D C	Painted Post	C D
Mount Morris	C B	Palmyra	C D
Mount Vernon	D A	Parkville, L. I	D A
Nanuet	D A	Patchogue	D D
Naples	C D	Pawling	D C
Nepperhan	D A	Pearl River	D A
Newark	C D	Peekskill	D A
New Berlin	D A	Pelham Manor	D A
Newburgh	D A	Penn Yan	C D
New Hartford	C G	Perrys	C B
New Hyde Park	D C	Perrysburg	B D
New Paltz	D A	Phelps	C D
New Rochelle	D A	Philmont	D C
New York City	D A	Phoenix	C D
New York Mills	C G	Piermont	D A
Niagara Falls	B D	Pittsford	C D
Norfolk	D C	Plattsburg	D C
North Collins	B D	Pleasant Plains	D A
Northport	D D	Pleasantville	D C
North Tonawanda	B D	Port Byron	C D
Northville	D H	Port Chester	D C
Norwich	C G	Port Ewen	D C
Norwood	D C	Port Henry	D C
Nunda	C B	Port Jefferson	D D
Nyack	D A	Port Jervis	D A
Oakfield	C B	Port Kent	D C
Ogdensburg	D C	Portland	B E
Olean	C B	Port Richmond	D A

October 14, 1922

821 = 877

DIFFERENTIALS.

From Average Cost Charts of Maple 13/16" D. & M., May 31, 1922.

Average Cost of Beech 13/16" D. & M. all Faces:

Clear—$10.00 less than Maple.
No. 1—$10.00 less than Maple.
Factory—Same as Maple.

Average Cost of Birch 13/16" D. & M. all Faces:

Clear—$5.00 less than Maple.
No. 1—$5.00 less than Maple.
Factory—Same as Maple.

Average Cost of Wide Faces D. & M.

2½" face same as 2¼" face; 3", 3½" and 4" faces same as 3¼" face, of same wood, grade and thickness.

Average Cost of Thick Flooring D. & M.

1⅛"—$7.00 more than 13/16" D. & M.
1⅛"—$9.00 more than 13/16" D. & M.
1¼"—$10.00 more than 13/16" D. & M.
of same wood, grade and thickness.

Average Cost of Jointed Flooring:

1¼"—$5.00 more than 13/16" D. & M.
1⅛"—$10.00 more than 13/16" D. & M.
1⅛"—$12.00 more than 13/16" D. & M.
1¼"—$13.00 more than 13/16" D. & M.
of same wood, grade and thickness.

DIFFERENTIALS.

Average Cost of Special Grades.

White Clear Maple, 13/16", $20.00 more than Clear Maple, 13/16", same face.

Red Clear Beech, 13/16", $20.00 more than Clear Beech, 13/16", same face.

Red Clear Birch, 13/16", $20.00 more than Clear Birch, 13/16", same face.

* * * * * *

White Clear Maple, ¾", $15.00 more than Clear Maple, ¾", same face.

Red Clear Beech, ¾", $15.00 more than Clear Beech, ¾", same face.

Red Clear Birch, ¾", $15.00 more than Clear Birch, ¾", same face.

Average Cost of Extra Shorts.

Clear Maple, Beech or Birch, 13/16"x2" or 2½" Face, under 22", $25.00 less than standard lengths of Clear same wood and face.

Clear Maple, Beech or Birch, 13/16"x1½" Face, under 22", $35.00 less than standard lengths of Clear same wood and face.

No. 1 Maple, Beech or Birch, 13/16"x2" or 2½" Face, under 16", $20.00 less than standard lengths of No. 1, same wood and face.

No. 1 Maple, Beech or Birch, 13/16"x1½" Face, under 16", $30.00 less than standard lengths of No. 1, same wood and face.

(OVER)

TERMS OF SALE.

Sixty days net or 2% discount for cash in 15 days, or 1% discount for cash in 30 days from date of invoice after deducting freight.

If the car has not arrived, the discount may be deducted on 90% of the invoice less estimated freight, for cash within proper discount period, the balance with original paid freight bill to be remitted net within 5 days after arrival of car. No cash discount will be allowed after 30 days from date of shipment.

AVERAGE COST CHART

Average Cost of 13/16" Maple Flooring F. O. B. Cars at Flooring Mill.

	MAPLE D. & M.	13/16" x 1½" FACE	13/16" x 2" FACE	13/16" x 2¼" FACE	13/16" x 3¼" FACE
F. O. B. MILL	CLEAR	65.00	67.00	90.00	85.00
	No. 1	68.00	72.00	75.00	75.00
	FACTORY	20.00	28.00	30.00	35.00

May 31, 1922.

881 = 882

DELIVERED COST CHART.

Includes Average Cost of Freight to Destination.

Freight Rates 15 cents to 26 cents.

Freight Rate Index	MAPLE D. & M.	13/16" x 1 1/2" FACE	13/16" x 2" FACE	13/16" x 2 1/4" FACE	13/16" x 3 1/4" FACE
A.E.	CLEAR	88.00	90.00	93.00	88.50
	No. 1	71.00	76.00	78.00	78.50
	FACTORY	23.00	31.00	33.00	38.50
A.F.	CLEAR	88.25	90.25	93.25	88.50
	No. 1	71.25	75.25	78.25	78.50
	FACTORY	23.25	31.25	33.25	38.50
A.G.	CLEAR	88.50	90.50	93.50	88.75
	No. 1	71.50	75.50	78.50	78.75
	FACTORY	23.50	31.50	33.50	38.75
A.H.	CLEAR	88.50	90.50	93.50	89.00
	No. 1	71.50	75.50	78.50	79.00
	FACTORY	23.50	31.50	33.50	39.00
A. I.	CLEAR	88.75	90.75	93.75	89.25
	No. 1	71.75	75.75	78.75	79.25
	FACTORY	23.75	31.75	33.75	39.25
B. J.	CLEAR	89.00	91.00	94.00	89.50
	No. 1	72.00	76.00	79.00	79.50
	FACTORY	24.00	32.00	34.00	39.50
B. A.	CLEAR	89.25	91.25	94.25	89.75
	No. 1	72.25	76.25	79.25	79.75
	FACTORY	24.25	32.25	34.25	39.75
B. B.	CLEAR	89.50	91.50	94.50	90.00
	No. 1	72.50	76.50	79.50	80.00
	FACTORY	24.50	32.50	34.50	40.00
B.C.	CLEAR	89.50	91.50	94.50	90.25
	No. 1	72.50	76.50	79.50	80.25
	FACTORY	24.50	32.50	34.50	40.25
B.D.	CLEAR	89.75	91.75	94.75	90.50
	No. 1	72.75	76.75	79.75	80.50
	FACTORY	24.75	32.75	34.75	40.50
B.E.	CLEAR	90.00	92.00	95.00	90.75
	No. 1	73.00	77.00	80.00	80.75
	FACTORY	25.00	33.00	35.00	40.75
B.F.	CLEAR	90.25	92.25	95.25	90.75
	No. 1	73.25	77.25	80.25	80.75
	FACTORY	25.25	33.25	35.25	40.75

KEY:
Freight Rates 1 2 3 4 5 6 7 8 9 0
Index Letters ..... A B C D E F G H I J

May 31, 1922.

883 = 884

DELIVERED COST CHART.

Includes Average Cost of Freight to Destination.

Freight Rates 29 cents to 50 cents.

Freight Rate Index	MAPLE D. & M.	13/16" x 1 1/2" FACE	13/16" x 2" FACE	13/16" x 2 1/4" FACE	13/16" x 3 1/4" FACE
C. I.	CLEAR	92.75	94.75	97.75	93.75
	No. 1	75.75	79.75	82.75	83.75
	FACTORY	27.75	35.75	37.75	43.75
D. J.	CLEAR	93.00	95.00	98.00	94.00
	No. 1	76.00	80.00	83.00	84.00
	FACTORY	28.00	36.00	38.00	44.00
D. A.	CLEAR	93.25	95.25	98.25	94.25
	No. 1	76.25	80.25	83.25	84.25
	FACTORY	28.25	36.25	38.25	44.25
D. B.	CLEAR	93.50	95.50	98.50	94.50
	No. 1	76.50	80.50	83.50	84.50
	FACTORY	28.50	36.50	38.50	44.50
D. C.	CLEAR	93.50	95.50	98.50	94.75
	No. 1	76.50	80.50	83.50	84.75
	FACTORY	28.50	36.50	38.50	44.75
D.D.	CLEAR	93.75	95.75	98.75	95.00
	No. 1	76.75	80.75	83.75	85.00
	FACTORY	28.75	36.75	38.75	45.00
D. E.	CLEAR	94.00	96.00	99.00	95.25
	No. 1	77.00	81.00	84.00	85.25
	FACTORY	29.00	37.00	39.00	45.25
D. F.	CLEAR	94.25	96.25	99.25	95.25
	No. 1	77.25	81.25	84.25	85.25
	FACTORY	29.25	37.25	39.25	45.25
D. G.	CLEAR	94.50	96.50	99.50	95.50
	No. 1	77.50	81.50	84.50	85.50
	FACTORY	29.50	37.50	39.50	45.50
D. H.	CLEAR	94.50	96.50	99.50	95.75
	No. 1	77.50	81.50	84.50	85.75
	FACTORY	29.50	37.50	39.50	45.75
D. I.	CLEAR	94.75	96.75	99.75	96.00
	No. 1	77.75	81.75	84.75	86.00
	FACTORY	29.75	37.75	39.75	46.00
E. J.	CLEAR	95.00	97.00	100.00	96.25
	No. 1	78.00	82.00	85.00	86.25
	FACTORY	30.00	38.00	40.00	46.25

KEY:
Freight Rates 1 2 3 4 5 6 7 8 9 0
Index Letters ..... A B C D E F G H I J

May 31, 1922.

885 = 893

AVERAGE COST CHART

Average Cost of 1/6" Maple, Beech or Birch Flooring, F. O. B. cars at Flooring Mill.

Clear Grade—1½", 2" or 2¼" Face.....$60.00
No. 1 Grade—1½", 2" or 2¼" Face..... 45.00

May 31, 1922.

894

DELIVERED COST CHART.

Includes Average Cost of Freight to Destination.

Freight Rates 4 cts. to 31 cts.			Freight Rates 32 cts. to 58 cts.		
Freight Rate Index	MAPLE BEECH BIRCH	1½", 2" or 2¼" FACE	Freight Rate Index	MAPLE BEECH BIRCH	1½", 2" or 2¼" FACE
D E F	CLEAR No. 1	60.50 45.50	C B C	CLEAR No. 1	63.25 48.25
C H	CLEAR No. 1	60.75 45.75	C C C D E F	CLEAR No. 1	63.50 48.50
I A J A	CLEAR No. 1	61.00 46.00	C C C H	CLEAR No. 1	63.75 48.75
A B C	CLEAR No. 1	61.25 46.25	C D I A J A	CLEAR No. 1	64.00 49.00
A A D E F	CLEAR No. 1	61.50 46.50	D B B C	CLEAR No. 1	64.25 49.25
A A C H	CLEAR No. 1	61.75 46.75	D D D D E F	CLEAR No. 1	64.50 49.50
A B B I A J A	CLEAR No. 1	62.00 47.00	D D C H	CLEAR No. 1	64.75 49.75
B B B C	CLEAR No. 1	62.25 47.25	D E E I A J A	CLEAR No. 1	65.00 50.00
B B B D E F	CLEAR No. 1	62.50 47.50	E E E B C	CLEAR No. 1	65.25 50.25
B B C H	CLEAR No. 1	62.75 47.75	E E E D E F	CLEAR No. 1	65.50 50.50
B C C I A J A	CLEAR No. 1	63.00 48.00	E E E C H	CLEAR No. 1	65.75 50.75

KEY:
Freight Rates.....1 2 3 4 5 6 7 8 9 0
Index Letters.....A B C D E F G H I J

May 31, 1922.

895 905

[fol. 906] GOVERNMENT'S EXHIBIT No. 36

Maple Flooring Manufacturers Association, 1045 Stock Exchange Bldg., Chicago.

May 18, 1922.

To Members.

GENTLEMEN: Thinking it would be interesting to know how the rate of freight from Cadillac, Michigan, compares with the average rate of freight from all the flooring mills in Michigan and Wisconsin, we selected forty of the principal markets for flooring located in all sections of the United States and had Elkinton Service Corporation of Chicago give us the rate of freight from each of the flooring plants to the forty cities.

We find, however, that there are some inaccuracies in the compilation furnished us by Elkinton Service Corporation, so we are enclosing to each member a copy of the table of the freight rates with the request that he check the freight rates from his own mill to all of the forty destinations and return same to us as soon as possible. Will you please do this and after we receive it from you, we will have it rechecked in Chicago and will then make out a new schedule containing all corrections, so that the schedule will be accurate and we will then send each member a corrected copy for future reference.

According to the enclosed schedule, the average rate of freight from Cadillac to the forty points is 50c and this is also the average from the seventeen shipping points in Michigan and Wisconsin to the forty destinations. These averages may change, however, to the extent of a small fraction after inaccuracies are corrected.

Yours very truly, George W. Keehn, Secretary.

[fols. 907 & 908] GOVERNMENT'S EXHIBIT No. 36-A

[Omitted in printing]

(Here follows Government's Exhibit No. 37, marked side folio pages 909-929, inclusive)

[fol. 930] GOVERNMENT'S EXHIBIT No. 38

June 20th, 1913.

To Members.

GENTLEMEN: The Market Conditions Committee will meet next Wednesday the 25th, and make a complete report on the flooring situation. In the meantime, I thought I would send you the statistics for May so you would get the information they contain, about a week earlier.

You will notice that our statistics continue very strong, and that our stocks and unfilled orders on June 1st show an improvement

over May 1st, as the combined stocks of Maple, Beech and Birch Flooring show a reduction of 502 M and the unfilled orders show an increase of 492 M, which may be considered an improvement during the month of one million feet in stock conditions, and that there is a good improvement in the condition of the Factory grade. The net current values for May also show gains over April, so from the standpoint of statistics, any weak feeling that may exist in respect to getting the values recommended at the last general meeting, is a mental rather than an actual condition.

Inasmuch as our June 1st statistics show these improvements over May 1st, it would seem that the values recommended in May are more than justified, unless, of course, our members have concluded that they, as manufacturers, are not entitled to the 10% profit on sales and that they are robbing the consumer in trying to get this margin, and that they should make restitution by lowering their prices.

Yours very truly, George W. Keehn, Secretary.

[fols. 931-933] GOVERNMENT'S EXHIBIT No. 38-A

[Omitted in printing]

[fol. 934] GOVERNMENT'S EXHIBIT No. 38-B

[Omitted in printing]

[fol. 935] GOVERNMENT'S EXHIBIT No. 38-C

February 13th, 1914.

January Statistics

To Members.

GENTLEMEN: The February meeting of the Market Conditions Committee could not be arranged for this week, as three or four of the Committee could not attend, so it was decided to postpone the meeting until early in March.

The January reports were received from all the members in time to issue our monthly reports today, which is the earliest date on record, and this promptness in reporting, if it is continued, will be of great advantage in the work of the Association, as the earlier the information, contained in our monthly reports, is received by the members, the greater its value to them. This is especially true at this time, because our statistics show that good, fair, healthy conditions exist and that there has been the improvement in the business outlook since the first of the year which was remarked upon at the Annual Meeting, and if thought is given to our statistical position, no good reason for demoralization in values is apparent.

Our January 1914 shipments, 11,219 M, compare favorably with

From Average Cost Charts of Maple 13/16" D. & M. February 15, 1923.

Average Cost of Beech 13/16" D. & M. all Faces:

Clear—$10.00 less than Maple.
No. 1—$5.00 less than Maple.
Factory—Same as Maple.

Average Cost of Birch 13/16" D. & M. all Faces:

Clear—$10.00 less than Maple.
No. 1—$5.00 less than Maple.
Factory—Same as Maple.

Average Cost of Wide Faces D. & M.

2¼" face same as 2½" face; 3", 3½" and 4" faces same as 3¼" face, of same wood, grade and thickness.

Average Cost of Thick Flooring D. & M.

1 5/16"—$5.00 more than 13/16" D. & M.
1 7/16"—$7.00 more than 13/16" D. & M.
1 13/16"—$10.00 more than 13/16" D. & M.
of same wood, grade and thickness.

Average Cost of Jointed Flooring:

13/16"—$5.00 more than 13/16" D. & M.
1 5/16"—$10.00 more than 13/16" D. & M.
1 7/16"—$12.00 more than 13/16" D. & M.
1 13/16"—$15.00 more than 13/16" D. & M.
of same wood, grade and thickness.

Average Cost of Special Grades.

White Clear Maple, 13/16", $20.00 more than Clear Maple, 13/16", same face.

Red Clear Beech, 13/16", $20.00 more than Clear Beech, 13/16", same face.

Red Clear Birch, 13/16", $20.00 more than Clear Birch, 13/16", same face.

* * * * * *

White Clear Maple, ¾", $15.00 more than Clear Maple, ¾", same face.

Red Clear Beech, ¾", $15.00 more than Clear Beech, ¾", same face.

Red Clear Birch, ¾", $15.00 more than Clear Birch, ¾", same face.

Average Cost of Extra Shorts.

Clear Maple, Beech or Birch, 13/16"x2" or 2½" Face, under 22", $35.00 less than standard lengths of Clear same wood and face.

Clear Maple, Beech or Birch, 13/16"x1½" Face, under 22", $40.00 less than standard lengths of Clear same wood and face.

No. 1 Maple, Beech or Birch, 13/16"x2" or 2½" Face, under 16", $40.00 less than standard lengths of No. 1, same wood and face.

No. 1 Maple, Beech or Birch, 13/16"x1½" Face, under 16", $40.00 less than standard lengths of No. 1, same wood and face.

(OVER)

TERMS OF SALE.

Sixty days net or 2% discount for cash in 15 days, or 1% discount for cash in 30 days from date of invoice after deducting freight.

If the car has not arrived, the discount may be deducted on 90% of the invoice less estimated freight, for cash within proper discount period, the balance with original paid freight bill to be remitted net within 5 days after arrival of car. No cash discount will be allowed after 30 days from date of shipment.

AVERAGE COST CHART

Average Cost of 13/16" Maple Flooring F.O.B. Cars at Flooring Mill.

	MAPLE D. & M.	13/16" x 1½" FACE	13/16" x 2" FACE	13/16" x 2½" FACE	13/16" x 3¼" FACE
F. O. B. MILL	CLEAR	90.00	95.00	100.00	85.00
	No. 1	78.00	85.00	90.00	80.00
	FACTORY	30.00	40.00	45.00	50.00

913=914

February 15, 1923.

DELIVERED COST CHART.

Includes Average Cost of Freight to Destination.

Freight Rates 15 cents to 26 cents.

Freight Rate Index	MAPLE D. & M.	13/16" x 1 1/2" FACE	13/16" x 2" FACE	13/16" x 2 1/2" FACE	13/16" x 3 1/2" FACE
A.E.	CLEAR	93.00	98.00	103.00	88.50
	No. 1	81.00	88.00	93.00	83.50
	FACTORY	33.00	43.00	48.00	53.50
A.F.	CLEAR	93.25	98.25	103.25	88.50
	No. 1	81.25	88.25	93.25	83.50
	FACTORY	33.25	43.25	48.25	53.50
A.G.	CLEAR	93.50	98.50	103.50	88.75
	No. 1	81.50	88.50	93.50	83.75
	FACTORY	33.50	43.50	48.50	53.75
A.H.	CLEAR	93.50	98.50	103.50	89.00
	No. 1	81.50	88.50	93.50	84.00
	FACTORY	33.50	43.50	48.50	54.00
A. I.	CLEAR	93.75	98.75	103.75	89.25
	No. 1	81.75	88.75	93.75	84.25
	FACTORY	33.75	43.75	48.75	54.25
B. J.	CLEAR	94.00	99.00	104.00	89.50
	No. 1	82.00	89.00	94.00	84.50
	FACTORY	34.00	44.00	49.00	54.50
B. A.	CLEAR	94.25	99.25	104.25	89.75
	No. 1	82.25	89.25	94.25	84.75
	FACTORY	34.25	44.25	49.25	54.75
B. B.	CLEAR	94.50	99.50	104.50	90.00
	No. 1	82.50	89.50	94.50	85.00
	FACTORY	34.50	44.50	49.50	55.00
B.C.	CLEAR	94.50	99.50	104.50	90.25
	No. 1	82.50	89.50	94.50	85.25
	FACTORY	34.50	44.50	49.50	55.25
B.D.	CLEAR	94.75	99.75	104.75	90.50
	No. 1	82.75	89.75	94.75	85.50
	FACTORY	34.75	44.75	49.75	55.50
B.E.	CLEAR	95.00	100.00	105.00	90.75
	No. 1	83.00	90.00	95.00	85.75
	FACTORY	35.00	45.00	50.00	55.75
B.F.	CLEAR	95.25	100.25	105.25	90.75
	No. 1	83.25	90.25	95.25	85.75
	FACTORY	35.25	45.25	50.25	55.75

KEY:
Freight Rates.....1 2 3 4 5 6 7 8 9 0
Index Letters.....A B C D E F G H I J

DELIVERED COST CHART.

Includes Average Cost of Freight to Destination.

Freight Rates 27 cents to 38 cents.

Freight Rate Index	MAPLE D. & M.	13/16" x 1 1/2" FACE	13/16" x 2" FACE	13/16" x 2 1/2" FACE	13/16" x 3 1/2" FACE
B. G.	CLEAR	95.50	100.50	105.50	91.00
	No. 1	83.50	90.50	95.50	86.00
	FACTORY	35.50	45.50	50.50	56.00
B. H.	CLEAR	95.50	100.50	105.50	91.25
	No. 1	83.50	90.50	95.50	86.25
	FACTORY	35.50	45.50	50.50	56.25
B. I.	CLEAR	95.75	100.75	105.75	91.50
	No. 1	83.75	90.75	95.75	86.50
	FACTORY	35.75	45.75	50.75	56.50
C. J.	CLEAR	96.00	101.00	106.00	91.75
	No. 1	84.00	91.00	96.00	86.75
	FACTORY	36.00	46.00	51.00	56.75
C. A.	CLEAR	96.25	101.25	106.25	92.00
	No. 1	84.25	91.25	96.25	87.00
	FACTORY	36.25	46.25	51.25	57.00
C. B.	CLEAR	96.50	101.50	106.50	92.25
	No. 1	84.50	91.50	96.50	87.25
	FACTORY	36.50	46.50	51.50	57.25
C. C.	CLEAR	96.50	101.50	106.50	92.50
	No. 1	84.50	91.50	96.50	87.50
	FACTORY	36.50	46.50	51.50	57.50
C.D.	CLEAR	96.75	101.75	106.75	92.75
	No. 1	84.75	91.75	96.75	87.75
	FACTORY	36.75	46.75	51.75	57.75
C. E.	CLEAR	97.00	102.00	107.00	93.00
	No. 1	85.00	92.00	97.00	88.00
	FACTORY	37.00	47.00	52.00	58.00
C. F.	CLEAR	97.25	102.25	107.25	93.00
	No. 1	8 1.25	92.25	97.25	88.00
	FACTORY	37.25	47.25	52.25	58.00
C. G.	CLEAR	97.50	102.50	107.50	93.25
	No. 1	85.50	92.50	97.50	88.25
	FACTORY	37.50	47.50	52.50	58.25
C. H.	CLEAR	97.50	102.50	107.50	93.50
	No. 1	85.50	92.50	97.50	88.50
	FACTORY	37.50	47.50	52.50	58.50

KEY:
Freight Rates.....1 2 3 4 5 6 7 8 9 0
Index Letters.....A B C D E F G H I J

DELIVERED COST CHART.

Includes Average Cost of Freight to Destination.

Freight Rates 39 cents to 50 cents.

Freight Rate Index	MAPLE D. & M.	13/16" x 1 1/2" FACE	13/16" x 2" FACE	13/16" x 2 1/4" FACE	13/16" x 3 1/4" FACE
C. I.	CLEAR	97.75	102.75	107.75	93.75
	No. 1	85.75	92.75	97.75	88.75
	FACTORY	37.75	47.75	52.75	58.75
D. J.	CLEAR	98.00	103.00	108.00	94.00
	No. 1	86.00	93.00	98.00	89.00
	FACTORY	38.00	48.00	53.00	59.00
D. A.	CLEAR	98.25	103.25	108.25	94.25
	No. 1	86.25	93.25	98.25	89.25
	FACTORY	38.25	48.25	53.25	59.25
D. B.	CLEAR	98.50	103.50	108.50	94.50
	No. 1	86.50	93.50	98.50	89.50
	FACTORY	38.50	48.50	53.50	59.50
D. C.	CLEAR	98.50	103.50	108.50	94.75
	No. 1	86.50	93.50	98.50	89.75
	FACTORY	38.50	48.50	53.50	59.75
D. D.	CLEAR	98.75	103.75	108.75	95.00
	No. 1	86.75	93.75	98.75	90.00
	FACTORY	38.75	48.75	53.75	60.00
D. E.	CLEAR	99.00	104.00	109.00	95.25
	No. 1	87.00	94.00	99.00	90.25
	FACTORY	39.00	49.00	54.00	60.25
D. F.	CLEAR	99.25	104.25	109.25	95.25
	No. 1	87.25	94.25	99.25	90.25
	FACTORY	39.25	49.25	54.25	60.25
D. G.	CLEAR	99.50	104.50	109.50	95.50
	No. 1	87.50	94.50	99.50	90.50
	FACTORY	39.50	49.50	54.50	60.50
D. H.	CLEAR	99.50	104.50	109.50	95.75
	No. 1	87.50	94.50	99.50	90.75
	FACTORY	39.50	49.50	54.50	60.75
D. I.	CLEAR	99.75	104.75	109.75	96.00
	No. 1	87.75	94.75	99.75	91.00
	FACTORY	39.75	49.75	54.75	61.00
E. J.	CLEAR	100.00	105.00	110.00	96.25
	No. 1	88.00	95.00	100.00	91.25
	FACTORY	40.00	50.00	55.00	61.25

KEY:

Freight Rates	1	2	3	4	5	6	7	8	9	0
Index Letters	A	B	C	D	E	F	G	H	I	J

February 15, 1923.

917 925

AVERAGE COST CHART

Average Cost of 13/16" Maple, Beech or Birch Flooring, F. O. B. cars at Flooring Mill.

Clear Grade—1½", 2" or 2¼" Face.....$65.00

No. 1 Grade—1½", 2" or 2¼" Face..... 45.00

February 15, 1923.

926

DELIVERED COST CHART.

Includes Average Cost of Freight to Destination.

Freight Rates 4 cts. to 31 cts.			Freight Rates 32 cts. to 58 cts.		
Freight Rate Index	MAPLE BEECH BIRCH	1¼", 2" or 2½" FACE	Freight Rate Index	MAPLE BEECH BIRCH	1¼", 2" or 2½" FACE
DE F	CLEAR No. 1	45.50 45.50	CB CC	CLEAR No. 1	48.25 48.25
G H	CLEAR No. 1	45.75 45.75	CD CE CF	CLEAR No. 1	48.50 48.50
I AJ AA	CLEAR No. 1	46.00 46.00	CG CH	CLEAR No. 1	48.75 48.75
AB AC	CLEAR No. 1	46.25 46.25	CI CJ DA	CLEAR No. 1	49.00 49.00
AD AE AF	CLEAR No. 1	46.50 46.50	DB DC	CLEAR No. 1	49.25 49.25
AG AH	CLEAR No. 1	46.75 46.75	DD DE DF	CLEAR No. 1	49.50 49.50
AI AJ BA	CLEAR No. 1	47.00 47.00	DG DH	CLEAR No. 1	49.75 49.75
BB BC	CLEAR No. 1	47.25 47.25	DI DJ EA	CLEAR No. 1	50.00 50.00
BD BE BF	CLEAR No. 1	47.50 47.50	EB EC	CLEAR No. 1	50.25 50.25
BG BH	CLEAR No. 1	47.75 47.75	ED EE EF	CLEAR No. 1	50.50 50.50
BI BJ CA	CLEAR No. 1	48.00 48.00	EG EH	CLEAR No. 1	50.75 50.75

KEY:

Freight Rates.....	1	2	3	4	5	6	7	8	9	0
Index Letters.....	A	B	C	D	E	F	G	H	I	J

DELIVERED COST CHART.

Includes Average Cost of Freight to Destination.

Freight Rates 59 cts. to 88 cts.			Freight Rates 89 cts. to 118 cts.		
Freight Rate Index	MAPLE BEECH BIRCH	1¼", 2" or 2½" FACE	Freight Rate Index	MAPLE BEECH BIRCH	1¼", 2" or 2½" FACE
EI EJ FA	CLEAR No. 1	71.00 51.00	HI HJ IA	CLEAR No. 1	74.00 54.00
FB FC	CLEAR No. 1	71.25 51.25	IB IC	CLEAR No. 1	74.25 54.25
FD FE FF	CLEAR No. 1	71.50 51.50	ID IE IF	CLEAR No. 1	74.50 54.50
FG FH	CLEAR No. 1	71.75 51.75	IG IH	CLEAR No. 1	74.75 54.75
FI FJ GA	CLEAR No. 1	72.00 52.00	II AJJ AJA	CLEAR No. 1	75.00 55.00
GB GC	CLEAR No. 1	72.25 52.25	AJB AJC	CLEAR No. 1	75.25 55.25
GD GE GF	CLEAR No. 1	72.50 52.50	AJD AJE AJF	CLEAR No. 1	75.50 55.50
GG GH	CLEAR No. 1	72.75 52.75	AJG AJH	CLEAR No. 1	75.75 55.75
GI GJ HA	CLEAR No. 1	73.00 53.00	AJI AAJ AAA	CLEAR No. 1	76.00 56.00
HB HC	CLEAR No. 1	73.25 53.25	AAB AAC	CLEAR No. 1	76.25 56.25
HD HE HF	CLEAR No. 1	73.50 53.50	AAD AAE AAF	CLEAR No. 1	76.50 56.50
HG HH	CLEAR No. 1	73.75 53.75	AAG AAH	CLEAR No. 1	76.75 56.75

KEY:

Freight Rates.....	1	2	3	4	5	6	7	8	9	0
Index Letters.....	A	B	C	D	E	F	G	H	I	J

12,494 M in January 1913 and 9,632 M in January 1912, and they show a slight gain of 63 M over December 1913, while January 1913 showed a loss of 843 M from December 1912, and January 1912 was over two millions less than December 1911, and while our January 1914 shipments are 1,275 M less than January, a year ago, they are 1,587 M greater than in January 1912 The volume of shipments, therefore, is an encouraging feature.

Stocks on Hand increased 1,789 M in January 1914 against an increase of 2,404 M in January 1913 and are now nearly two million feet more than on February 1st, a year ago, and while Production was 1,527 M less than in January 1913, the decreases, from a year ago, of 2,563 M in Unfilled Orders, 1,275 M in Shipments, and 2,155 M in New Business Booked, should receive attention, because while these decreases are no greater, perhaps, than were to be expected, they point to the need of giving timely thought to the dangers of over-production between now and next Spring.

Of the Maple, Beech and Birch Flooring on Hand on February 1st, 1912-13-14, 44%, 79%, and 69%, respectively, were sold, and when we recall that a year ago our stock conditions, 79% sold, were considered as warranting a recommended advance of at least $3.00, it would seem that the slight difference in our present stock conditions should not cause weakness in values at a naturally dull season of the year, when some accumulation in stock is to be expected.

The following tables show in detail the movement of stocks during each January of the three years under review. You will notice that this January resulted in a greater betterment in points in every item than occurred in January 1912 and 1913.

* * * * * * *

[fol. 936] Current Net Values for January, based on the reports of Michigan and Wisconsin members, compare with December as follows: Clear 15 cents less, No. 1 43 cents more, and Factory 9 cents more, which is an excellent showing, considering the large amount of New Business Booked.

It has been hoped that the few members who do not make the Current Net Values report, would conclude to do so in order that every member maye have the benefit of knowing what every other member is getting for his Flooring, as there is no question but that some of the members, who do not make this report, are led to believe that other members are selling for less than they are actually getting, and the same condition applies to the members who do report, respecting the prices the members who do not report are said to be selling at. This, as you will readily see, can cause much demoralization in values, because if a buyer tells you that so-and-so is selling [fol. 937] his Flooring at such a price, you are not in a position to refute his statement because you are not fortified with the information from the member himself of what he is getting for his Flooring. Whether or not all the members report, it would seem that the interests of the Association can be best served by sending to every member the individual reports of Current Net Values, so I trust the

members, who are making these reports, will waive the reciprocal conditions under which their reports are made, and permit the information to be sent hereafter to the entire membership, with the other regular monthly reports.

Referring to our recommended basis of 10% profit on sales, the annual statement, just published, of Sears-Roebuck & Co., who are supposed to do business on very small margins, shows their sales during the year 1913 amounted to $91,357,276, with profits of $10,331,979, or 11.3%, from which was deducted for repairs and depreciation, $1,304,310, leaving the net profit for the year $9,027,669, or 9.90%. A manufacturing business, like Maple Flooring, would seem to be more deserving of a 10% profit on sales than a merchandising business, because it is more hazardous and subject to a double risk of fluctuations in the market value of both the raw material and the finished goods, to say nothing of the larger depreciation on plant machinery, etc.

Speaking of the raw material, perhaps another good reason for respecting the logical basis of a 10% profit on sales is that large lots of rough Maple lumber are reported to have been sold recently at about last year's prices, and if this is true, it looks probable that concessions made in Flooring values will have to come out of the pockets of the Flooring manufacturers.

Respectfully submitted, George W. Keehn, Secretary.

[fol. 938] GOVERNMENT'S EXHIBIT No. 38-D

May 18, 1914

April Statistics

To members.

GENTLEMEN: There is nothing in our flooring statistics, as shown by our April reports, for the feeling of pessimism which appears to be fashionable just now to feed upon. Maple Flooring conditions, from the standpoint of statistics, are healthy, and compared with conditions in other lines of business are more than healthy. In the Market Conditions Committee Report of April 23rd it was stated that flooring conditions were then better than was generally thought, and it was the belief of the Committee that this view would be substantiated by our May 1st statistics, and such has proven to be the fact.

* * * * * * *

[fol. 939] You will notice the increases in unfilled orders from January 1st to May 1st in each year amount to 11,379 M in 1914, 9,906 M in 1913 and 7,142 M in 1912, a very gratifying showing indeed for 1914.

You will also see that there has been a greater improvement in stock conditions, particularly in 2¼" face Maple from January 1st to May 1st in 1914 than during the two previous years, and that

2¼" face Factory has gone from 39% sold on January 1st to 98% sold on May 1st this year, an increase of 59 points as against a loss of 8 points during the same time in 1913, and this percentage of Factory sold (98%) is the best showing we have ever had.

As the 2¼" face Maple constitutes 43% of the stocks on hand and 71% of the unfilled orders, and as its present statistical position is so strong, it would seem that the manufacturers should have a higher opinion of its value, and should ask prices consistent with the relations of its supply and demand.

* * * * * * *

[fol. 940] The plan of Exchanging Quotations which was recommended by the Market Conditions Committee in its report of April 23rd, and adopted at the general meeting on May 6th, is working in a very satisfactory way, and is bound to be of practical benefit, as it shows that the differences in quotations are not as great as the manufacturers have been led by foxy buyers to believe. As an example in point, seven carbon copies of quotations were received Friday on 70 M feet of 2¼" face No. 1 Maple Flooring, delivered at an AG point, which, according to our table of logical values of May 21st, 1913, is figured at $43.50, subject to commissions. Four of the quotations were not subject to commissions, two of them were subject to $1.00 commissions, and one to $1.50 commissions. In order to equalize the quotations for comparion with the logical value of $43.50, we figured the commissions in each case at $1.50, and find the following range: one $44.50, two $42.00, three $41.50, and one $41.00, an average of $42.00. The maximum concession, therefore, was $2.50, and the average concession $1.50 from the table of logical values of May 21st, 1913. I feel so confident that the members who participate in this plan will get very tangible benefits from that I cannot see how any member can afford to deprive himself the reliable information to be obtained regarding current market dues by the method of exchanging quotations.

Yours very truly, George W. Keehn, Secretary.

[fol. 941] GOVERNMENT'S EXHIBIT No. 38-E

Tenth Annual Report for Calendar Year 1914

January 29th, 1915

To the President and Members of the Maple Flooring Manufacturers' Association.

GENTLEMEN: The year 1914 will long be remembered by the lumber industry as one of the most unsatisfactory in its experience, but the manufacturers of Maple Flooring have many things to be thankful for that have been denied to others. Many lines of business show shrinkages of 25% to 50% in volume while our shipments are only 11% less than in 1913, and our bookings of new orders

during 1914 were only 7% less than in 1913. Neither have values for flooring suffered to the same extent as have values of other lumber products, taking the average for the year as a whole.

Association Meetings

During the last year the Association held five meetings—
The Annual Meeting in January.
A regular meeting in May.
The Semi-Annual Meeting at Mackinac Island in July.
And regular meetings in September and November.

Work of Committees

Reports of the work of the standing committees will be made by the chairman of the respective committees, Mr. Thomas for the Market Conditions Committee, Mr. Whedon for the Advertising Committee, and Mr. Kerry for the Grades Committee.

Reinspections

During 1914 eight reinspections were made with the results in each case as noted:

February.—Shipment of 2¼" face No. 1 to Ohio. The complaint made of unsatisfactory manufacture, was found to be according to the facts.

March.—Shipment of 2¼" face No. 1 and Factory to Illinois. Stock found to be fully up to grade.

May.—Shipment to Ohio. Complaint on end matching and also too short a tongue for space opening on back of the flooring. Inspector found end matching out of square on portion of the stock examined, but no cause for complaint regarding short tongue.

June.—Shipment of No. 1 to New York State. Complaint on grade and manufacture. Inspector found side matching not quite correct in portion of stock, but complaint not justified on this ground in No. 1 grade. In grading 2,000 feet Inspector found 47 feet Clear and only 85 feet Factory, making a difference of considerably less than the 2% in money value allowable.

July.—Shipment of No. 1 Maple Flooring to Indiana. Complaint made because stock contained small percent of Beech, which was found to be the fact. Of 2,864 feet used 500 feet had been laid out as Beech, but the Inspector found only 103 feet of it was Beech.

August.—Shipment of two cars No. 1 Maple Flooring to Illinois. Complaint that stock was not up to No. 1 grade and contained Birch. Inspector examined 2,418 feet, which contained 139 feet of Factory [fol. 942] and 135 feet Birch. The result of the inspection was adverse to the shipper, because aside from the question of Birch the quantity of Factory was a shade too large to come within the 2% in money value allowable.

September.—Shipment to Minnesota of No. 1 and Factory. The Inspector found the stock fully up to grade, as of 1,220 feet No. 1 examined only 35 feet was Factory, and of 300 feet Factory in-

spected only 13 feet was No. 2 Factory, and the shipment was accepted by the complainant who promptly paid the cost of the reinspection.

September.—Shipment to two points in the Northwest of No. 1 and Factory. Factory inspected and found strictly up to grade and reinspection of the No. 1 waived.

December.—Shipment of Factory to Indiana. Result of inspection depends upon the elasticity of the meaning of the words "Some cutting" in the grading rules for Factory.

In weighing the results of these reinspections it would seem that careful attention should be given to mill work and that Beech and Birch should not be shipped as Maple on a falling market.

Membership

No change in our membership has taken place during the year, so it stands at 29 the same as a year ago.

Statistics for Year 1914

You have already received the annual statistics, and while they will be reviewed in detail in the report of the Market Conditions Committee, I would like to submit a contrast of stock conditions and current net values during the past three years. It proves beyond a doubt that co-operation can be made helpful in bad times as well as in good times.

Maple Flooring 13/16" x 2¼" Face

	Clear			No. 1			Factory		
Contrast	1912	1913	1914	1912	1913	1914	1912	1913	1914
Avg. % of Stock Sold	207%	140%	123%	144%	151%	108%	57%	73%	70%
And avg. net Price Mich. and Wis.....	37.69	42.49	41.38	31.80	36.76	36.45	17.74	22.01	21.39

Proportionate to stock conditions, values were far better in 1914 than in 1912, and considering the more favorable stock conditions in 1913, the 1914 values compare quite favorably. They are less than you could have had for the asking, because they show a greater shrinkage than was justified by the small shrinkage of only 7% in our total sales. With 93% of last year's business, values should have held to the same levels.

Current Net Values

An analysis of the statement, Trend of Current Net Values, will show the following gains and losses in the average for 1914 compared with 1912 and 1913:

The 2¼" Clear shows a gain of $3.69, 9.8%, over 1912 and a loss of $1.11, 2.6% from 1913.

[fol. 943] The 2¼" No. 1 shows a gain of $4.65, 14.6%, over 1912 and a loss of 31 cents, .8 of 1% from 1913.

The 2¼" Factory shows a gain of $3.65, 20.6%, over 1912 and a loss of 62 cents, 2.8%, from 1913.

Assuming the percentage produced by each grade during the year would apply to the 2¼" face, and applying these percentages to the average values obtained during that year, the following table would show the net returns of Group E mills for their 2¼" face product.

1912

Clear	50%	@ $37.69	$18.85
No. 1	34%	" 31.80	10.81
Factory	16%	" 17.74	2.84
	100%		$32.50

1913

Clear	50%	@ $42.49	$21.25
No. 1	35%	" 36.76	12.87
Factory	15%	" 22.01	3.30
	100%		$37.42

1914

Clear	51%	@ $41.38	$21.10
No. 1	35%	" 36.45	12.76
Factory	14%	" 21.39	3.00
	100%		$36.86

Gain over 1912 ..... (1913) $4.92; (1914) $4.36
Loss in 1914 from 1913 ..... .56

Adverse Trade Conditions

When we consider that lumber had borne its full share of the great depression in business that existed during practically the entire year, and which has amounted to almost stagnation since the outbreak of the European War, we should be thankful that values have held to so high an average, and in view of the staggering accumulation of surplus stocks on top of adverse trade conditions, it is surprising that prices have not gone completely to smash.

Too Much Output

The statement of surplus stocks shows that the total of our surplus items averaged in 1914 double what they averaged in 1913, and that they have increased 20 million feet during the last five months. They now aggregate 28,649 M, 71% of the stocks on Hand. This is

the worst showing in the history of the Association, worse even than on March 1st, 1912, when our stocks reached their highest point, and were about 6 millions more than now, but at that time 49% of the stock was sold, whereas only 29% of our present stock is sold.

It is never of much use to talk about the water that has passed over the dam, but if you will refer to the monthly reports of your Market Conditions Committee you will find many references to the danger of over-production, and the members were urged repeatedly to give careful thought to their individual production. Had this been done values would have held automatically to the high points in January, and we would not now have nearly one million dollars tied up in unsold stocks.

Cautionary references to over-production appear in seven of the Committee's reports, starting with February 13th and becoming more emphatic in the succeeding reports of May 18th, June 25th, September 24th, October 30th, November 20th and December 18th, so it would seem that the Committee displayed storm signals early enough and often enough in the year against over-production.

Our deplorable stock conditions unerringly point a warning finger that must not be denied, to the path of Decreased Production to meet Decreased Demand, if anything but junk is to be the portion of the Maple Flooring industry as the net result of its transactions during the year of grace 1915.

Respectfully submitted, George W. Keehn, Secretary.

[fol. 944] GOVERNMENT'S EXHIBIT No. 38-F

[Omitted in printing]

[fol. 945] GOVERNMENT'S EXHIBIT No. 38-G

[Omitted in printing]

[fol. 946] GOVERNMENT'S EXHIBIT No. 38-H

[Omitted in printing]

[fol. 947] GOVERNMENT'S EXHIBIT No. 38-I

Maple Flooring Manufacturers Association, Chicago

February 19, 1920.

January Statistics

To members.

GENTLEMEN: The oversold condition of Maple flooring as shown by our reports for the month of January is assuming startling proportions and it looks like A Long, Long Trail before Supply gets within hailing distance of Demand. This is especially true of the 13/16" x

2¼" face, the Unfilled Orders for which, compared with the Stocks on Hand, are staggering.

	Clear	No. 1	Factory	All 3 grades
Unfilled Orders ..	16,364 M	12,061 M	5,526 M	33,951 M
Stocks	713 "	755 "	862 "	2,330 "
Oversold ...	15,651 "	11,306 "	4,664 "	31,621 "

Statistics of the same 27 members (No. 6 out) for January compare with December as follows:

	Stocks	Orders		Shpmts.	Prodn.	N. B. B.
Feby. 1..	9,741 M	57,665 M	Jan.	12,054 M	13,345 M	13,933 M
Jany. 1..	8,381 "	54,080 "	Dec.	13,365 "	12,974 "	15,809 "
Incr. .	1,360 "	3,585 "		.....	371 "	.....
Decr....	....	.....		1,311 "	...	1,876 "
%	16.2%	6.6%		8.8%	2.9%	11.9%

Data received from 16 members regarding their Shipments, Production and New Business Booked during the first en days of February indicate that the February Shipments are likely to be about 10% less than January, February Production about even with January, and February New Business Booked about one-third less than January. The decrease in New Business Booked is not due to lack of demand, however, but to the inability of the mills to take on much new business on account ow having so many old orders yet to fill.

The Record of Average Prices realized FOB mills on new orders taken in January compared with December, shows that flooring values have been compelled to respond to the heavy increase in the cost of raw material. It is evident that dry flooring stock is exceedingly scarce on the market and consequently it has scored large advances in prices during the past 60 days.

We are working on the new "Table of Values Based Upon Cost" as instructed at the annual meeting on the 12th, and if you can give us any information regarding recent actual sales of rough flooring lumber on the open market, it will be of great assistance. It is important that we have this information so that the new "Table of Values Based Upon Cost," will reflect existing conditions.

Yours very truly, George W. Keehn, Secretary.

[fol. 948] GOVERNMENT'S EXHIBIT No. 38-J

Maple Flooring Manufacturers' Association

Chicago, June 23, 1921.

Statistics for May, 1921

To members.

GENTLEMEN: The enclosed statistical reports for the month of May show that conditions have improved since April. As you will note by referring to the Barometer the percentages sold of Stocks on Hand on June 1st are "Up" all along the line, the largest increase being in the perecentage sold of 13/16 x 2¼" face Clear Maple, which stands at 120% sold on June 1st compared with 99% sold on May 1st. This is the first time since October 1, 1920, that any item of Maple Flooring has been oversold, so perhaps we should look upon that fact and the large volume of New Business Booked in May, which exceeds any one month's bookings since January, 1920, as hopeful signs of better times coming for the flooring industry.

In the following tables the results of the May business are given in detail, the statistics of Welsh & Kerry Company having been eliminated from the month of April because their membership terminated as at May 1st and consequently the statistics of the same 23 Members are compared for the two months:

1921	Stocks	Unfilled orders
June 1	33,305 M	9,872 M
May 1	33,400 "	8,281 "
Decrease	95 "	.....
Increase	....	1,591 "
Percent	0.3%	19.2%

1921	Shipments	Production	New business booked
May	8,189 M	8,374 M	10,488 M
April	6,952 "	7,551 "	8,925 "
Increase	1,237 "	823 "	1,563"
Percent	17.8%	10.9%	17.5%

Average Prices Realized by Group E Mills for 13/16 x 2¼" Maple Flooring during the month of May compare with the month of April as follows:

1921	Clear	No. 1	Factory	The product
May	$87.98	62.53	28.51	70.15
April	98.18	66.61	33.38	72.91
Decrease	1.20	4.08	4.87	2 76
Percent	1.3%	6.1%	14.6%	3.8%

Very truly yours, George W. Keehn, Secretary.

[fol. 949] GOVERNMENT'S EXHIBIT No. 38-K

September 30, 1921.

To members.

GENTLEMEN: We have the following letter from Mr. Dewey of the Bigelow-Cooper Company giving his observations regarding trade conditions in the east and thinking the information his letter contains will be of interest and service to you we are sending you a copy of it.

Very truly yours, George W. Keehn, Secretary.

Bay City, Mich., September 26, 1921.

Mr. George W. Keehn, Secy., Maple Flooring Mfrs. Assn., Chicago.

DEAR SIR: Replying to your favor of the 24th inst. The writer has just returned from a three weeks' trip from the Eastern states and thought that you might be interested to know something of the conditions in that territory.

I find that there is considerable improvement in the demand for Maple Flooring and that retail yards are far more optimistic than their attitude has previously been.

The general complaint from the trade, however, is that there is such a variation of quotations on Maple Flooring and so much uncertainty in the price that they hesitate to put in any stock. I am thorough convinced that the members of the Maple Flooring Association would receive a very substantial increase in business from that locality if the prices could be stabilized.

During the time that I was there the Oak Flooring Manufacturers increased their price on 2¼" Clear $5.00 per M', making the price $108.00 delivered in New England. There were also advances on all grades of sap and Yellow Pine flooring, so that sap rift is now selling for $80.00 delivered in New York and prices are very firm, and therefore there is considerable buying.

The range of prices quoted by different members of our Association on inquiries that I came in contact with were really ridiculous and varied from $5.00 to $11.00 per M. I saw these quotations and therefore have no hesitancy in giving this information. You can readily appreciate how a buyer feels under such conditions and I am convinced that there will be no improvement in the demand for Maple Flooring until there is some stability in prices.

Yours very truly, The Bigelow Cooper Company. (Signed) J. E. Dewey, Secretary.

JED.M.

[fol. 950] GOVERNMENT'S EXHIBIT No. 39

[Omitted in printing]

[fol. 951] GOVERNMENT'S EXHIBIT No. 39-A

Maple Flooring Manufacturers' Association, 1045 Stock Exchange Bldg., Chicago

Telephone Franklin 4960

April 29, 1922.

To members.

GENTLEMEN: If possible please be sure to mail us all your flooring reports for the month of April on or before the 5th of May as provided in Article XV of the new Articles of Association.

If all the members will do this we can have our reports made out complete and in the mail by Tuesday, May 9th, or Wednesday the 10th at the latest.

This will give you an opportunity to study the statistics in advance of the next general meeting on May 17th, and the information contained in our April reports will be of much greater value to you if you receive it early in May instead of late in the month.

Yours very truly, George W. Keehn, Secretary.

[fol. 952] GOVERNMENT'S EXHIBIT No. 39-B

[Omitted in printing]

[fol. 953] GOVERNMENT'S EXHIBIT No. 39-C

Maple Flooring Manufacturers' Association, 1045 Stock Exchange Bldg., Chicago

October 30, 1922.

"Do It Now"

To members.

GENTLEMEN: We hope all of you will make special efforts to send us this week all of your reports for the month of October, so we can make out our reports and mail them to you by the middle of next week. This will give you time to look over our reports and be fully posted on the flooring situation in advance of the next general meeting which is to be held on November 15th.

The earlier in the month you get the information contained in our statistical reports for the previous month, the more valuable the information is to you.

It would be a grand and glori-us thing if every member will do this and send us all his reports on or before the 5th of the month, in accord with Article V of the Articles of the Association.

Yours very truly, George W. Keehn, Secretary.

[fol. 954] GOVERNMENT'S EXHIBIT No. 39-D

[Omitted in printing]

(Here follow Government's Exhibits No. 40, marked side folio pages 954a-1002, inclusive; No. 40-A, side folio pages 1003-1009, inclusive.)

[fols. 1010-1015] GOVERNMENT'S EXHIBIT No. 40-B

[Omitted in printing]

[fols. 1016-1021] GOVERNMENT'S EXHIBIT No. 40-C

[Omitted in printing]

[fols. 1022-1027] GOVERNMENT'S EXHIBIT No. 40-D

[Omitted in printing]

[fols. 1028-1033] GOVERNMENT'S EXHIBIT No. 40-E

[Omitted in printing]

[fols. 1034-1039] GOVERNMENT'S EXHIBIT No. 40-F

[Omitted in printing]

[fols. 1040-1045] GOVERNMENT'S EXHIBIT No. 40-G

[Omitted in printing]

[fols. 1046-1051] GOVERNMENT'S EXHIBIT No. 40-H

[Omitted in printing]

[fols. 1052-1057] GOVERNMENT'S EXHIBIT No. 40-I

[Omitted in printing]

[fols. 1058-1063] GOVERNMENT'S EXHIBIT No. 40-J

[Omitted in printing]

[fols. 1064-1069] GOVERNMENT'S EXHIBIT No. 40-K

[Omitted in printing]

MAPLE BEECH AND BIRCH FLOORING INDIVIDUAL STATISTICS OF PRESENT MEMBERSHIP - YEARS 1912 - 1913 COMPARED.

	STOCKS ON HAND			UNFILLED ORDERS			SHIPMENTS		PRODUCTION		NEW BUSINESS		STOCK CHANGES				
	January 1st			January 1st			Year		Year		Year		1912		1913		
№	1912	1913	1914	1912	1913	1914	1912	1913	1912	1913	1912	1913	Inc.	Decr.	Inc.	Decr.	№
1	2,931	1,599	3,106	983	3,170	2,783	13,289	13,226	11,957	14,733	15,642	13,205		1,332	1,507		1
2	2,209	1,667	2,091	1,150	1,715	1,867	10,429	9,690	10,087	9,914	8,431	9,354		342	224		2
3	3,094	3,629	3,316	878	1,197	314	9,676	9,627	10,211	9,314	10,026	8,968	535			313	3
4	1,097	562	1,196	1,683	1,824	2,804	10,739	10,547	10,204	11,181	11,085	12,708		535	634		4
5	2,207	2,434	1,763	1,099	954	511	11,134	10,040	11,361	9,369	11,005	10,077	227			671	5
6	926	910	366	332	615	77	5,372	4,035	5,356	3,491	6,637	4,121		16		544	6
7	940	1,302	2,312	2,305	2,788	3,180	13,867	13,556	14,229	14,566	14,661	14,777	362		1,010		7
8	804	1,489	976	2,763	2,819	1,163	7,772	8,052	9,457	8,539	4,219	4,713	685			5**	8
9	2,329	2,071	2,105	972	651	1,469	5,725	6,177	5,467	6,214	5,880	7,168		256	37		9
14	1,305	594	384	148	332	50	4,463	3,136	3,752	2,926	4,741	2,777		711		210	14
15	493	405	765	24	51	4	1,604	1,633	1,516	1,993	1,103	1,015		88	360		15
17	782	375	353	142	178	161	1,241	1,583	834	1,561	457	350		407		22	17
22	153	168	76	17	62	47	1,435	1,443	1,450	1,351	546	626	15			92	22
24	2,020	1,736	1,354	556	503	152	5,248	5,525	4,964	5,143	6,111	5,268		284		352	24
26	1,248	672	512	350	500	110	5,644	4,973	5,068	5,113	4,783	4,356		576	140		26
29	815	560	378	365	78	217	5,870	4,369	3,615	4,187	2,631	4,506		255		182	29
30	441	481	593	208	620	120	5,235	4,498	5,275	4,610	5,764	3,959	40		112		30
32	2,619	1,205	1,643	686	542	265	7,610	7,235	6,196	7,673	9,179	7,571		1,414	435		32
33	2,259	837	1,198	683	336	615	10,191	8,644	8,769	9,005	9,285	9,845		1,422	561		33
34	839	690	355	52	102	98	3,111	3,691	2,962	3,356	2,982	3,561		149		335	34
36	3,106	612	1,379	910	879	24	6,290	3,858	3,796	4,625	7,619	3,106		2,494	767		36
37	1,404	925	1,255	305	176	144	4,899	4,105	4,420	4,435	4,873	3,922		479	330		37
38	860	495	491	103	80	224	4,599	5,369	4,234	5,365	3,407	5,406		365		4	38
40	484	1,298	1,124	72	190	none	2,203	2,431	3,017	2,257	1,245	1,993	814			174	40
42	1,384	1,195	1,175	402	223	290	4,627	6,009	4,436	5,989	4,271	4,745		189			42
43	2,055	1,046	1,116	88	20	none	3,630	2,013	2,071	2,083	2,774	1,351		1,009	70		43
44	1,424	1,055	1,271	42	379	148	6,088	5,498	5,719	6,714	6,415	7,923		369	216		44
46	534	560	288		211	216	2,499	2,315	2,525	2,043		2,896	26			272	46
12			583			332	4,314	5,600				2,493					12
	40,762	30,772	33,827	17,322	21,495	17,685	177,254	172,878	162,950	169,750	166,224	162,760	2,704	12,694	6,206	3,734	
	40,762	30,772	33,244	17,322	21,284	17,137	177,254	172,878	162,950	169,750	166,224	157,371	Net	9,990	2,472 (Present		
							Decrease	4,376	Increase	6,800	Decrease	8,853			(Members		
								2.5%		4.2%		5.3%					

ANNUAL REPORT - JANUARY 24TH, 1914.

MAPLE BEECH AND BIRCH FLOORING STATISTICS OF CORRESPONDING MEMBERSHIP YEARS 1912-1913 COMPARED

	STOCKS ON HAND		UNFILLED ORDERS		SHIPMENTS		PRODUCTION		NEW BUSINESS BOOKED		
DATE	1912	1913	1912	1913	1912	1913	1912	1913	1912	1913	MONTH
Jany. 1	42,411	31,826	17,671	21,721	9,632	12,519	12,182	14,408	11,892	17,252	Jany.
Jany. 31	44,783	33,546	19,492	26,526	10,023	12,384	11,128	13,747	10,676	14,256	Feby.
Feby. 28	44,764	34,599	22,146	30,975	13,526	14,582	12,905	14,425	14,373	14,161	March
March 31	44,398	35,100	24,387	32,404	14,632	15,154	11,524	13,474	14,406	12,678	April
April 30	41,621	34,061	24,813	30,015	15,565	14,926	12,990	13,848	16,743	13,876	May
May 31	39,364	33,587	26,392	30,507	15,631	14,696	12,665	13,884	15,488	12,303	June
June 30	36,928	33,356	28,171	29,203	79,009	84,261	73,394	83,786	83,778	84,556	
July 31	34,625	32,588	29,488	25,355	16,342	15,313	13,524	13,846	16,185	10,923	July
Aug. 31	32,349	32,578	29,353	23,658	18,252	15,579	15,182	14,891	15,481	12,467	Aug.
Sept. 30	28,513	31,090	28,567	20,776	17,499	16,457	13,030	14,174	16,001	13,379	Sept.
Oct. 31	27,958	30,705	26,253	21,060	17,751	15,514	16,301	14,352	13,345	13,717	Oct.
Nov. 30	27,561	29,416	21,236	15,742	14,601	14,609	13,432	12,722	10,587	10,535	Nov.
Dec. 31	30,772	33,244	21,495	17,353	13,337	11,156	15,381	14,198	10,979	12,062	Dec.
					97,782	88,628	88,850	84,183	82,576	73,083	
Avge.	36,619	32,746	24,576	25,023	176,791	172,889	160,244	167,969	166,356	157,639	Totals
Increase				447				7,725			Increase
Decrease		3,873				3,902				8,717	Decrease
Percent		10.6%		1.8%		2.25%		4.8%		5.2%	Percent

SHIPMENTS OF EACH WOOD

	MAPLE		BEECH		BIRCH		TOTAL	
	1912	1913	1912	1913	1912	1913	1912	1913
Jany.- June	72,943	77,150	3,241	4,290	2,825	2,821	79,009	84,261
July - Dec.	90,107	82,231	4,191	3,122	3,484	3,275	97,782	88,628
Total	163,050	159,381	7,432	7,412	6,309	6,096	176,791	172,889
Decrease		3,669		20		213		3,902
Percent		2.25%		.3%		3.4%		2.2%

COMPARATIVE STOCK CONDITIONS - YEARS 1912-1913.

MAPLE BEECH AND BIRCH FLOORING

PER CENT SOLD ON	CLEAR		NO. 1		FACTORY		ALL GRADES	
	1912	1913	1912	1913	1912	1913	1912	1913
JANUARY 1	65	82	47	80	20	43	46	69
FEBRUARY 1	64	101	43	79	18	45	44	79
MARCH 1	69	112	48	101	21	50	49	90
APRIL 1	81	114	54	108	20	47	54	90
MAY 1	85	112	59	101	24	43	58	89
JUNE 1	94	105	70	107	30	55	66	91
JULY 1	97	97	86	111	40	48	76	88
AUGUST 1	115	90	87	105	48	41	84	80
SEPTEMBER 1	122	91	102	88	47	37	90	74
OCTOBER 1	121	78	132	93	45	35	97	69
NOVEMBER 1	105	92	127	70	46	40	92	70
DECEMBER 1	89	70	95	60	42	30	75	55
" 31	82	66	80	57	43	24	69	52
AVERAGE	91	93	79	89	34	41	69	77

MAPLE FLOORING

CLEAR		NO. 1		FACTORY		ALL GRADES	
1912	1913	1912	1913	1912	1913	1912	1913
76	94	51	88	22	44	51	76
73	112	46	87	19	49	48	85
80	131	51	109	23	54	53	100
90	131	55	116	21	50	58	102
95	126	61	110	25	47	62	97
107	114	74	115	31	59	72	99
113	107	92	118	43	54	83	96
137	101	93	113	52	46	93	88
149	100	110	94	50	42	102	81
140	85	143	97	47	39	107	74
121	97	143	73	50	46	103	75
104	73	107	62	46	29	85	58
94	68	88	60	44	25	76	54
106	103	86	96	36	45	76	83

MAPLE 2-1/4" FACE

PER CENT SOLD ON	CLEAR		NO. 1		FACTORY		ALL GRADES	
	1912	1913	1912	1913	1912	1913	1912	1913
JANUARY 1	128	140	54	120	28	80	78	114
FEBRUARY 1	121	164	69	136	21	86	70	133
MARCH 1	125	203	78	194	30	88	78	162
APRIL 1	154	197	85	177	31	81	89	155
MAY 1	156	191	76	157	40	72	90	143
JUNE 1	194	160	108	162	50	92	113	141
JULY 1	217	137	156	170	68	71	140	128
AUGUST 1	327	126	172	152	82	71	173	117
SEPTEMBER 1	366	117	210	137	76	71	188	109
OCTOBER 1	307	102	269	163	73	70	152	107
NOVEMBER 1	257	117	258	149	81	85	174	113
DECEMBER 1	192	84	188	142	78	49	145	87
" 31	140	88	120	99	80	39	114	77
AVERAGE	207	140	144	151	57	73	126	122

MAPLE 2" FACE

CLEAR		NO. 1		FACTORY		ALL GRADES	
1912	1913	1912	1913	1912	1913	1912	1913
81	210	31	30	9	40	51	94
56	182	28	27	10	30	36	81
69	176	39	34	9	31	45	83
64	162	23	63	8	31	37	90
80	150	77	48	6	20	60	85
78	161	40	62	4	10	46	93
100	171	54	60	26	14	63	97
99	194	41	66	31	17	60	108
119	213	41	44	30	31	68	110
173	216	128	46	29	25	116	107
176	270	123	29	23	26	111	138
195	218	30	12	30	5	88	94
210	146	30	28	40	11	94	73
115	190	53	42	20	22	67	96

SURPLUS ITEMS OF MAPLE FLOORING

13/16" X	1-1/2" FACE		2" FACE		3-1/4" FACE		1-1/16" THICK		3/8" & 1-1/2" THICK		TOTALS	
DATE	1912	1913	1912	1913	1912	1913	1912	1913	1912	1913	1912	1913
JANY. 1	2,048	1,701	2,205	212	3,882	1,361	2,872	2,333	1,533	994	12,540	6,621
FEBY. 1	1,654	1,396	2,959	681	4,628	2,116	2,950	2,236	1,474	709	13,665	7,138
MAR. 1	1,626	1,197	2,541	750	4,717	2,142	3,174	2,593	1,352	449	15,410	7,131
APRIL 1	1,687	1,185	3,038	449	4,527	1,686	3,499	2,582	1,234	557	13,985	6,461
MAY 1	1,555	1,237	1,816	637	4,102	1,911	2,724	2,439	1,068	479	11,267	6,703
JUNE 1	1,515	1,283	2,132	263	4,164	2,035	2,927	2,136	1,110	281	11,848	6,000
JULY 1	1,326	1,099	1,327	120	4,249	2,108	2,397	1,352	1,138	467	10,437	5,146
AUG. 1	1,456	876	1,452	08	3,941	1,892	2,803	1,769	1,110	567	10,762	5,104
SEPT. 1	1,466	1,002	1,127	08	3,307	1,867	2,382	1,592	1,086	649	9,368	5,110
OCT. 1	1,566	906	08	08	2,271	1,940	1,643	1,681	1,171	1,045	6,651	5,574
NOV. 1	1,624	940	08	08	2,350	1,984	2,184	2,535	890	1,045	7,048	6,504
DEC. 1	1,646	1,152	407	175	2,038	2,161	2,439	2,467	904	977	7,434	6,952
" 31	1,701	1,428	212	1,031	1,361	2,029	2,333	2,024	994	1,122	6,621	7,634
Average	1,605	1,155	1,476	332	3,504	1,943	2,641	2,135	1,159	719	10,387	6,314

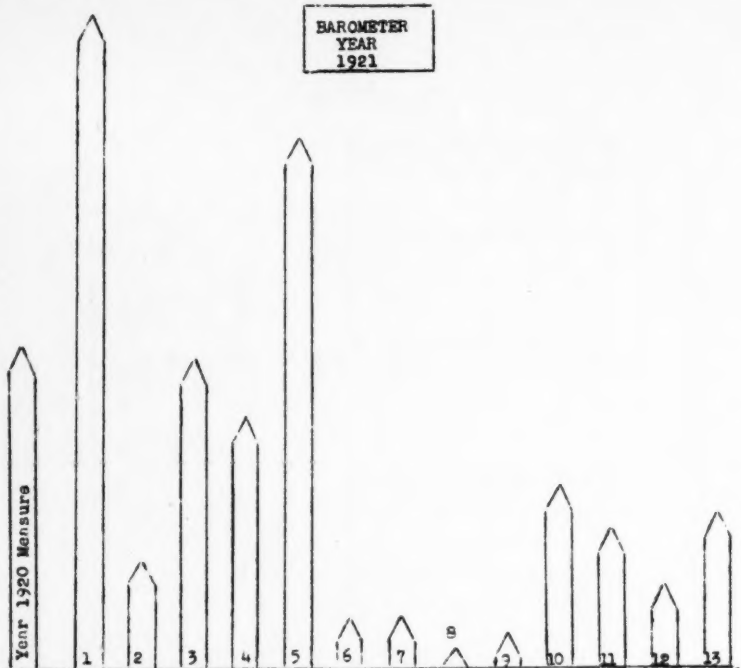
TREND OF CURRENT NET VALUES - BASED ON AVERAGE OF MICHIGAN AND WISCONSIN MILLS

FOR 13/16" x 2-1/4"	C L E A R			NO. 1			F A C T O R Y		
	1912	1913	Gain	1912	1913	Gain	1912	1913	Gain
JANUARY	$36.79	$40.22	$3.43	$31.83	$33.68	$1.85	$17.49	$19.43	$1.94
FEBRUARY	37.08	40.58	3.50	31.78	34.39	2.61	17.49	19.69	2.20
MARCH	36.56	42.35	5.79	31.25	36.10	4.85	17.04	21.21	4.17
APRIL	36.15	42.80	6.65	30.82	36.36	5.54	17.26	22.22	4.96
MAY	36.70	43.07	6.37	30.94	37.02	6.08	16.87	22.66	5.79
JUNE	36.82	43.81	6.99	31.03	37.76	6.73	17.11	23.53	6.42
JULY	37.18	43.85	6.67	31.24	37.94	6.70	17.58	23.57	5.99
AUGUST	37.79	43.80	6.01	31.78	38.31	6.53	18.15	23.43	5.28
SEPTEMBER	38.79	*42.25	3.46	32.48	*37.66	5.18	18.34	*22.64	4.30
OCTOBER	38.93	42.39	3.46	32.81	37.18	4.37	18.25	21.93	3.68
NOVEMBER	39.67	42.25	2.58	32.61	37.35	4.74	18.50	21.69	3.19
DECEMBER	39.82	42.54	2.72	33.04	37.38	4.34	18.83	22.10	3.27
AVERAGE	37.69	42.49	4.80	31.80	36.76	4.96	17.74	22.01	4.27
LOW POINT	April	Jany.		April	Jany.		May	Jany.	
HIGH POINT	Dec.	July		Dec.	Aug.		Dec.	July	

*New method of reporting commenced with September 1913.

PRODUCTION BY GRADES

	M A P L E			B E E C H			B I R C H			ALL THREE		
GRADE	1913	1912	1911	1913	1912	1911	1913	1912	1911	1913	1912	1911
CLEAR	50%	50%	49%	63%	60%	63%	70%	71%	60%	51%	51%	51%
# 1	35	34	34	21	22	20	24	21	27	34	33	32
FACTORY	15	16	17	16	18	17	6	8	13	15	16	17
	100	100	100	100	100	100	100	100	100	100	100	100



GENERAL STATISTICS OF CORRESPONDING MEMBERSHIP

AVERAGE STOCKS (1)

Year 1921	32,334	M
" 1920	15,913	"
Increase	16,421	"
"	103.2	%

AVGE. UNFLD. ORDERS (2)

Year 1921	9,918	M
" 1920	29,522	"
Decrease	19,604	"
"	66.4	%

SHIPMENTS (3)

Year 1921	99,527	M
" 1920	104,103	"
Decrease	4,576	"
"	4.4	%

PRODUCTION (4)

Year 1921	102,278	M
" 1920	130,266	"
Decrease	27,988	"
"	21.5	%

NEW BUSINESS (5)

Year 1921	110,929	M
" 1920	66,286	"
Increase	44,643	"
"	63.7	%

STOCK CONDITIONS 13/16x2½ Maple

AVGE. PERCENT SOLD

CLEAR (6)

Year 1921	134	%
" 1920	856	"
Dec. Points	722	
Decrease	84	%

NO. 1 (7)

Year 1921	98	%
" 1920	564	"
Dec. Points	466	
Decrease	83	%

FACTORY (8)

Year 1921	13	%
" 1920	234	"
Dec. Points	221	
Decrease	94	%

THE PRODUCT (9)

Year 1921	55	%
" 1920	522	"
Dec. Points	467	
Decrease	89	%

VALUES-GROUP E MILLS 13/16x2½" Maple

AVERAGE VALUES

CLEAR (10)

Year 1921	$89.73	
" 1920	158.27	
Decrease	68.54	
"	43.3%	

NO. 1 (11)

Year 1921	65.72	
" 1920	150.94	
Decrease	85.22	
"	56.5%	

FACTORY (12)

Year 1921	30.23	
" 1920	114.79	
Decrease	84.56	
"	73.7%	

THE PRODUCT (13)

Year 1921	72.40	
" 1920	149.18	
Decrease	76.78	
"	51.5%	

MFMA FLOORING STATISTICS - 1921 - 1920 COMPARED - CORRESPONDING MEMBERSHIP

Date	Members	STOCK ON HAND 1921	STOCK ON HAND 1920	UNFILLED ORDERS 1921	UNFILLED ORDERS 1920	SHIPMENTS 1921	SHIPMENTS 1920	PRODUCTION 1921	PRODUCTION 1920	NEW BUSINESS BOOKED 1921	NEW BUSINESS BOOKED 1920	Month
Jan. 1	24	32,142	7,823	5,651	49,819							
Jan.31	25	33,521	9,570	5,241	56,187	4,620	11,422	5,688	12,834	4,622	13,350	January
Feb.28	25	33,448	10,582	6,276	53,204	5,292	10,393	5,127	11,985	6,311	8,286	February
Mar.31	24	33,211	12,089	6,516	44,122	7,668	11,652	8,251	13,336	7,621	6,960	March
Apr.30	24	33,790	13,758	8,281	42,777	6,970	10,795	7,551	13,024	8,925	9,470	April
May 31	23	33,305	11,100	9,872	32,514	8,189	11,035	8,374	9,299	10,488	4,956	May
Jun.30	22	33,413	11,483	10,346	28,389	8,272	9,667	9,175	10,115	8,360	4,323	June
Average		33,261	10,915	7,455	43,859	41,011	64,964	44,166	70,593	46,327	47,345	
Jul.31	22	33,452	12,193	9,009	21,906	7,875	9,422	7,798	10,571	7,149	4,001	July
Aug.31	22	32,407	14,892	10,601	17,193	9,582	8,225	8,575	10,975	10,740	3,338	August
Sept30	22	30,175	19,660	10,925	14,805	9,527	6,283	7,621	11,234	9,799	3,235	September
Oct.31	22	29,827	24,403	14,651	9,859	11,181	6,422	10,970	11,039	15,112	2,622	October
Nov.30	22	29,665	28,220	17,547	7,419	11,243	4,789	11,386	8,862	14,733	2,879	November
Dec.31	22	31,980	31,095	14,013	5,592	9,108	3,998	11,762	6,992	7,069	2,866	December
Average		31,251	21,744	12,791	12,796	58,516	39,139	58,112	59,673	64,602	18,941	
Average		32,334	15,913	9,918	29,522	99,527	104,103	102,278	130,266	110,929	66,286	Totals
Increase		16,421								44,643		
Decrease				19,604		4,576		27,988				
Percent		103.2%		66.4%		4.4%		21.5%		67.3%		

SHIPMENTS OF EACH WOOD - TOTALS OF CORRESPONDING MEMBERSHIP

	MAPLE 1921	MAPLE 1920	BEECH 1921	BEECH 1920	BIRCH 1921	BIRCH 1920	TOTALS 1921	TOTALS 1920
Jan-June	38,605	60,546	1,655	2,962	751	1,456	41,011	64,964
July-Dec.	54,958	37,538	2,105	712	1,453	889	58,516	39,139
Totals	93,563	98,084	3,760	3,674	2,204	2,345	99,527	104,103
Decrease	4,521				141		4,576	
Increase			86					
Percent	4.6%		2.3%		6%		4.4%	

COMPARATIVE STOCK CONDITIONS - YEARS 1921 - 1920

MAPLE BEECH AND BIRCH FLOORING

PERCENT	CLEAR		NO. 1		FACTORY		ALL GRADES	
SOLD ON	1921	1920	1921	1920	1921	1920	1921	1920
Jan. 1	17	703	24	914	12	314	18	643
Feb. 1	17	674	22	769	8	309	16	592
Mar. 1	22	569	24	647	11	293	19	503
Apr. 1	25	422	24	455	11	222	20	365
May 1	31	369	31	402	13	185	25	311
June 1	37	351	36	416	18	145	30	287
July 1	43	249	39	355	15	140	31	237
Aug. 1	35	170	37	281	13	89	27	174
Sept.1	44	119	50	169	16	57	34	111
Oct. 1	55	80	62	101	10	40	37	72
Nov. 1	69	41	89	56	15	22	49	39
Dec. 1	78	25	107	37	22	15	60	26
Dec.31	58	17	73	24	14	12	45	18
Average	41	291	48	356	14	142	32	260

MAPLE FLOORING

	CLEAR		NO. 1		FACTORY		ALL GRADES	
	1921	1920	1921	1920	1921	1920	1921	1920
	21	980	25	1,034	13	344	19	778
	22	976	22	903	9	359	17	750
	28	749	26	718	12	327	21	594
	33	510	26	490	12	231	22	405
	40	418	33	421	14	190	27	332
	48	407	40	457	19	151	34	314
	54	301	42	398	16	145	34	266
	45	230	40	322	13	96	30	207
	58	163	54	188	17	62	38	130
	73	105	67	109	11	44	42	83
	91	52	95	60	16	25	55	44
	101	32	113	39	22	16	67	29
	70	21	76	25	14	13	48	19
Average	53	380	51	397	14	154	35	304

MAPLE 2-1/4" FACE

PERCENT	CLEAR		NO. 1		FACTORY		ALL GRADES	
SOLD ON	1921	1920	1921	1920	1921	1920	1921	1920
Jan. 1	39	2,160	19	1,862	8	698	20	1,538
Feb. 1	49	2,293	24	1,597	7	641	23	1,457
Mar. 1	61	1,863	31	1,013	8	447	28	1,011
Apr. 1	77	1,000	31	613	8	335	31	640
May 1	99	739	44	449	11	236	41	458
June 1	120	903	52	544	16	189	48	493
July 1	123	620	52	504	13	220	46	432
Aug. 1	108	684	45	361	10	125	39	352
Sept.1	161	469	72	194	11	64	53	187
Oct. 1	236	212	112	99	13	47	70	104
Nov. 1	232	84	208	42	18	22	94	44
Dec. 1	280	54	359	31	27	15	133	31
Dec.31	154	39	222	19	18	8	93	20
Average	134	856	98	564	13	234	55	522

MAPLE 2" FACE

CLEAR		NO. 1		FACTORY		ALL GRADES	
1921	1920	1921	1920	1921	1920	1921	1920
13	648	14	405	2	83	10	412
10	849	8	353	1	77	7	371
15	754	11	321	3	101	10	351
15	249	12	200	2	55	10	130
13	258	14	214	3	37	10	169
19	278	20	229	6	44	15	166
22	235	24	181	3	34	17	135
28	169	33	138	3	26	21	101
30	96	47	88	5	12	25	61
49	59	103	47	0	9	35	38
47	37	87	25	0	6	32	23
33	23	76	15	1	4	24	14
27	13	54	14	2	8	20	10
25	282	39	172	2	38	18	156

TREND OF CURRENT NET VALUES - BASED ON AVERAGES OF MICHIGAN & WISCONSIN MILLS - GROUP E

For 13/16"x 2-1/4" MAPLE

Month	CLEAR 1921	CLEAR 1920	CLEAR 1919	NO. 1 1921	NO. 1 1920	NO. 1 1919	FACTORY 1921	FACTORY 1920	FACTORY 1919	THE PRODUCT 1921	THE PRODUCT 1920	THE PRODUCT 1919
January	$98.20	$129.53	$56.96	$81.28	$123.68	$53.01	$50.93*	$103.84	$45.35	$85.19	$123.63	$53.84
February	99.20*	159.07	57.00	84.13*	149.20	53.63	48.09	128.57	45.01	86.26*	151.04	54.02
March	91.67	166.89	57.20	75.63	179.11*	53.45	40.93	143.08	45.28	78.45	167.60	54.10
April	89.18	181.00*	56.67*	66.61	177.84	52.74*	33.38	148.72	44.90*	72.91	175.05*	53.53*
May	87.98	176.22	57.99	62.53	172.12	53.84	28.51	153.47*	46.18	70.15	171.37	54.77
June	89.35	173.61	65.10	64.91	170.57	59.80	30.58	136.20	48.90	71.98	166.93	60.82
July	89.16	177.37	71.94	64.25	167.72	68.07	27.90	131.57	56.11	71.25	167.12	68.21
August	88.01	177.84	79.71	59.53	166.57	72.17	23.15	117.60	61.82	68.31	164.86	74.39
September	86.94	164.98	84.94	56.94	156.09	79.85	19.62	97.12	67.26	66.34	151.69	80.51
October	83.87*	148.47	92.82	54.25*	140.56	89.20	18.77*	82.58	75.79	63.74*	135.82	89.00
November	85.12	134.14	97.98	56.03	114.47	91.71	20.11	71.68	76.57	65.19	117.89	92.57
December	88.08	110.08*	108.08*	62.59	93.38*	104.36*	20.77	63.04*	86.62*	69.06	97.18*	103.56*
Average	89.73	158.27	73.87	65.72	150.94	69.32	30.23	114.79	58.32	72.40	149.18	69.94
*High	Feb.	Apr.	Dec.	Feb.	Mar.	Dec.	Jan.	May	Dec.	Feb.	Apr.	Dec.
*Low	Oct.	Dec.	Apr.	Oct.	Dec.	Apr.	Oct.	Dec.	Apr.	Oct.	Dec.	Apr.

CONTRAST OF CURRENT NET VALUES WITH STOCK CONDITIONS - MAPLE FLOORING

13/16"x 2-1/4"

YEAR	CLEAR Average Value	CLEAR Average % Sold	NO. 1 Average Value	NO. 1 Average % Sold	FACTORY Average Value	FACTORY Average % Sold	THE PRODUCT Average Value	THE PRODUCT Average % Sold	YEAR	AVERAGE VALUES Year 1916 as Normal or 100%
1921	$89.73	134	$65.72	98	$30.23	13	$72.40	55	1921	193%
1920	158.27	856	150.94	564	114.79	234	149.18	522	1920	397
1919	73.87	734	69.32	504	58.32	446	69.94	555	1919	186
1918	53.26	92	50.11	83	40.62	189	50.26	97	1918	134
1917	49.80	185	44.80	243	31.58	330	45.32	217	1917	121
1916	43.01	224	36.52	154	21.71	167	37.54	177	1916	100
1915	39.09	153	34.31	59	19.30	35	34.45	79	1915	92
1914	41.38	123	36.45	108	21.39	70	36.66	105	1914	98
1913	42.49	140	36.76	151	22.01	73	37.42	122	1913	100
1912	37.69	207	31.80	144	17.74	57	32.64	126	1912	87
10 Yr.Avge.	62.86	285	55.67	211	37.77	161	56.58	206		151%

The Average Value of 1 M feet of 13/16x2-1/4" face Maple Flooring product is based upon 50% of Clear, 35% of No.1 and 15% of Factory.

SURPLUSES IN MAPLE FLOORING STOCKS

	CLEAR			NO. 1			FACTORY			TOTAL		
	1921	1920	1919	1921	1920	1919	1921	1920	1919	1921	1920	191
Jan. 1	22	0	24	25	0	10	29	0	1	76	0	35
Feb. 1	19	0	24	27	0	14	30	0	2	76	0	40
Mar. 1	19	0	25	24	0	16	29	0	2	72	0	43
Apr. 1	20	0	22	23	0	16	26	0	3	69	0	41
May 1	18	0	18	24	0	14	27	3	4	69	3	36
June 1	18	0	11	25	0	9	26	5	4	69	5	24
July 1	15	2	7	21	1	2	29	4	4	65	7	13
Aug. 1	18	4	3	22	3	2	30	10	2	70	17	7
Sept.1	19	6	2	18	5	2	29	12	0	66	23	4
Oct. 1	19	8	1	14	12	1	32	20	0	65	40	2
Nov. 1	16	17	0	12	18	0	31	22	0	59	57	0
Dec. 1	16	21	0	13	23	0	30	27	0	59	71	0
" 31	22	22	0	14	25	0	34	29	0	70	76	0
Average	19	6	11	20	7	7	29	10	2	68	23	19

PRODUCTION BY GRADES

	MAPLE			BEECH			BIRCH			ALL THREE			
YEAR	CLR	NO 1	FCTY	CLR	NO 1	FCTY	CLR	NO 1	FCTY	CLR	NO 1	FCTY	YEAR
1921	47%	35%	18%	61%	25%	14%	68%	24%	8%	48%	34%	18%	1921
1920	41	36	23	53	28	19	51	31	18	43	34	23	1920
1919	47	35	18	70	20	10	58	28	14	49	34	17	1919
1918	49	36	15	64	22	14	72	22	6	50	35	15	1918
1917	48	36	16	63	23	14	74	21	5	49	35	16	1917
1916	50	34	16	63	25	12	64	28	8	52	33	15	1916
1915	50	35	15	66	22	12	72	22	6	52	33	15	1915
1914	51	35	14	67	21	12	67	25	8	52	34	14	1914
1913	50	35	15	63	21	16	70	24	6	51	34	15	1913
1912	50	34	16	60	22	18	71	21	8	51	33	16	1912
1911	49	34	17	63	20	17	60	27	13	51	32	17	1911
11 YR. AVGE.	48	35	17	63	23	14	66	25	9	50	34	16	11 YR. AVGE.

MAPLE BEECH AND BIRCH FLOORING STATISTICS (IN M FEET) YEARS 1921 - 1920 COMPARED

Pres-ent Mbrs.	STOCKS ON HAND December 31st 1921	1920	UNFILLED ORDERS December 31st 1921	1920	SHIPMENTS Year 1921	1920	PRODUCTION Year 1921	1920	NEW BUSINESS Year 1921	1920	STOCK CHANGES 1921 Incr.	Decr.	1920 Incr.	Decr.	Pres-ent Mbrs.
1	774	629	64	12	700	1,623	551	1,401	1,710	1,404	145		458		1
2	1,623	2,019	628	205	5,005	6,211	5,132	6,054	5,820	4,573		396	1,374		2
3	3,415	4,009	1,033	64	5,975	5,656	5,339	8,567	7,035	3,117		594	2,964		3
4	1,711	2,092	1,533	114	8,233	4,941	8,100	6,609	10,512	3,445		381	1,668		4
5	3,690	3,926	1,025	258	8,234	7,051	8,079	10,156	9,495	4,208		236	3,076		5
7	1,776	1,366	63	None	6,297	4,639	6,815	6,122	5,933	2,341	410		1,281		7
14	831	1,071	120	194	3,036	2,361	2,793	3,197	3,386	1,670		240	873		14
17	341	211	55	10	595	653	776	807	425	1,102	130		117		17
22	161	208	None	None	666	474	553	618	606	411		47	162		22
24	2,580	2,251	551	449	3,297	4,269	3,640	6,147	3,718	4,272	329		1,835		24
26	1,481	1,290	546	80	3,318	3,861	3,641	4,651	4,001	2,534	191		834		26
30	1,177	1,308	455	100	4,636	3,168	4,534	4,124	4,913	3,166		131	970		30
33	1,689	1,587	626	568	4,714	8,039	4,741	9,523	4,313	4,080	102		1,371		33
34	903	1,039	93	None	1,993	1,787	1,870	2,655	2,057	1,126		136	903		34
37	1,020	414	363	5	1,623	2,870	2,241	2,665	2,060	1,738	606			225	37
42	1,767	1,201	823	66	2,799	2,305	3,510	3,203	3,249	1,870	566		862		42
44	2,068	1,741	1,229	757	6,472	5,826	6,788	7,173	7,073	3,319	267		1,317		44
45	633	473	156	291	2,572	3,426	2,861	3,969	2,918	786	160		329		45
47	1,279	1,425	3,607	2,169	19,883	23,695	20,577	24,709	21,824	12,790		146	1,016		47
48	638	751	295	67	2,041	2,442	1,977	3,140	2,334	1,658		113	705		48
49	2,160	1,875	586	162	5,044	5,309	5,335	8,302	5,320	3,513	285		1,597		49
50	323	209	162	21	1,674	759	2,008	1,012	1,916	601	114		105		50
(22)	31,980	31,095	14,013	5,592	98,749	101,385	101,861	126,804	110,031	63,724	3,305	2,420	23,817	225	(22)
Incr. Decr. Percent	885 2.8%		8,421 150.6%		2,636 2.6%		24,943 19.7%		46,307 72.7%		885 2.8%		23,592 314.4%		
*23	1,175	755	1,200	21	5,488	4,808	5,795	4,927	*4,338	*1,039	420		488		23
*51	926	None	18	None	* 531	None	*1,390	None (5 Mo.)	476	None	926		None		51
(24)	34,081	31,850	15,231	5,613	104,768	106,193	109,046	131,731	114,845	64,763	2,231	7%	24,080	310%	(24)

* Statistics Incomplete

* 5 Mos. * 5 Mos. * 8 Mos.&2 Mos.

MAPLE BEECH AND BIRCH FLOORING REPORTS DECEMBER 1911 - 1912 COMPARED

GOV.EX.40A.

YEAR	STOCKS ON HAND Dec. 1	STOCKS ON HAND Dec. 31	SHIPMENTS Dec.	PRODUCTION Dec.	NEW ORDERS Dec.	UNFILLED ORDERS Dec. 1	UNFILLED ORDERS Dec. 31	% STOCK SOLD Dec.1	% STOCK SOLD Dec.31	Members Reptg.
1911	39,066 M	41,877 M	11,535 M	14,326 M	10,552 M	19,166 M	17,671 M	49%	42%	29
1912	29,533 "	32,089 "	13,410 "	15,966 "	11,453 "	22,299 "	22,278 "	75%	69"	29
Increase			1,875 "	1,640 "		3,133 "	4,607 "			
Decrease	9,553 "	9,788 "			901 "					
Percent	24%	23%	16%	11%	9%	16%	26%			

SHIPMENTS OF EACH WOOD DECEMBER 1911-1912 COMPARED

	MAPLE	BEECH	BIRCH	TOTAL
1911	10,550 M	659 M	326 M	11,535 M
1912	12,593 "	384 "	433 "	13,410 "
Increase	2,043 "		107 "	1,875 "
Decrease		275 M		
Percent	19%	42%	33%	16%

PRODUCTION BY GRADES

	MAPLE Dec. 1912	MAPLE Year 1911	BEECH Dec. 1912	BEECH Year 1911	BIRCH Dec. 1912	BIRCH Year 1911	TOTAL Dec. 1912	TOTAL Year 1911
CLEAR	49%	49%	62%	63%	80%	60%	50%	51%
NO. 1	34	34	19	20	16	27	33	32
FACTORY	17	17	19	17	4	13	17	17
	100	100	100	100	100	100	100	100

Based on 23 reports for Dec. 1912.
Based on 12 reports for year 1911.

AVERAGE PRICES OF ASSOCIATION SHIPMENTS

DEC	1912	1911	1910	1909	1908	1907	1906	1905
MAPLE	$33.70	34.29	36.67	34.30	33.84	36.78	34.97	32.30
BEECH	32.13	33.23	32.45	31.02	33.23			
BIRCH	37.80	37.22	41.80	34.20	38.07			

January 18th, 1913.

GROSS SALES

DECEMBER 1912

MAPLE	$424,437.58
BEECH	12,344.03
BIRCH	16,345.45
TOTAL	$453,127.06

CURRENT NET VALUES DECEMBER 1912.

AVERAGE OF NET VALUES F.O.B. CARS AT THE FACTORY OF 13/16" x 2-1/4" FACE MAPLE FLOORING SOLD AND SHIPPED IN DECEMBER 1912. FREIGHTS AND COMMISSIONS DEDUCTED.

	MILL GROUPS	MILLS REPTG.	CLEAR	NO. 1	FACTORY
A	Eastern Lower Mich.	5	39.65	32.93	19.22
B	Western Lower Mich.	6	39.61	33.11	19.03
C	All Lower Michigan	11	39.63	33.02	19.14
D	Upper Michigan and Wisconsin	6	40.14	33.06	18.52
E	Average of Mich. and Wis.	17	39.82	33.04	18.83
F	Average of Chicago Milwaukee and Minneapolis Mills	3	44.68	37.88	24.06

January 18th, 1913

MAPLE BEECH & BIRCH FLOORING ON HAND JANUARY 1ST, 1913.

	13/16 x 1-1/2	13/16 x 2	13/16 x 2-1/4	13/16 x 3-1/4	1-1/16 All Widths	1-5/16 All Widths	3/8 All Widths	1/2 All Widths	13/16 x 2-1/2-Up Jointed	OTHER KINDS	TOTALS	SOLD
CLEAR	1,457 "	1,321 "	5,501 "	1,278 "	772 "	27 "	1,379 "	180 "	86 "	1,368 "	13,369 "	82
NO. 1	787 "	1,374 "	3,211 "	1,273 "	723 "	37 "	469 "	123 "	338 "	576 "	8,911 "	80
FACTORY	206 "	1,102 "	4,438 "	743 "	1,774 "	51 "	34 "		358 "	1,103 "	9,809 "	43
	2,450 "	3,797 "	13,150 "	3,294 "	3,269 "	115 "	1,882 "	303 "	782 "	3,047 "	32,089 "	69

MAPLE BEECH & BIRCH UNFILLED ORDERS ON HAND JANUARY 1ST, 1913.

	13/16 x 1-1/2	13/16 x 2	13/16 x 2-1/4	13/16 x 3-1/4	1-1/16 All Widths	1-5/16 All Widths	3/8 All Widths	1/2 All Widths	13/16 x 2-1/2-Up Jointed	OTHER KINDS	TOTALS
CLEAR	203 "	2,572 "	6,800 "	493 "	226 "		397 "	17 "		286 "	10,994 "
NO. 1	266 "	399 "	3,356 "	955 "	502 "	20 "	39 "	2 "	1,493 "	80 "	7,111 "
FACTORY	18 "	403 "	3,206 "	188 "	208 "	61 "			8 "	81 "	4,173 "
	487 "	3,374 "	13,361 "	1,636 "	936 "	81 "	436 "	19 "	1,501 "	447 "	22,278 "

Reports from 29 members.

January 18th, 1913.

SURPLUS MAPLE FLOORING STOCKS JANUARY 1ST, 1913.

SIZES	CLEAR	NO. 1	FACTORY
13/16" x 1-1/2"	#7. 35. 37. 42.		
13/16" x 2"	#5. 37.	#1. 6. 8. 32.	#6. 42.
13/16" x 2-1/4"	#3. 5. 29. 32. 35. 37. 42. 43.	#3. 14. 32. 33. 34. 43. 44.	#3. 7. 24. 40. 42. 43. 45.
13/16" x 3-1/4"	#26. 35. 40.	#6. 9. 24. 40.	#24.
1-1/16" All Widths	#9.	#9.	#2. 6. 9. 24.
3/8" All Widths	#1.		
13/16" Jointed			#8.

No items are listed in above as surplus unless the stock on hand exceeds the unfilled orders by about 100 - Ft.

January 18th, 1913.

MAPLE FLOORING ON HAND JANUARY 1ST, 1913.

	13/16 x 1-1/2	13/16 x 2	13/16 x 2-1/4	13/16 x 3-1/4	1-1/16 All Widths	1-5/16 All Widths	3/8 All Widths	1/2 All Widths	13/16 x 2-1/2-Up Jointed	OTHER KINDS	TOTALS	% SOLD
CLEAR	1,217 M	1,218 M	4,312 M	1,227 M	772 M	27 M	691 M	187 M	86 M	900 M	10,899 M	94%
NO. 1	745 "	1,312 "	2,660 "	1,069 "	723 "	37 "	294 "	117 "	338 "	557 "	7,852 "	88
FACTORY	185 "	1,021 "	3,657 "	621 "	1,774 "	51 "	31 "		358 "	1,086 "	8,784 "	44
	2,147 "	3,543 "	10,629 "	2,917 "	3,269 "	115 "	1,016 "	274 "	782 "	2,543 "	27,235 "	76

MAPLE UNFILLED ORDERS ON HAND JANUARY 1ST, 1912.

	13/16 x 1-1/2	13/16 x 2	13/16 x 2-1/4	13/16 x 3-1/4	1-1/16 All Widths	1-5/16 All Widths	3/8 All Widths	1/2 All Widths	13/16 x 2-1/2-Up Jointed	OTHER KINDS	TOTALS
CLEAR	165 M	2,548 M	6,050 M	408 M	226 M		258 M	17 M		250 M	9,920 M
NO. 1	263 "	382 "	3,200 "	240 "	502 "	20 M	19 "	2 "	1,493 M	80 "	6,901 "
FACTORY	18 "	403 "	2,920 "	188 "	208 "	61 "			8 "	61 "	3,887 "
	446 "	3,331 "	12,170 "	1,536 "	936 "	81 "	277 "	19 "	1,501 "	411 "	20,708 "

Reports from 29 members.

January 18th, 1913.

BEECH FLOORING ON HAND JANUARY 1ST, 1913.

	13/16 x 1-1/2	13/16 x 2	13/16 x 2-1/4	13/16 x 3-1/4	3/8 All Widths	OTHER KINDS	TOTALS
CLEAR	49 M	50 M	579 M	6 M	378 M	383 M	1,443 M
NO. 1	19 "	34 "	143 "	169 "	121 "	16 "	502 "
FACTORY	4 "	74 "	523 "	96 "	3 "	17 "	719 "
	72 "	158 "	1,245 "	273 "	500 "	416 "	2,664 "

BEECH UNFILLED ORDERS ON HAND JANUARY 1ST, 1913.

	13/16 x 1-1/2	13/16 x 2	13/16 x 2-1/4	13/16 x 3-1/4	3/8 All Widths	OTHER KINDS	TOTALS
CLEAR	10 M	26 M	336 M	85 M	103 M	24 M	584 M
NO. 1		17 "	102 "	15 "	20 "		154 "
FACTORY			189 "				189 "
	10 "	43 "	629 "	100 "	123 "	24 "	934 "

Reports from 14 members.

January 16th, 1913.

BIRCH FLOORING ON HAND JANUARY 1ST, 1913.

	13/16 x 1-1/2	13/16 x 2	13/16 x 2-1/4	13/16 x 3-1/4	3/8 All Widths	1/2 All Widths	OTHER KINDS	TOTALS
CLEAR	191 M	61 M	610 M	45 M	312 M	23 M	85 M	1,327 M
NO. 1	23 "	28 "	408 "	35 "	54 "	6 "	3 "	557 "
FACTORY	17 "	7 "	258 "	24 "				306 "
	231 "	96 "	1,276 "	104 "	366 "	29 "	88 "	2,190 "

BIRCH UNFILLED ORDERS ON HAND JANUARY 1ST, 1913.

	13/16 x 1-1/2	13/16 x 2-1/4	3/8 All Widths	OTHER KINDS	TOTALS
CLEAR	28 M	412 M	31 M	12 M	483 M
NO. 1	3 "	53 "			56 "
FACTORY		97 "			97 "
	31 "	562 "	31 "	12 "	636 "

Reports from 17 members.

January 18th, 1913.

[fols. 1070-1076] GOVERNMENT'S EXHIBIT No. 40-L

[Omitted in printing]

[fols. 1077-1084] GOVERNMENT'S EXHIBIT No. 40-M

[Omitted in printing]

[fols. 1085-1091] GOVERNMENT'S EXHIBIT No. 40-N

[Omitted in printing]

[fols. 1092-1098] GOVERNMENT'S EXHIBIT No. 40-O

[Omitted in printing]

[fols. 1099-1105] GOVERNMENT'S EXHIBIT No. 40-P

[Omitted in printing]

[fols. 1106-1112] GOVERNMENT'S EXHIBIT No. 40-Q

[Omitted in printing]

[fols. 1113-1118] GOVERNMENT'S EXHIBIT No. 40-R

[Omitted in printing]

[fols. 1119-1124] GOVERNMENT'S EXHIBIT No. 40-S

[Omitted in printing]

[fols. 1125-1132] GOVERNMENT'S EXHIBIT No. 40-T

[Omitted in printing]

[fols. 1133-1139] GOVERNMENT'S EXHIBIT No. 40-U

[Omitted in printing]

[fols. 1140-1145] GOVERNMENT'S EXHIBIT No. 40-V

[Omitted in printing]

[fols. 1146-1152] GOVERNMENT'S EXHIBIT No. 40-W

[Omitted in printing]

[fols. 1153-1158] GOVERNMENT'S EXHIBIT No. 40-X

[Omitted in printing]

[fols. 1159-1164] GOVERNMENT'S EXHIBIT No. 40-Y

[Omitted in printing]

[fols. 1165-1170] GOVERNMENT'S EXHIBIT No. 40-Z

[Omitted in printing]

[fols. 1171-1177] GOVERNMENT'S EXHIBIT No. 40-AA

[Omitted in printing]

[fols. 1178-1187] GOVERNMENT'S EXHIBIT No. 40-BB

[Omitted in printing]

[fols. 1188-1193] GOVERNMENT'S EXHIBIT No. 40-CC

[Omitted in printing]

[fols. 1194-1201] GOVERNMENT'S EXHIBIT No. 40-DD

[Omitted in printing]

[fols. 1202-1217] GOVERNMENT'S EXHIBIT No. 40-EE

[Omitted in printing]

[fols. 1218-1225] GOVERNMENT'S EXHIBIT No. 40-FF

[Omitted in printing]

[fols. 1226-1233] GOVERNMENT'S EXHIBIT No. 40-GG

[Omitted in printing]

[fols. 1234-1241] GOVERNMENT'S EXHIBIT No. 40-HH

[Omitted in printing]

[fols. 1242-1249] GOVERNMENT'S EXHIBIT No. 40-H

[Omitted in printing]

[fols. 1250-1256] GOVERNMENT'S EXHIBIT No. 40-JJ

[Omitted in printing]

[fols. 1257-1266] GOVERNMENT'S EXHIBIT No. 40-KK

[Omitted in printing]

[fols. 1267-1271] GOVERNMENT'S EXHIBIT No. 40-LL

[Omitted in printing]

[fols. 1272-1279] GOVERNMENT'S EXHIBIT No. 40-MM

[Omitted in printing]

MAPLE BEECH AND BIRCH FLOORING STATISTICS (IN M FEET) AUGUST 1916 - 1915 COMPARED.

No.	NAME	STOCKS ON HAND Sept. 1st 1916	STOCKS ON HAND Sept. 1st 1915	UNFILLED ORDERS Sept. 1st 1916	UNFILLED ORDERS Sept. 1st 1915	SHIPMENTS August 1916	SHIPMENTS August 1915	PRODUCTION August 1916	PRODUCTION August 1915	NEW BUSINESS August 1916	NEW BUSINESS August 1915	STOCK CHANGES August 1916 Incr.	STOCK CHANGES August 1916 Decr.	STOCK CHANGES August 1915 Incr.	STOCK CHANGES August 1915 Decr.	No.
1	Wilce	2,062	3,367	1,423	542	1,149	584	627	754	1,616	554		639	173		1
2	Young	2,432	2,957	1,772	755	909	714	900	826	1,038	696		100	307		2
3	Mitchell	3,725	3,275	1,837	291	1,024	950	605	577	1,548	1,028		418		360	3
4	Wis.L.& L.	952	1,129	4,124	2,219	1,515	1,159	1,106	960	1,047	811		392		76	4
5	C.& M.Inc.	2,417	2,062	1,149	706	937	1,008	329	952	1,196	1,112		608		56	5
6	Forman	361	735	493	603	503	610	401	726	344	537		37	160		6
7	I.S.Co.	1,138	1,597	1,603	1,848	791	1,043	685	591	477	1,020		49		467	7
9	Eastman	1,342	2,212	371	562	517	242	415	134	199	418		391	208		9
12	E.& V.A.L.Co.	382	519	605	112	246	513	229	360	70	162		61		59	12
14	C-D Co.	536	473	655	289	236	274	243	268	220	356	12			23	14
15	Dwight	486	536	70	27	76	90	101	58	101	106		1		32	15
17	Schroeder	347	440	44	167	112	71	68	19	4	26		48		52	17
22	O.& B.	199	120	95	16	137	115	122	112	134	88		11		20	22
24	Kerry & H.	1,314	2,022	1,681	742	346	452	509	537	455	741	168		78		24
26	E. Jordan	365	392	799	192	596	470	423	526	343	300		145	44		26
29	Welsh & K.	410	525	392	522	362	412	378	413	155	280	34		49		29
30	M.& C.	932	936	174	256	432	309	477	372	336	331	58		19		30
33	Strable	1,329	1,513	817	1,001	540	581	597	707	529	1,009		50	76		33
34	F-L L.Co.	673	559	403	122	360	463	240	283	259	413		104		196	34
36	White	Fire	Fire	Fire	Fire	Fire	222	Fire	Fire	Fire	Fire		Fire		970	36
37	West Mich.	1,522	1,365	723	468	349	442	441	403	509	389	103			41	37
38	Connor	287	594	456	247	569	443	387	441	380	468		202		2	38
40	Lobdell	571	994	None	None	52	62	None	7	42	None	52		24		40
42	Wells	1,107	1,776	665	235	491	452	399	255	350	391		67		234	42
43	H-W V.Co.	776	976	16	20	155	199	44	49	101	168		117		131	43
44	Cooperage	1,529	2,333	2,056	651	1,001	639	770	818	768	510		232	178		44
46	Tennant	332	267	478	86	264	356	176	216	177	364		98		106	46
	Same 27 Members	27,549	34,017	22,901	12,679	13,709	12,925	10,672	11,370	12,400	12,282	427	3,790	1,316	2,827	
	Increase			10,222		784				118						
	Decrease	6,468						698					3,363		1,511	
	Per Cent	19.%		80.6%		6.1%		6.1%		0.9%			10.9%		4.3%	

September 19, 1916.

GOV. EX. 40-SS

MISCELLANEOUS REPORTS FOR AUGUST 1916

SHIPMENTS OF EACH WOOD AUGUST 1916 - 1915

AUGUST	MAPLE	BEECH	BIRCH	TOTAL	Same Members
1916	12,542 M	600 M	567 M	13,709 M	27
1915	11,984 "	488 "	453 "	12,925 "	27
Increase	558 "	112 "	114 "	784 "	
Per Cent	4.7%	23.%	25.2%	6.1%	

PRODUCTION BY GRADES

	MAPLE			BEECH			BIRCH			ALL THREE		
	CLR	No 1	POTY	CLR	No 1	POTY	CLR	No 1	POTY	CLR	No 1	POTY
Aug. 1916	50%	34%	16%	61%	27%	12%	51%	38%	11%	51%	33%	16%
Year 1915	50	35	15	66	22	12	72	22	6	52	33	15
Year 1914	51	35	14	67	21	12	67	25	8	52	34	14
Year 1913	50	35	15	63	21	16	70	24	6	51	34	15
Year 1912	50	34	16	60	22	18	71	21	8	51	33	16
Year 1911	49	34	17	63	20	17	60	27	13	51	32	17

September 19, 1916.

MAPLE BEECH AND BIRCH FLOORING ON HAND SEPTEMBER 1ST, 1916.

	13/16 x 1-1/2	13/16 x 2	13/16 x 2-1/4	13/16 x 3-1/4	1-1/16 All Widths	1-5/16 All Widths	3/8 All Widths	1/2 All Widths	13/16 x 2-1/2-Up Jointed	OTHER KINDS	TOTALS	% SOLD
CLEAR	947 M	2,149 M	4,544 M	1,096 M	743 M	69 M	1,840 M	225 M	41 M	1,927 M	13,588 M	79
# 1	971 "	1,197 "	4,268 "	764 "	910 "	25 "	610 "	121 "	198 "	456 "	9,520 "	88
FACTORY	327 "	209 "	1,489 "	501 "	598 "	170 "	36 "		71 "	1,036 "	4,441 "	86
	2,245 "	3,555 "	10,301 "	2,363 "	2,256 "	264 "	2,486 "	346 "	310 "	3,421 "	27,549 "	83

MAPLE BEECH AND BIRCH UNFILLED ORDERS ON HAND SEPTEMBER 1ST, 1916.

	13/16 x 1-1/2	13/16 x 2	13/16 x 2-1/4	13/16 x 3-1/4	1-1/16 All Widths	1-5/16 All Widths	3/8 All Widths	1/2 All Widths	13/16 x 2-1/2-Up Jointed	OTHER KINDS	TOTALS
CLEAR	993 M	665 M	7,214 M	877 M	301 M	2 M	479 M	5 M	53 M	92 M	10,681 M
# 1	660 "	161 "	6,068 "	526 "	541 "	16 "	66 "	10 "	175 "	186 "	8,409 "
FACTORY	93 "	196 "	2,715 "	164 "		3 "			51 "	587 "	3,811 "
	1,746 "	1,024 "	15,997 "	1,567 "	842 "	21 "	545 "	15 "	279 "	865 "	22,901 "

Reports from 26 members.

September 19, 1916.

MAPLE FLOORING ON HAND SEPTEMBER 1ST, 1916.

	13/16 x 1-1/2	% Sold	13/16 x 2	% Sold	13/16 x 2-1/4	% Sold	13/16 x 3-1/4	1-1/16 All Widths	1-5/16 All Widths	3/8 All Widths	1/2 All Widths	13/16 x 2-1/2-Up Jointed	OTHER KINDS	TOTALS	% SOLD
CLEAR	678 M	117	2,042 M	31	2,996 M	222	1,044 M	748 M	69 M	1,199 M	195 M	44 M	1,525 M	10,537 M	92
# 1	601 "	74	1,154 "	14	3,599 "	156	685 "	905 "	25 "	534 "	121 "	177 "	361 "	8,365 "	93
FACTORY	301 "	31	207 "	96	1,213 "	200	307 "	598 "	170 "	38 "		66 "	985 "	3,885 "	90
	1,780 "	63	3,403 "	29	7,808 "	188	2,036 "	2,254 "	264 "	1,771 "	316 "	284 "	2,871 "	22,787 "	92

MAPLE UNFILLED ORDERS ON HAND SEPTEMBER 1ST, 1916.

	13/16 x 1-1/2	13/16 x 2	13/16 x 2-1/4	13/16 x 3-1/4	1-1/16 All Widths	1-5/16 All Widths	3/8 All Widths	1/2 All Widths	13/16 x 2-1/2-Up Jointed	OTHER KINDS	TOTALS
CLEAR	796 M	638 M	6,658 M	822 M	301 M	2 M	320 M	5 M	53 M	81 M	9,676 M
# 1	592 "	161 "	5,631 "	461 "	541 "	16 "	65 "	10 "	175 "	139 "	7,791 "
FACTORY	93 "	198 "	2,429 "	164 "		3 "			51 "	573 "	3,511 "
	1,481 "	997 "	14,718 "	1,447 "	842 "	21 "	385 "	15 "	279 "	793 "	20,978 "

Reports from 26 members

September 19, 1916.

SURPLUS MAPLE FLOORING STOCKS SEPTEMBER 1ST, 1916.

SIZES	CLEAR	Total M'	NO. 1	Total M'	FACTORY	Total M'	Grand Total M'
13/16" x 1-1/2"	None		None		None		None
13/16" x 2"	M 2. 9. 26. 37. 42. 43.	6	M 1. 42.	2			8
13/16" x 2-1/4"	M 3. 5. 30. 37.	4	M 1. 5. 34.	3			7
13/16" x 3-1/4"	None		None		None		None
1-1/16" All Widths	M 2. 9.	2	M 9. 33.	2	M 2.	1	5
3/8" All Widths	M 3. 5. 7. 37.	4					4
September 1, 1916		16		7		1	24
September 1, 1915		21		22		14	57
Decrease		5		15		13	33

No items are listed in above as surplus unless the stock on hand exceeds the Unfilled Orders by about 100 M feet.

September 19, 1916.

BEECH FLOORING ON HAND SEPTEMBER 1ST, 1916.

	13/16 x 1-1/2	13/16 x 2	13/16 x 2-1/4	13/16 x 3-1/4	1-1/16 All Widths	3/8 All Widths	13/16 x 2-1/2-Up Jointed	OTHER KINDS	TOTALS
CLEAR	183 M	56 M	999 M	9 M		422 M		334 M	2,003 M
# 1	64 "	23 "	316 "	30 "	2 M	33 "	20 M	86 "	574 "
FACTORY	9 "	2 "	169 "	182 "			5 "	50 "	417 "
	256 "	81 "	1,484 "	221 "	2 "	455 "	25 "	470 "	2,994 "

BEECH UNFILLED ORDERS ON HAND SEPTEMBER 1ST, 1916.

	13/16 x 1-1/2	13/16 x 2	13/16 x 2-1/4	13/16 x 3-1/4	3/8 All Widths	OTHER KINDS	TOTALS
CLEAR	94 M	10 M	233 M		66 M	8 M	413 M
# 1	5 "		158 "	20 M		38 "	221 "
FACTORY			127 "			14 "	141 "
	99 "	10 "	518 "	20 "	66 "	60 "	775 "

Reports from 12 members.

September 19, 1916.

BIRCH FLOORING ON HAND SEPTEMBER 1ST, 1916.

	13/16 x 1-1/2	13/16 x 2	13/16 x 2-1/4	13/16 x 3-1/4	3/8 All Widths	1/2 All Widths	13/16 x 2-1/2-Up Jointed	OTHER KINDS	TOTALS
CLEAR	86 M	51 M	549 M	45 M	219 M	30 M		68 M	1,048 M
M 1	106 "	20 "	353 "	49 "	43 "		1 M	9 "	581 "
FACTORY	17 "		107 "	12 "				3 "	139 "
	209 "	71 "	1,009 "	106 "	262 "	30 "	1 "	80 "	1,768 "

BIRCH UNFILLED ORDERS ON HAND SEPTEMBER 1ST, 1916.

	13/16 x 1-1/2	13/16 x 2	13/16 x 2-1/4	13/16 x 3-1/4	3/8 All Widths	OTHER KINDS	TOTALS
CLEAR	103 M	17 M	323 M	55 M	91 M	3 M	592 M
M 1	63 "		279 "	45 "	1 "	9 "	397 "
FACTORY			159 "				159 "
	166 "	17 "	761 "	100 "	92 "	12 "	1,148 "

Reports from 17 members.

September 19, 1916.

CURRENT NET VALUES - AUGUST 1916

For New Orders Booked for 13/16" x 2¼" face Clear, № 1 and Factory Maple Flooring, after deducting Freight and Commissions.

Group A		CLEAR	NO. 1	FACTORY	
Eastern	№ 2	42.60	36.16	23.51	
	6	42.68	36.02	22.54	
	9	43.17	36.48	21.45	
Lower	12	41.58	35.65	24.22	
	24	41.98	35.20	21.09	
	33	42.84	36.08	22.35	
Michigan	43	43.56	35.73		
	Average	42.61	35.98	21.86	
	* July	41.68	35.81	21.37	
Group B					
Western	№ 3	42.13	35.65	20.89	
	5	42.35	35.99	21.03	
Lower	14	42.56	36.43	22.77	
Michigan	30	44.45	38.52	25.00	
	Average	42.45	36.08	21.53	
	* July	42.56	35.84	21.01	
Group C					
All Lower Michigan	Average	42.50	36.04	21.79	
	* July	42.12	35.82	21.22	
Group D					
Upper	№ 4	44.30	37.68	22.96	
Michigan	34	43.85	37.98	22.01	
and	42	43.87	36.68	21.91	
Wisconsin	44	43.47	36.95	21.13	
	Average	43.80	37.07	21.83	
	* July	44.28	37.61	21.79	
Group E					
Michigan and Wisconsin	Average	42.79	36.35	21.81	
	* July	42.98	36.28	21.39	
Group F					
Chicago	№ 1	44.21	37.00	22.00	Freight or
Minneapolis	46	48.31	44.67	27.41	Teaming
Detroit	15	45.95	43.93	30.00	Deducted
St. Paul	22	49.12	45.11	28.90	
Milwaukee	17	48.73	43.59	26.72	

Reports from 20 members.

September 19, 1916.

[fols. 1280-1286] GOVERNMENT'S EXHIBIT No. 40-NN

[Omitted in printing]

[fols. 1287-1293] GOVERNMENT'S EXHIBIT No. 40-OO

[Omitted in printing]

[fols. 1294-1300] GOVERNMENT'S EXHIBIT No. 40-PP

[Omitted in printing]

[fols. 1301-1307] GOVERNMENT'S EXHIBIT No. 40-QQ

[Omitted in printing]

[fols. 1308-1314] GOVERNMENT'S EXHIBIT No. 40-RR

[Omitted in printing]

(Here follows Government's Exhibit No. 40-SS, marked side folio pages 1315-1322, inclusive).

[fol. 1323] GOVERNMENT'S EXHIBIT No. 40-TT

[Omitted in printing]

[fols. 1324-1332] GOVERNMENT'S EXHIBIT No. 40-UU

[Omitted in printing]

[fols. 1333-1340] GOVERNMENT'S EXHIBIT No. 40-VV

[Omitted in printing]

[fols. 1341-1351] GOVERNMENT'S EXHIBIT No. 40-WW

[Omitted in printing]

[fols. 1352-1361] GOVERNMENT'S EXHIBIT No. 40-XX

[Omitted in printing]

[fols. 1362-1371] GOVERNMENT'S EXHIBIT No. 40-YY

[Omitted in printing]

[fols. 1372-1381] GOVERNMENT'S EXHIBIT No. 40-ZZ

[Omitted in printing]

[fols. 1382-1391] GOVERNMENT'S EXHIBIT No. 40-AAA

[Omitted in printing]

[fols. 1392-1401] GOVERNMENT'S EXHIBIT No. 40-BBB

[Omitted in printing]

[fols. 1402-1411] GOVERNMENT'S EXHIBIT No. 40-CCC

[Omitted in printing]

[fols. 1412-1420] GOVERNMENT'S EXHIBIT No. 40-DDD

[Omitted in printing]

[fols. 1421-1431] GOVERNMENT'S EXHIBIT No. 40-EEE

[Omitted in printing]

[fols. 1432-1441] GOVERNMENT'S EXHIBIT No. 40-FFF

[Omitted in printing]

[fols. 1442-1451] GOVERNMENT'S EXHIBIT No. 40-GGG

[Omitted in printing]

[fols. 1452-1461] GOVERNMENT'S EXHIBIT No. 40-HHH

[Omitted in printing]

[fols. 1462-1471] GOVERNMENT'S EXHIBIT No. 40-III

[Omitted in printing]

[fols. 1472-1481] GOVERNMENT'S EXHIBIT No. 40-JJJ

[Omitted in printing]

[fols. 1482-1491] GOVERNMENT'S EXHIBIT No. 40-KKK

[Omitted in printing]

[fols. 1492-1501] GOVERNMENT'S EXHIBIT No. 40-LLL

[Omitted in printing]

[fols. 1502-1510] GOVERNMENT'S EXHIBIT No. 40-MMM

[Omitted in printing]

[fols. 1511-1520] GOVERNMENT'S EXHIBIT No. 40-NNN

[Omitted in printing]

[fols. 1521-1529] GOVERNMENT'S EXHIBIT No. 40-OOO

[Omitted in printing]

BAROMETER OF APRIL 1919 STATISTICS

April 1918 - 1919 Compared
Reports of Corresponding Members

STOCKS ON HAND - 28 Members

May 1, 1918	34,014	M
" 1, 1919	26,484	"
Decrease	7,530	"
"	22.1	%

UNFILLED ORDERS - 24 MEMBERS

May 1, 1918	23,332	M
" 1, 1919	17,185	"
Decrease	6,147	"
"	26.3	%

SHIPMENTS - 29 Members

April 1918	14,608	M
" 1919	11,416	"
Decrease	3,192	"
"	21.9	%

PRODUCTION - 28 Members

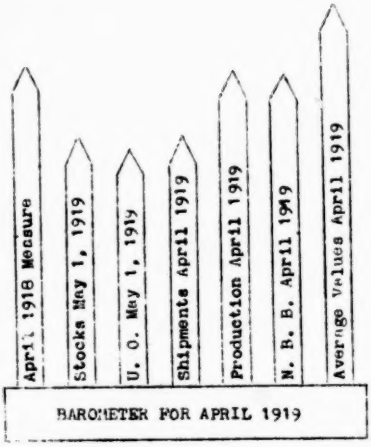
April 1918	6,690	M
" 1919	6,575	"
Decrease	115	"
"	1.7	%

NEW BUSINESS BOOKED-24MEMBERS

April 1918	14,905	M
" 1919	14,461	"
Decrease	444	"
"	3	%

AVERAGE VALUES GROUP B MILLS

April 1918	$44.88	
" 1919	53.53	
Increase	8.65	
"	19.3%	



BAROMETER FOR APRIL 1919

STOCK CONDITIONS - PERCENTS SOLD

	Maple Beech & Birch			Maple			Maple 2-1/4 Face		
	Apr.1 1919	May 1 1919	May 1 1918	Apr.1 1919	May 1 1919	May 1 1918	Apr.1 1919	May 1 1919	May 1 1918
Clear	64	98	74	82	126	84	137	201	114
No. 1	67	108	66	72	118	70	105	175	91
Factory	66	101	105	75	112	110	126	199	206
All Three	65	102	75	78	121	82	124	191	112

COMPARED WITH

	A MONTH AGO				A YEAR AGO			
M.B & B	Clear	No. 1	Factv.	All Three	Clear	No. 1	Factv.	All Three
Points Up	34	41	33	37	24	42		27
Points Down							4	
MAPLE								
Points Up	44	46	37	43	42	48	2	39
MAPLE 2¼								
Points Up	64	70	73	67	87	84		79
Points Down							7	

May 17, 1919

MAPLE BEECH AND BIRCH FLOORING STATISTICS (IN M FEET) APRIL 1919 - 1918 COMPARED

No.		STOCKS ON HAND May 1st		UNFILLED ORDERS May 1st		SHIPMENTS April		PRODUCTION April		NEW BUSINESS April		STOCK CHANGES April 1919 Incr.	1919 Decr.	1918 Incr.	1918 Decr.	No.
		1919	1918	1919	1918	1919	1918	1919	1918	1919	1918					
1	Wilce	741	976	935	1,063	68	209	None	None	412	239	80			100	1
2	Young	2,105	2,429	833	1,931	565	1,028	301	784	1,038	1,213		330		214	2
3	Mitchell	3,197	3,745	1,344	1,556	873	655	652	None	1,768	1,058		218		646	3
4	Wis. L. & L.	778	977	4,101	3,407	710	1,263	619	514	1,384	714		53		828	4
5	C.& M.Inc.	3,255	3,285	1,868	2,027	970	616	608	742	2,613	1,374		362	131		5
6	Forman	245	754	65	771	49	345	61	395	124	282		83	99		6
7	Stephenson	1,506	2,351	607	1,131	355	1,034	None	495	504	1,346		330		219	7
14	C-D Co.	1,116	484	114	242	337	289	252	None	443	222		86		277	14
17	Schroeder	158	233	2	50	34	32	24	43	36	37		37	15		17
22	O. & B.	74	81	None	48	22	45	23	29	22	45	2			8	22
23	Holt Hdwd. Co.	345	445	2,186	*	392	312	332	323	945	*		267	11		23
24	Kerry & Hanson	1,389	2,031	584	2,732	419	788	464	444	478	2,136		237		344	24
26	East Jordan	1,113	525	620	601	248	225	407	70	283	669	179			71	26
29	Welsh & Kerry	443	475	279	307	372	144	411	229	125	88		30		176	29
30	Nichols & Cox	934	808	273	282	371	540	348	363	302	261	32			191	30
33	Strable	778	963	628	1,918	465	743	325	None	1,114	1,636		142		342	33
34	P-L L. Co.	656	1,008	29	139	179	163	None	None	98	204		143		158	34
37	West Michigan	879	913	627	590	90	223	178	365	408	631	111		144		37
38	R. Connor Co.	355	529	222	129	418	209	331	76	346	140		87		134	38
39	Mason-Donaldson	670	905	817	*	286	287	181	162	88	*		105		125	39
42	Wells L. Co.	1,746	2,216	188	556	338	480	67	291	275	400		305		230	42
43	H-W V. Co.	233	1,101	None	12	35	157	None	25	None	168		23		169	43
44	Cooperage	1,973	2,244	1,956	2,408	570	734	473	566	824	484		64		154	44
45	Flanner-Steger	487	609	961	*	670	280	363	160	763	*		346		194	45
46	Tennant	100	474	77	253	57	172	40	32	112	163		18		142	46
47	Wm. Horner	1,074	*	6,961	*	2,160	2,513	1,719	*	2,349	*		255	*		47
48	North Branch	134	1,258	50	122	106	216	None	295	100	122		58	92		48
49	Bigelow-Cooper	1,074	1,987	1,783	1,057	239	838	115	287	1,652	1,273	111			654	49
50	Kneeland-McLurg	None	208	None	*	18	68	None	None	None	*		18		68	50
29	Members	27,558		28,110		11,416	14,608	8,294		18,606		515	3,597			
	Same Members Compared	26,484	34,014 (28)	17,185	23,332 (24)	11,416	14,608 (29)	6,575	6,690 (28)	14,461	14,905 (24)	515	3,597 (29)	492	5,444 (28)	
	Decrease	7,530		6,147		3,192		115		444			3,082		4,952	
	Per Cent	22.1%		26.3%		21.9%		1.7%		3%			10.1%		12.7%	

*No Record

May 17, 1919.

1921

MISCELLANEOUS REPORTS FOR APRIL 1919

SHIPMENTS OF EACH WOOD APRIL 1919 - 1918

APRIL	MAPLE	BEECH	BIRCH	TOTAL	Same Members
1919	10,728 M	394 M	294 M	11,416 M	29
1918	13,608 "	640 "	360 "	14,608 "	29
Decrease	2,880 M	246 M	66 M	3,192 M	
Per Cent	21.2 %	38.4%	18.3%	21.9 %	

****

PRODUCTION BY GRADES

	MAPLE			BEECH			BIRCH			ALL THREE		
	CLR	№ 1	FCTY	CLR	№ 1	FCTY	CLR	№ 1	FCTY	CLR	№ 1	FCTY
April 1919	52%	33%	15%	73%	20%	7%	85%	15%		52%	33%	15%
Year 1918	49	36	15	64	22	14	72	22	6	50	35	15
Year 1917	48	36	16	63	23	14	74	21	5	49	35	16
Year 1916	50	34	16	63	25	12	64	28	8	52	33	15
Year 1915	50	35	15	66	22	12	72	22	6	52	33	15
Year 1914	51	35	14	67	21	12	67	25	8	52	34	14
Year 1913	50	35	15	63	21	16	70	24	6	51	34	15
Year 1912	50	34	16	60	22	18	71	21	8	51	33	16
Year 1911	49	34	17	63	20	17	60	27	13	51	32	17

May 17, 1919.

MAPLE BEECH AND BIRCH FLOORING ON HAND MAY 1, 1919

	13/16 x 1-1/2	13/16 x 2	13/16 x 2-1/4	13/16 x 3-1/4	1-1/16 All Widths	1-5/16 All Widths	3/8 All Widths	1/2 All Widths	:3/:6 x 2½ Up Jointed	OTHER KINDS	TOTALS	% Sold
CLEAR	1,937 M	1,932 M	7,206 M	706 M	553 M	35 M	1,078 M	121 M	124 M	1,006 M	14,698 M	98
NO. 1	1,147 "	953 "	4,269 "	694 "	596 "	17 "	480 "	78 "	199 "	380 "	8,813 "	108
FACTORY	347 "	204 "	1,617 "	252 "	540 "	32 "	119 "	31 "	242 "	663 "	4,047 "	101
	3,431 M	3,089 M	13,092 M	1,652 M	1,689 M	84 M	1,677 M	230 M	565 M	2,049 M	27,558 M	102

MAPLE BEECH AND BIRCH UNPILLED ORDERS ON HAND MAY 1, 1919

	13/16 x 1-1/2	13/16 x 2	13/16 x 2-1/4	13/16 x 3-1/4	1-1/16 All Widths	3/8 All Widths	1/2 All Widths	13/16 x 2½ Up Jointed	OTHER KINDS	TOTALS
CLEAR	882 M	469 M	10,332 M	449 M	75 M	1,365 M	35 M	118 M	732 M	14,457 M
NO. 1	527 "	355 "	6,538 "	461 "	1,020 "	29 "	15 "	76 "	540 "	9,561 "
FACTORY	104 "	30 "	2,758 "	242 "	416 "	37 "		188 "	317 "	4,092 "
	1,513 M	854 M	19,628 M	1,152 M	1,511 M	1,431 M	50 M	382 M	1,589 M	28,110 M

Reports from 29 Members

May 17, 1919.

MAPLE FLOORING ON HAND MAY 1, 1919

	13/16 x 1-1/2	% Sold	13/16 x 2	% Sold	13/16 x 2-1/4	% Sold	13/16 x 3-1/4	1-1/16 All Widths	1-5/16 All Widths	3/8 All Widths	1/2 All Widths	13/16 x 2½ Up Jointed	OTHER KINDS	TOTALS	% Sold
CLEAR	1,498 M	58	1,717 M	27	4,913 M	201	632 M	553 M	35 M	567 M	121 M	124 M	681 M	10,841 M	126
NO. 1	1,122 "	46	924 "	38	3,616 "	175	647 "	596 "	17 "	403 "	78 "	199 "	332 "	7,934 "	118
FACTORY	339 "	31	201 "	15	1,369 "	199	185 "	540 "	32 "	119 "	31 "	242 "	556 "	3,614 "	112
	2,959 M	50	2,842 M	30	9,898 M	191	1,464 M	1,689 M	84 M	1,089 M	230 M	565 M	1,569 M	22,389 M	121

MAPLE UNFILLED ORDERS ON HAND MAY 1, 1919

	13/16 x 1-1/2	13/16 x 2	13/16 x 2-1/4	13/16 x 3-1/4	1-1/16 All Widths	3/8 All Widths	1/2 All Widths	13/16 x 2½ Up Jointed	OTHER KINDS	TOTALS
CLEAR	870 M	462 M	9,856 M	395 M	75 M	1,160 M	35 M	118 M	714 M	13,685 M
NO. 1	513 "	348 "	6,334 "	461 "	1,020 "	29 "	15 "	76 "	532 "	9,328 "
FACTORY	104 "	30 "	2,730 "	242 "	416 "	37 "		188 "	290 "	4,037 "
	1,487 M	840 M	18,920 M	1,098 M	1,511 M	1,226 M	50 M	382 M	1,536 M	27,050 M

Reports from 29 Members

May 17, 1919.

MAPLE FLOORING SURPLUSES - MAY 1, 1919

13/16" x 1-1/2" Face				2" Face				2-1/4" Face							
	CLEAR		NO. 1		CLEAR		NO. 1		CLEAR		NO. 1		FACTORY		TOTALS	
No.	On Hand	Un-Sold	On Hand	Un-Sold	On Hand	Un-Sold	On Hand	Un-Sold	On Hand	Un-Sold	On Hand	Un-Sold	On Hand	Un-Sold	On Hand	Un-Sold
2					392 M	367 M	193 M	97 M							890 M	617 M
3					283 "	237 "	109 "	99 "	559 M	158 M	305 M	155 M			951 "	494 "
5					345 "	286 "			1091 "	392 "					1436 "	678 "
7													210 M	200 "	210 "	200 "
14									393 "	345 "	171 "	171 "			564 "	516 "
24											269 "	166 "			269 "	166 "
26					213 "	198 "	200 "	155 "			355 "	211 "	101 "	101 "	869 "	665 "
30	99 M	99 M			126 "	120 "									225 "	219 "
34			161 M	161 M							188 "	185 "			349 "	346 "
37							96 "	96 "							96 "	96 "
42	251 "	251 "	275 "	275 "					565 "	435 "	500 "	455 "			1591 "	1416 "
49	241 "	226 "													241 "	226 "
	591 M	576 M	436 M	436 M	1359 M	1208 M	598 M	447 M	2608 M	1330 M	1788 M	1341 M	311 M	301 M	7691 M	5639 M
										Over Sold		Over Sold		Over Sold		Over Sold
Assn.	1498 M	628 M	1122 M	609 M	1717 M	1255 M	924 M	576 M	4913 M	(4943) M	3616 M	(2718) M	1369 M	(1361) M	15159 M	5954 M

May 17, 1919.

1625

SURPLUS MAPLE FLOORING STOCKS MAY 1, 1919

SIZES	CLEAR	Total No.	NO. 1	Total No.	FACTORY	Total No.	Grand Total No.
13/16" x 1-1/2"	No. 30, 45, 49.	3	No. 34, 42.	2	None		5
13/16" x 2"	No. 2, 3, 5, 26, 30.	5	No. 2, 3, 26, 37.	4	None		9
13/16" x 2-1/4"	No. 3, 5, 14, 42.	4	No. 2, 14, 24, 26, 34, 42.	6	No. 7, 26.	2	12
13/16" x 3-1/4"	No. 2, 29.	2	No. 24	1	None		3
1-1/16" All Widths	No. 2, 24, 49.	3	None		No. 2, 24.	2	5
3/8" All Widths	No. 14	1	No. 3	1	None		2
May 1, 1919		18		14		4	36
May 1, 1918		15		17		3	35
Increase		3				1	1
Decrease				3			

Items are listed as Surplus when the Stock on Hand exceeds the Unfilled Orders by about 100 M Feet.

1626 May 17, 1919.

BEECH FLOORING ON HAND MAY 1, 1919.

	13/16 x 1-1/2	13/16 x 2	13/16 x 2-1/4	13/16 x 3-1/4	3/8 All Widths	OTHER KINDS	TOTALS	% Sold
CLEAR	187 M	169 M	1,260 M	66 M	345 M	220 M	2,247 M	21
NO. 1	11 "	28 "	286 "	47 "	67 "	46 "	485 "	19
FACTORY	2 "	3 "	182 "	67 "		107 "	361 "	15
	200 M	200 M	1,728 M	180 M	412 M	373 M	3,093 M	20

BEECH UNFILLED ORDERS ON HAND MAY 1, 1919.

	13/16 x 1-1/2	13/16 x 2	13/16 x 2-1/4	13/16 x 3-1/4	3/8 All Widths	OTHER KINDS	TOTALS
CLEAR	9 M	7 M	268 M	54 M	125 M	8 M	471 M
NO. 1	5 "	7 "	72 "			8 "	92 "
FACTORY			28 "			27 "	55 "
	14 M	14 M	368 M	54 M	125 M	43 M	618 M

Reports from 15 Members

May 17, 1919.

BIRCH FLOORING ON HAND MAY 1, 1919.

	13/16 x 1-1/2	13/16 x 2	13/16 x 2-1/4	13/16 x 3-1/4	3/8 All Widths	OTHER KINDS	TOTALS	% Sold
CLEAR	252 M	46 M	1,033 M	8 M	166 M	105 M	1,610 M	19
NO. 1	14 "	1 "	367 "		10 "	2 "	394 "	36
FACTORY	6 "		66 "				72 "	
	272 M	47 M	1,466 M	8 M	176 M	107 M	2,076 M	21

BIRCH UNFILLED ORDERS ON HAND MAY 1, 1919.

	13/16 x 1-1/2	13/16 x 2-1/4	3/8 All Widths	OTHER KINDS	TOTALS
CLEAR	3 M	208 M	80 M	10 M	301 M
NO. 1	9 "	132 "			141 "
FACTORY					
	12 M	340 M	80 M	10 M	442 M

Reports from 19 Members

May 17, 1919.

RECORD OF THE RECEIPT OF APRIL REPORTS

DATE OF RECEIPT	1919	SUMMARY OF SHIPMENTS April 1919	STOCKS AND UNFILLED ORDERS May 1, 1919	PRODUCTION AND NEW BUSINESS April 1919	CURRENT NET VALUES April 1919
May	1	3-4-34	4	4	4
	2	33			
	3	5-14-29-43 48	29-43-48	3-5-29-43-48	3-5-43-48
	5	1-2-38-44-46	1-34-38-44-46	1-2-34-38-44 46	34-44-46
	6	17-23-26-42	17-23-24-26 33-42	17-23-24-26 33-42	23-33-42
	7	22-24-37-45	7-22-37-45	22-37-45	22-24
	8	30	2-30	30	2-30
	9	39-49	5-39-49	39-49	39-49
	10	50	3-14-50	14-50	14
	12	7		7	7
	14	47	47	47	
	15	6	6	6	

May 17, 1919.

[fols. 1530-1539] GOVERNMENT'S EXHIBIT No. 40-PPP

[Omitted in printing]

[fols. 1540-1549] GOVERNMENT'S EXHIBIT No. 40-QQQ

[Omitted in printing]

[fols. 1550-1559] GOVERNMENT'S EXHIBIT No. 40-RRR

[Omitted in printing]

[fols. 1560-1568] GOVERNMENT'S EXHIBIT No. 40-SSS

[Omitted in printing]

[fols. 1569-1578] GOVERNMENT'S EXHIBIT No. 40-TTT

[Omitted in printing]

[fols. 1579-1588] GOVERNMENT'S EXHIBIT No. 40-UUU

[Omitted in printing]

[fols. 1589-1598] GOVERNMENT'S EXHIBIT No. 40-VVV

[Omitted in printing]

[fols. 1599-1609] GOVERNMENT'S EXHIBIT No. 40-WWW

[Omitted in printing]

[fols. 1610-1619] GOVERNMENT'S EXHIBIT No. 40-XXX

[Omitted in printing]

(Here follows Government's Exhibit No. 40-YYY, marked side folio pages 1620-1629, inclusive)

[fols. 1630-1640] GOVERNMENT'S EXHIBIT No. 40-ZZZ

[Omitted in printing]

[fols. 1641-1650] GOVERNMENT'S EXHIBIT No. 40-AAAA

[Omitted in printing]

[fols. 1651-1660] GOVERNMENT'S EXHIBIT No. 40-BBBB

[Omitted in printing]

[fols. 1661-1670] GOVERNMENT'S EXHIBIT No. 40-CCCC

[Omitted in printing]

[fols. 1671-1680] GOVERNMENT'S EXHIBIT No. 40-DDDD

[Omitted in printing]

[fols. 1681-1688] GOVERNMENT'S EXHIBIT No. 40-EEEE

[Omitted in printing]

[fols. 1689-1696] GOVERNMENT'S EXHIBIT No. 40-FFFF

[Omitted in printing]

[fols. 1697-1704] GOVERNMENT'S EXHIBIT No. 40-GGGG

[Omitted in printing]

[fols. 1705-1712] GOVERNMENT'S EXHIBIT No. 40-HHHH

[Omitted in printing]

[fols. 1713-1720] GOVERNMENT'S EXHIBIT No. 40-IIII

[Omitted in printing]

[fols. 1721-1726] GOVERNMENT'S EXHIBIT No. 40-JJJJ

[Omitted in printing]

[fols. 1727-1732] GOVERNMENT'S EXHIBIT No. 40-KKKK

[Omitted in printing]

[fols. 1733-1739] GOVERNMENT'S EXHIBIT No. 40-LLLL

[Omitted in printing]

[fols. 1740-1745] GOVERNMENT'S EXHIBIT No. 40-MMMM

[Omitted in printing]

[fols. 1746-1754] GOVERNMENT'S EXHIBIT No. 40-NNNN

[Omitted in printing]

[fols. 1755-1764] GOVERNMENT'S EXHIBIT No. 40-OOOO

[Omitted in printing]

[fols. 1765-1774] GOVERNMENT'S EXHIBIT No. 40-PPPP

[Omitted in printing]

[fols. 1775-1785] GOVERNMENT'S EXHIBIT No. 40-QQQQ

[Omitted in printing]

[fols. 1786-1795] GOVERNMENT'S EXHIBIT No. 40-RRRR

[Omitted in printing]

[fols. 1796-1805] GOVERNMENT'S EXHIBIT No. 40-SSSS

[Omitted in printing]

[fols. 1806-1815] GOVERNMENT'S EXHIBIT No. 40-TTTT

[Omitted in printing]

[fols. 1816-1825] GOVERNMENT'S EXHIBIT No. 40-UUUU

[Omitted in printing]

[fols. 1826-1836] GOVERNMENT'S EXHIBIT No. 40-VVVV

[Omitted in printing]

[fols. 1837-1847] GOVERNMENT'S EXHIBIT No. 40-WWWW

[Omitted in printing]

[fols. 1848-1857] GOVERNMENT'S EXHIBIT No. 40-XXXX

[Omitted in printing]

[fols. 1858-1867] GOVERNMENT'S EXHIBIT No. 40-YYYY

[Omitted in printing]

[fols. 1868-1877] GOVERNMENT'S EXHIBIT No. 40-ZZZZ

[Omitted in printing]

[fols. 1878-1888] GOVERNMENT'S EXHIBIT No. 40-AAAAA

[Omitted in printing]

[fols. 1889-1897] GOVERNMENT'S EXHIBIT No. 40-BBBBB

[Omitted in printing]

[fols. 1898-1907] GOVERNMENT'S EXHIBIT No. 40-CCCCC

[Omitted in printing]

[fols. 1908-1917] GOVERNMENT'S EXHIBIT No. 40-DDDDD

[Omitted in printing]

[fols. 1918-1927] GOVERNMENT'S EXHIBIT No. 40-EEEEE

[Omitted in printing]

[fols. 1928-1937] GOVERNMENT'S EXHIBIT No. 40-FFFFF

[Omitted in printing]

[fols. 1938-1947] GOVERNMENT'S EXHIBIT No. 40-GGGGG

[Omitted in printing]

[fols. 1948-1957] GOVERNMENT'S EXHIBIT No. 40-HHHHH

[Omitted in printing]

[fols. 1958-1967] GOVERNMENT'S EXHIBIT No. 40-IIIII

[Omitted in printing]

[fols. 1968-1977] GOVERNMENT'S EXHIBIT No. 40-JJJJJ

[Omitted in printing]

[fols. 1978-1987] GOVERNMENT'S EXHIBIT No. 40-KKKKK

[Omitted in printing]

[fols. 1988-1997] GOVERNMENT'S EXHIBIT No. 40-LLLLL

[Omitted in printing]

[fols. 1998-2007] GOVERNMENT'S EXHIBIT No. 40-MMMMM

[Omitted in printing]

[fols. 2008-2017] GOVERNMENT'S EXHIBIT No. 40-NNNNN

[Omitted in printing]

[fols. 2018-2027] GOVERNMENT'S EXHIBIT No. 40-OOOOO

[Omitted in printing]

[fols. 2028-2037] GOVERNMENT'S EXHIBIT No. 40-PPPPP

[Omitted in printing]

[fols. 2038-2048] GOVERNMENT'S EXHIBIT No. 40-QQQQQ

[Omitted in printing]

(Here follow Government's Exhibits Nos. 40-RRRRR, 41, 41-A, 41-B, 41-C, 41-D, marked side folio pages 2049-2064, inclusive.)

[fol. 2065] GOVERNMENT'S EXHIBIT No. 41-E

[Omitted in printing]

STOCK CONDITIONS AND BAROMETER FOR MARCH 1923

STOCK CONDITIONS - PER CENT SOLD

Grades	MAPLE-BEECH-BIRCH Mar.1 1923	MAPLE-BEECH-BIRCH Mar31 1923	MAPLE-BEECH-BIRCH Mar31 1922	MAPLE Mar.1 1923	MAPLE Mar31 1923	MAPLE Mar31 1922	MAPLE 2-1/4"FACE Mar.1 1923	MAPLE 2-1/4"FACE Mar31 1923	MAPLE 2-1/4"FACE Mar31 1922
Clear	127	159	40	169	217	52	385	559	110
No. 1	194	226	71	199	248	73	561	451	196
Fcty.	177	182	23	199	207	25	501	510	38
All 3	156	183	42	185	225	48	396	507	95

COMPARED WITH

M.B.& B.	A MONTH AGO Clear	No. 1	Fcty.	All Three	A YEAR AGO Clear	No. 1	Fcty.	All Three
Points Up Maple	32	32	5	27	119	155	159	141
Points Up Maple 2¼"	48	49	8	40	165	175	182	177
Points Up	174	90	9	111	449	255	472	412

M F M A B A R O M E T E R F O R M A R C H 1 9 2 3

March 1923 - 1922 Compared
Reports of same 21 Members

STOCKS ON HAND

March 31, 1923		23,161 M
" 31, 1922		34,187
Decrease		11,026
"		32.3 %

UNFILLED ORDERS

March 31, 1923		42,434 M
" 31, 1922		14,905
Increase		27,529
"		184.7 %

SHIPMENTS

March	1923	15,329 M
"	1922	10,611
Increase		4,718
"		44.5 %

PRODUCTION

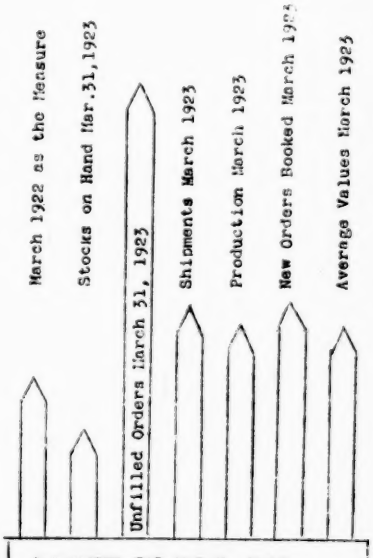
March	1923	12,344 M
"	1922	9,232
Increase		3,112
"		33.7 %

NEW ORDERS BOOKED

March	1923	18,321 M
"	1922	12,323
Increase		5,998
"		48.7 %

AVERAGE VALUES OF
13/16" x 2-1/4" FACE
CLEAR, NO. 1 AND FACTORY
MAPLE FLOORING
FOB MICHIGAN & WISCONSIN MILLS

March	1923	$90.59
"	1922	68.30
Increase		22.29
"		32.6 %



BAROMETER FOR MARCH, 1923

April 17, 1923.

MAPLE BEECH AND BIRCH FLOORING STATISTICS (IN M FEET) MARCH 1923 - 1922 COMPARED.

No.		STOCKS ON HAND March 1923	STOCKS ON HAND 31st 1922	UNFILLED ORDERS March 1923	UNFILLED ORDERS 31st 1922	SHIPMENTS March 1923	SHIPMENTS March 1922	PRODUCTION March 1923	PRODUCTION March 1922	NEW ORDERS March 1923	NEW ORDERS March 1922	STOCK CHANGES 1923 March Incr.	STOCK CHANGES 1923 March Decr.	STOCK CHANGES 1922 Incr.	STOCK CHANGES 1922 Decr.	No.
2	Young	1,256	1,493	2,285	1,027	856	653	731	None	728	1,041		167		726	2
3	Mitchell Bros.	1,967	3,934	1,339	779	194	571	None	805	266	788		223	233		3
5	C. & M. Inc.	4,030	4,719	4,378	716	1,582	750	1,068	1,025	1,413	627		496	263		5
7	Stephenson	638	2,217	1,280	320	902	797	833	771	854	972		79		41	7
14	Cummer-Diggins	640	972	1,791	219	492	315	417	257	1,105	336		75		58	14
22	Osgood & Blodgett	121	181	32	None	23	32	None	32	23	32		26	18		22
23	Holt Hdwd. Co.	1,030	992	2,923	1,155	910	978	751	674	679	912		71		349	23
24	Kerry & Hanson	1,478	2,749	2,095	659	638	352	654	549	711	569	96		129		24
26	East Jordan	561	874	1,681	370	396	185	427	None	627	265		16		124	26
30	Nichols & Cox	1,078	979	1,505	465	1,141	506	1,034	414	1,361	578		101		77	30
33	Strable L.& S.Co.	1,008	1,682	3,426	647	1,212	789	883	792	1,693	483		348		328	33
34	Boster-Latimer	712	1,070	754	90	307	144	255	None	520	90		46		142	34
37	West Michigan	640	940	968	427	373	353	221	297	419	376		162		14	37
42	J. W. Wells L. Co.	1,176	1,980	2,482	1,616	635	507	487	468	445	600		156	38		42
44	Nwm. Cooperage	1,769	2,448	3,059	1,221	1,059	684	837	460	803	798		293		212	44
45	Flanner-Steger	233	699	901	1,270	405	362	352	331	572	838	26		55		45
47	Wm. Horner	1,527	1,639	5,480	3,014	1,926	2,003	1,709	1,687	2,821	2,418		238	193		47
48	North Branch	408	623	640	315	159	235	220	188	200	150	87		2		48
49	Kneeland-Bigelow	1,447	2,033	4,338	307	992	251	938	21	1,791	203		163		63	49
50	Kneeland-McLurg	158	304	504	220	282	107	284	168	322	171		48	68		50
51	Oval Wood Dish	1,284	1,659	573	68	845	37	223	293	968	76		271	252		51
21	Members	23,161	34,187	42,434	14,905	15,329	10,611	12,344	9,232	18,321	12,323	209	2,979	1,251	2,134	21
	Increase Decrease	11,026	32.3%	27,529	184.7%	4,718	44.5%	3,112	33.7%	5,998	48.7%	10.7%	2,770	2.5%	883	
21	March 1923	23,161		42,434		15,329		12,344		18,321		10.7%	2,770	2.5%	883	21
21	February 1923	25,931		38,691		11,619		11,594		15,855		.5%	129	1,265	3.7%	21
	Increase Decrease	2,770	10.7%	3,745	9.7%	3,710	31.9%	750	6.5%	2,466	15.6%					

2050

April 17, 1923.

RECORD OF AVERAGE PRICES REALIZED

FOB Flooring Mills in March 1923 for New Orders Booked for 13/16" x 2-1/4" Clear, No. 1 and Factory Maple Flooring, Standard Grades and Lengths, after deducting Freight.

		CLEAR	NO. 1	FACTORY
GROUP A		March	March	March
Eastern Lower Michigan Mills	No. 2	$108.37	$99.13	$50.41
	24	100.59	93.37	46.73
	33	104.67	94.70	48.76
	49	106.12	96.04	50.57
	Average	105.67	95.40	49.37
GROUP B				
Western Lower Michigan Mills	No. 5	100.07	90.00	
	14	100.43	89.17	41.63
	26	100.57	89.21	45.00
	30	100.17	92.45	46.29
	37	100.12	90.37	45.42
	47	101.01	92.14	48.32
	Average	100.33	90.78	46.35
GROUP C				
All Lower Michigan Mills	Average	101.84	92.98	47.87
GROUP D				
Upper Michigan and Wisconsin Mills	No. 7	106.33	92.35	48.68
	23	101.61	94.33	44.30
	34	102.60	91.67	45.13
	42	101.25	92.40	49.79
	44	102.59	93.23	45.23
	50	100.03	89.37	45.20
	Average	102.62	92.35	46.78
GROUP E				
Michigan & Wisconsin Mills	Average	102.01	92.81	47.31
Tupper Lake, N.Y. Mill	No.51	96.83	93.28	44.77
GROUP F				
St.Paul	No.22	114.23	104.54	51.80
Chicago	48	110.00	100.00	50.00

April 17, 1923. Reports from 19 Members.

MISCELLANEOUS REPORTS MARCH 1923

SHIPMENTS OF EACH WOOD MARCH 1923 - 1922

MARCH	MAPLE	BEECH	BIRCH	TOTAL	SAME MEMBERS
1923	13,897 M	821 M	611 M	15,329 M	21
1922	9,899	455	257	10,611	21
Increase	3,998	366	354	4,718	
Per Cent	40.4 %	80.4 %	137.7 %	44.5 %	

* * * * * * * * *

PRODUCTION BY GRADES

	MAPLE			BEECH			BIRCH			ALL THREE		
Year	Clr.	No.1	Fcty.	Clr	No.1	Fcty.	Clr.	No.1	Fcty.	Clr.	No.1	Fcty.
1916	50	34	16	63	25	12	64	28	8	52	33	15
1917	48	36	16	63	23	14	74	21	5	49	35	16
1918	49	36	15	64	22	14	72	22	6	50	35	15
1919	47	35	18	70	20	10	58	28	14	49	34	17
1920	41	36	23	53	28	19	51	31	18	43	34	23
1921	47	35	18	61	25	14	68	24	8	48	34	18
1922	46	37	17	57	28	15	60	30	10	47	36	17
Avge.	47	35	18	62	24	14	64	26	10	48	35	17
Mar. 1923	39	36	25	58	34	8	64	23	13	41	36	23

* * * * * * * * *

AVERAGE PRICES REALIZED FOB MICHIGAN AND WISCONSIN MILLS

For 13/16" x 2-1/4" Face Maple Flooring
after deducting Freights and Commissions.

MARCH OF EACH YEAR 1916 - 1923 COMPARED					
March	CLEAR as 50%	NO. 1, as 35%	FACTORY as 15%	THE PRODUCT	Mar.1916 as 100%
1916	$42.06	$35.51	$20.45	$36.53	100%
1917	49.55	43.53	28.91	44.35	121
1918	47.90	45.12	34.70	44.95	123
1919	57.20	53.45	45.28	54.10	148
1920	166.89	179.11	143.08	167.60	459
1921	91.67	75.63	40.93	78.45	215
1922	87.23	62.59	18.55	68.30	187
Avge.	77.50	70.71	47.41	70.61	193
*1923	102.01	92.81	47.31	90.59	248

*Commissions not deducted in March 1923.

April 17, 1923.

MAPLE BEECH AND BIRCH FLOORING ON HAND MARCH 31, 1923

	13/16 x 1-1/2	13/16 x 2	13/16 x 2-1/4	13/16 x 3-1/4	1-1/16 All Widths	1-5/16 All Widths	3/8 All Widths	1/2 All Widths	13/16 x 2½ Up Jtd.	OTHER KINDS	TOTALS	% SOLD
CLEAR	1,670M	1,339M	3,454M	896M	630M		2,127M	245M	144M	1,365M	11,870M	159
NO. 1	897	595	2,591	368	701	1M	385	80	264	846	6,728	226
FCTY.	532	259	1,256	168	1,092	2	51	17	278	908	4,563	182
	3,099	2,193	7,301	1,432	2,423	3	2,563	342	686	3,119	23,161	183

MAPLE BEECH AND BIRCH UNFILLED ORDERS ON HAND MARCH 31, 1923.

	13/16 x 1-1/2	13/16 x 2	13/16 x 2-1/4	13/16 x 3-1/4	1-1/16 All Widths	1-5/16 All Widths	3/8 All Widths	1/2 All Widths	13/16 x 2½ Up Jtd.	OTHER KINDS	TOTALS
CLEAR	1,763M	1,711M	12,633M	553M	804M		1,019M	30M	98M	290M	18,901M
NO. 1	969	378	9,674	1,217	1,625	41M	171		723	415	15,213
FCTY.	423	259	5,339	584	743		3		248	721	8,320
	3,155	2,348	27,646	2,354	3,172	41	1,193	30	1,069	1,426	42,434

Reports from 21 members.

April 17, 1923.

MAPLE FLOORING ON HAND MARCH 31, 1923.

	13/16 x 1-1/2	% Sold	13/16 x 2	% Sold	13/16 x 2-1/4	% Sold	13/16 x 3-1/4	1-1/16 All Widths	1-5/16 All Widths	3/8 All Widths	1/2 All Widths	13/16 x 2½ Up Jtd.	OTHER KINDS	TOTALS	% SOLD
CLEAR	1197M	141	875M	169	2054M	559	813M	630M		990M	245M	144M	960M	7,908M	217
NO. 1	777	115	467	77	1944	451	284	701	1M	368	80	264	809	5,695	248
FCTY.	488	86	210	122	1011	510	91	1012	2	50	17	267	640	3,788	207
	2462	122	1552	135	5009	507	1188	2343	3	1408	342	675	2409	17,391	225

MAPLE UNFILLED ORDERS ON HAND MARCH 31, 1923.

	13/16 x 1-1/2	13/16 x 2	13/16 x 2-1/4	13/16 x 3-1/4	1-1/16 All Widths	1-5/16 All Widths	3/8 All Widths	1/2 All Widths	13/16 x 2½ Up Jtd.	OTHER KINDS	TOTALS
CLEAR	1689M	1479M	11,474M	534M	804M		809M	30M	98M	253M	17,170
NO. 1	897	358	8,777	1186	1625	41M	142		723	403	14,152
FCTY.	418	257	5,154	584	663		3		248	507	7,834
	3004	2094	25,405	2304	3092	41	954	30	1069	1163	39,156

2054

Reports from 21 members

April 17, 1923.

SURPLUS MAPLE FLOORING STOCKS MARCH 31, 1923.

SIZE	CLEAR	TOTAL NO.	NO. 1	TOTAL NO.	FACTORY	TOTAL NO.	GRAND TOTAL NO.
13/16x1-1/2"	None	0	None	0	None	0	0
13/16x2"	No. 51	1	None	0	None	0	1
13/16x2-1/4"	None	0	None	0	None	0	0
13/16x3-1/4"	No. 2, 49	2	None	0	None	0	2
1-1/16" All Widths	None	0	None	0	No. 2, 49	2	2
3/8" All Widths	No. 5	1	None	0	None	0	1
March 31, 1923		4		0		2	6
March 31, 1922		24		18		26	68
Decrease		20		18		24	62

Items are listed as Surplus when the Stock on Hand exceeds the Unfilled Orders by about 100 M feet.

2055

April 17, 1923.

MAPLE FLOORING SURPLUSES IN M FEET MARCH 31, 1923

13/16"

CLEAR	NO.	ON HAND	UNSOLD
2" Face	51	186	109
3-1/4" Face	2	309	250
	49	153	146
		462	396
1-1/16" All Faces			
FACTORY	2	126	126
	49	241	176
		367	302
3/8" All Faces			
CLEAR	5	469	143

SUMMARY OF SURPLUSES

13/16"	Surpluses	On Hand	Unsold
Clear	3	648	505
1-1/16"			
Factory	2	367	302
3/8"			
Clear	1	469	143
Total	6	1484	950

April 17, 1923.

BEECH FLOORING ON HAND MARCH 31, 1923

	13/16 x 1-1/2	13/16 x 2	13/16 x 2-1/4	13/16 x 3-1/4	1-1/16 All Widths	3/8 All Widths	13/16 x 2½ Up JTD.	OTHER KINDS	TOTALS	% SOLD
CLEAR	233 M	319 M	782 M	28 M		878 M		303 M	2,543 M	44
NO. 1	47	70	294	77		10		15	513	85
FACTORY	8	21	180	57	20 M		11 M	267	564	68
	288	410	1,256	162	20	888	11	585	3,620	54

BEECH UNFILLED ORDERS ON HAND MARCH 31, 1923

	13/16 x 1-1/2	13/16 x 2	13/16 x 2-1/4	13/16 x 3-1/4	1-1/16 All Widths	3/8 All Widths	OTHER KINDS	TOTALS
CLEAR	25 M	205 M	688 M	6 M		164 M	28 M	1,116 M
NO. 1		5	390	24		9	10	438
FACTORY		2	149		20 M		214	385
	25	212	1,227	30	20	173	252	1,939

Reports from 13 Members.

April 17, 1923.

BIRCH FLOORING ON HAND MARCH 31, 1923.

	13/16 x 1-1/2	13/16 x 2	13/16 x 2-1/4	13/16 x 3-1/4	1-1/16 All Widths	3/8 All Widths	OTHER KINDS	TOTALS	% SOLD
CLEAR	240 M	145 M	618 M	55 M		259 M	102 M	1,419 M	43
NO. 1	73	58	353	7		7	22	520	120
FACTORY	36	28	65	20	60 M	1	1	211	48
	349	231	1,036	82	60	267	125	2,150	62

BIRCH UNFILLED ORDERS ON HAND MARCH 31, 1923.

	13/16 x 1-1/2	13/16 x 2	13/16 x 2-1/4	13/16 x 3-1/4	1-1/16 All Widths	3/8 All Widths	OTHER KINDS	TOTALS
CLEAR	49 M	27 M	471 M	13 M		46 M	9 M	615 M
NO. 1	72	15	507	7		20	2	623
FACTORY	5		36		60 M			101
	126	42	1,014	20	60	66	11	1,339

Reports from 14 Members

April 17, 1923.

RECORD OF RECEIPT OF MARCH 1923 REPORTS

MAPLE BEECH AND BIRCH FLOORING

DATE OF RECEIPT 1923		STOCKS AND UNFILLED ORDERS Mar. 31, 1923	SHIPMENTS Mar. 1923	PRODUCTION AND NEW ORDERS Mar. 1923	AVERAGE PRICES REALIZED Mar. 1923
April	3	23-48	23-48	23-48	23-48
"	4	26-34-44-47-50	3-5-26-34-44-47-50	3-5-26-34-44-47-50	5-34-44-47 50
"	5	7-24	7-14-24	7-24	7-26
"	6	33-42	33-42	33-42	33-42
"	7	22-51	22-51	22-51	22-24-51
"	9	2	2	2	2
"	10	3-5			
"	11	45-49	45-49	45-49	49
"	12	37	37	37	
"	13	14-30	30	14-30	30-37
"	14				14

April 17, 1923.

MAPLE BEECH AND BIRCH FLOORING STATISTICS OF CORRESPONDING MEMBERSHIP FIRST HALF OF 1912 - 1913 COMPARED.

	STOCKS ON HAND		UNFILLED ORDERS		PERCENT OF STOCK SOLD	
	1912	1913	1912	1913	1912	1913
January 1	42,411	31,826	17,671	21,721	42	69
February 1	44,793	33,546	19,492	26,526	44	79
March 1	44,764	34,599	22,146	30,975	49	90
April 1	44,398	35,100	24,387	32,404	54	90
May 1	41,621	34,061	24,813	30,015	58	89
June 1	39,364	33,587	26,392	30,507	66	91
July 1	36,926	33,356	28,171	29,203	73	88
Average	42,038	33,725	23,296	28,764	55	85
Increase				5,468		
Decrease		8,313				
Percent		19.8%		23.4%		

	SHIPMENTS		PRODUCTION		NEW BUSINESS	
	1912	1913	1912	1913	1912	1913
January	9,632	12,519	12,182	14,408	11,892	17,252
February	10,023	12,384	11,128	13,747	10,876	14,286
March	13,526	14,582	12,905	14,425	14,373	14,161
April	14,632	15,154	11,524	13,474	14,406	12,678
May	15,565	14,926	12,990	13,848	16,743	13,876
June	15,631	14,696	12,665	13,884	15,488	12,303
Total	79,009	84,261	73,394	83,786	83,778	84,556
Increase		5,252		10,392		778
Percent		6.6%		14%		.9%

	SHIPMENTS OF EACH WOOD							
	MAPLE		BEECH		BIRCH		TOTAL	
	1912	1913	1912	1913	1912	1913	1912	1913
January	8,884	11,301	428	799	320	419	9,632	12,519
February	9,045	11,153	451	789	527	442	10,023	12,384
March	12,514	13,498	574	640	438	444	13,526	14,582
April	13,313	13,864	695	738	624	552	14,632	15,154
May	14,281	13,710	754	669	530	548	15,565	14,926
June	14,906	13,624	339	656	396	416	15,631	14,696
Total	72,943	77,150	3,241	4,290	2,925	2,821	79,009	84,261
Increase		4,207		1,049		4		5,252
Decrease								
Percent		5.8%		32.4%				6.6%

SEMI-ANNUAL REPORT JULY 17TH, 1913.

COMPARATIVE STOCK CONDITIONS FIRST HALF OF 1912 - 1913.

MAPLE BEECH AND BIRCH FLOORING

PER CENT	CLEAR		NO. 1		FACTORY		ALL GRADES	
SOLD ON	1912	1913	1912	1913	1912	1913	1912	1913
JANY. 1	65	82	47	60	20	43	46	69
FEBY. 1	64	101	43	79	18	45	44	79
MARCH 1	69	112	48	101	21	50	49	90
APRIL 1	81	114	54	106	20	47	54	90
MAY 1	85	112	59	101	24	43	58	89
JUNE 1	94	105	70	107	30	55	66	91
JULY 1	97	97	86	110	40	48	76	88
AVERAGE	79	103	58	98	25	47	56	85

MAPLE FLOORING

	CLEAR		NO. 1		FACTORY		ALL GRADES	
	1912	1913	1912	1913	1912	1913	1912	1913
	76	94	51	88	22	44	51	76
	73	112	46	87	19	49	48	85
	80	131	51	109	23	54	53	100
	90	131	55	116	21	50	58	102
	95	126	61	110	25	47	62	97
	107	114	74	115	31	59	72	99
	113	107	92	118	43	54	83	96
AVERAGE	91	116	61	106	26	51	61	94

MAPLE 2-1/4" FACE

PER CENT	CLEAR		NO. 1		FACTORY		ALL GRADES	
SOLD ON	1912	1913	1912	1913	1912	1913	1912	1913
JANY. 1	128	140	84	120	28	80	78	114
FEBY. 1	121	164	69	136	21	86	70	133
MARCH 1	125	203	78	194	30	88	78	162
APRIL 1	154	197	83	177	31	81	89	155
MAY 1	156	191	76	157	40	72	90	143
JUNE 1	194	160	108	162	50	92	113	141
JULY 1	217	197	156	170	68	71	140	128
AVERAGE	156	170	93	159	38	81	94	139

MAPLE 2" FACE

	CLEAR		NO. 1		FACTORY		ALL GRADES	
	1912	1913	1912	1913	1912	1913	1912	1913
	81	210	31	30	9	40	51	94
	56	182	28	27	10	30	36	81
	69	176	39	34	9	31	45	83
	64	162	25	63	8	31	37	90
	80	150	77	48	6	20	60	85
	78	161	40	62	4	10	46	93
	100	171	54	60	26	14	63	97
AVERAGE	75	173	42	46	10	25	48	89

EX. 41A.

NET CURRENT VALUES - AVERAGE OF MICHIGAN AND WISCONSIN MILLS

13/16" x 2-1/4"

	CLEAR				NO. 1				FACTORY			
	1912	1913	Gain	1913 gains by months	1912	1913	Gain	1913 gains by months	1912	1913	Gain	1913 gains by months
January	$36.79	$40.22	$3.43		$31.93	$33.68	$1.85		$17.49	$19.43	$1.94	
February	37.08	40.58	3.50	$ .36	31.78	34.39	2.61	$ .71	17.49	19.69	2.20	$ .26
March	36.56	42.35	5.79	1.77	31.25	36.10	4.85	1.71	17.04	21.21	4.17	1.52
April	36.15	42.80	6.65	.45	30.82	36.36	5.54	.26	17.26	22.22	4.96	1.01
May	36.70	43.07	6.37	.27	30.94	37.02	6.08	.66	16.87	22.66	5.79	.44
June	36.82	43.81	6.99	.74	31.03	37.76	6.73	.74	17.11	23.53	6.42	.87
Average	36.68	42.14	5.46		31.28	35.89	4.61		17.21	21.46	4.25	
January to June 1913 - Gain				3.59			Gain	4.08			Gain	4.10
January to June 1912 - Gain				.03			Loss	.80			Loss	.38

SEMI-ANNUAL REPORT JULY 19th, 1913.

EX.41B.

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EX.41C.

INDIVIDUAL STATISTICS JANUARY - JUNE 1912-1913 COMPARED.

NO.	NAME	STOCKS ON HAND				UNFILLED ORDERS			
		January 1st		July 1st		January 1st		July 1st	
		1912	1913	1912	1913	1912	1913	1912	1913
1	Wilce	2,931	1,599	2,310	2,261	983	3,170	1,223	4,645
2	Young	2,209	1,867	2,603	1,824	1,150	1,715	2,349	2,393
3	Mitchell	3,094	3,629	2,838	4,224	878	1,197	1,791	583
4	Wis. L.& L.	1,097	562	580	631	1,683	1,824	2,852	3,012
5	C. & M.,Inc.	2,207	2,434	2,081	2,440	1,099	954	1,114	461
6	Forman	926	910	903	595	332	615	239	61
7	I.S.Co.	940	1,302	1,382	1,436	2,305	2,788	3,084	4,098
8	R.& E.Co.	804	1,489	1,132	816	2,763	2,819	3,650	3,328
9	Eastman	2,329	2,071	2,461	2,117	972	651	687	1,145
12	C-D Co.	1,305	594	1,306	291	148	332	827	335
15	Dwight	493	405	307	453	24	51	84	45
17	Schroeder	782	375	475	444	142	178	244	251
22	O.& B.	153	168	249	116	17	62	98	62
24	Kerry & H.	2,020	1,736	1,999	1,600	552	803	1,139	2,001
26	E. Jordan	1,248	672	1,358	822	350	500	665	553
29	Welsh & K.	815	560	796	489	365	78	234	234
30	Nichols & C.	441	481	423	691	208	620	748	186
32	Dennis	2,819	1,205	1,617	1,956	688	542	1,592	817
33	Strable	2,259	837	1,555	1,594	683	336	1,403	1,640
34	P-L Lbr. Co.	839	690	920	420	52	102	270	262
36	White	3,106	612	2,084	959	910	979	1,295	476
37	West Mich.	1,414	925	1,331	1,279	305	176	470	237
38	Connor	860	495	484	200	103	80	300	298
40	Lobdell	484	1,298	776	1,224	72	190	98	341
42	Wells	1,364	1,195	1,422	1,362	402	223	881	334
43	H-W V. Co.	2,055	1,046	1,742	1,399	88	20	142	70
44	Cooperage	1,424	1,055	1,844	1,811	42	379	682	1,334
	SAME 27 MEMBERS	40,228	30,219	36,928	33,356	17,322	21,284	28,171	29,203
*35	Ward Bros.	1,408	1,054	1,389		284	437	799	
							21,721		
*46	Tennant	534	560		816		211		391
*12	B.& V.A.L.Co.				353				572
*41	Eau. L. Co.	243				65			
			31,826						
*45	Plummer		823	823			557	605	
		42,411	32,649	39,140	34,525	17,671	22,499	29,575	30,466

*Incomplete Statistics.

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INDIVIDUAL STATISTICS JANUARY - JUNE 1912-1913 COMPARED.

NO.	NAME	SHIPMENTS 1912	SHIPMENTS 1913	PRODUCTION 1912	PRODUCTION 1913	NEW BUSINESS 1912	NEW BUSINESS 1913	
1	Wilce	4,901	6,717	4,281	7,379	5,353	8,192	
2	Young	4,855	4,888	5,249	4,845	4,585	5,093	
3	Mitchell	4,847	4,452	4,592	5,046	6,037	3,953	
4	Wis. L.& L.	5,212	4,920	4,694	4,990	6,879	6,177	
5	C.& M.,Inc.	5,755	5,813	5,629	5,820	6,047	5,446	
6	Forman	2,608	2,367	2,585	2,053	3,326	2,276	
7	I.S.Co.	6,218	6,832	6,661	6,967	7,396	6,869	
8	R.& E.Co.	3,409	4,328	3,737	3,654	1,600	2,936	
9	Eastman	2,644	2,939	2,775	2,986	2,712	3,546	
14	C-D Co.	1,639	1,795	1,640	1,483	2,315	1,740	
15	Dwight	874	954	687	1,002	801	455	
17	Schroeder	466	703	259	772	201	221	
22	C.& B.	577	682	673	630	259	277	
24	Kerry & H.	2,397	2,701	2,376	2,564	3,302	3,978	
26	E. Jordan	2,467	2,111	2,578	2,261	2,346	1,384	
29	Welsh & K.	1,494	2,293	1,475	2,223	735	2,597	
30	N. & C.	2,612	2,092	2,594	1,302	3,287	1,604	
32	Dennis	3,306	3,398	2,304	4,049	4,636	3,903	
33	Strable	4,738	3,936	4,033	4,693	5,116	6,232	
34	F-L Lbr. Co.	1,399	1,746	1,480	1,475	1,399	1,842	
36	White	3,518	1,903	2,496	2,249	3,802	1,732	
37	West Mich.	2,162	1,905	2,090	2,259	2,348	1,924	
38	Connor	1,696	2,775	1,249	2,480	1,647	2,887	
40	Lobdell	865	1,237	1,158	1,162	795	1,533	
42	Wells	2,059	2,594	2,108	2,761	2,583	2,227	
43	H-W V. Co.	1,192	791	868	1,144	1,196	647	
44	Cooperage	2,245	3,474	2,665	4,231	2,944	4,637	
	SAME 27 MEMBERS	76,135	80,336	72,936	83,480	83,646	84,288	1 Mo.
35	Ward Bros.	80	394	- 320	306	113	268	
					83,786		84,556	
46	Tennant	1,085	954		1,210		1,318	
12	B.& V.A.L.Co.	1,349	2,275		1,588		962	5 Mos.
41	Esc. L. Co.	143		138		19		2 "
45	Flanner	217	302		250		242	1 Mo.
		79,009	84,261	73,394	86,834	83,778	87,078	

[fol. 2066] GOVERNMENT'S EXHIBIT No. 41-F
[Omitted in printing]

[fol. 2067] GOVERNMENT'S EXHIBIT No. 41-G
[Omitted in printing]

[fol. 2068] GOVERNMENT'S EXHIBIT No. 41-H
[Omitted in printing]

[fol. 2069] GOVERNMENT'S EXHIBIT No. 41-I
[Omitted in printing]

[fol. 2070] GOVERNMENT'S EXHIBIT No. 41-J
[Omitted in printing]

[fol. 2071] GOVERNMENT'S EXHIBIT No. 41-K
[Omitted in printing]

[fol. 2072] GOVERNMENT'S EXHIBIT No. 41-L
[Omitted in printing]

[fol. 2073] GOVERNMENT'S EXHIBIT No. 41-M
[Omitted in printing]

[fol. 2074] GOVERNMENT'S EXHIBIT No. 41-N
[Omitted in printing]

[fol. 2075] GOVERNMENT'S EXHIBIT No. 41-O
[Omitted in printing]

[fol. 2076] GOVERNMENT'S EXHIBIT No. 41-P
[Omitted in printing]

[fol. 2077] GOVERNMENT'S EXHIBIT No. 41-Q
[Omitted in printing]

[fol. 2078] GOVERNMENT'S EXHIBIT No. 41-R
[Omitted in printing]

[fol. 2079] GOVERNMENT'S EXHIBIT No. 41-S
[Omitted in printing]

[fol. 2080] GOVERNMENT'S EXHIBIT No. 41-T
[Omitted in printing]

[fol. 2081] GOVERNMENT'S EXHIBIT No. 41-U
[Omitted in printing]

[fol. 2082] GOVERNMENT'S EXHIBIT No. 41-V
[Omitted in printing]

[fol. 2083] GOVERNMENT'S EXHIBIT No. 41-W
[Omitted in printing]

[fol. 2084] GOVERNMENT'S EXHIBIT No. 41-X
[Omitted in printing]

[fol. 2085] GOVERNMENT'S EXHIBIT No. 41-Y
[Omitted in printing]

[fol. 2086] GOVERNMENT'S EXHIBIT No. 41-Z
[Omitted in printing]

[fol. 2087] GOVERNMENT'S EXHIBIT No. 41-AA
[Omitted in printing]

[fol. 2088] GOVERNMENT'S EXHIBIT No. 41-BB
[Omitted in printing]

[fol. 2089] GOVERNMENT'S EXHIBIT No. 41-CC
[Omitted in printing]

[fol. 2090] GOVERNMENT'S EXHIBIT No. 41-DD
[Omitted in printing]

[fol. 2091] GOVERNMENT'S EXHIBIT No. 41-EE
[Omitted in printing]

[fol. 2092] GOVERNMENT'S EXHIBIT No. 41-FF
[Omitted in printing]

[fol. 2093] GOVERNMENT'S EXHIBIT No. 41-GG
[Omitted in printing]

BAROMETER - FIRST HALF 1923 STATISTICS

STATISTICS OF CORRESPONDING MEMBERS

AVERAGE STOCKS

First Half	1923	23,534 M
" "	1922	33,046 "
Decrease		9,512 "
"		28.8 %

AVERAGE UNFILLED ORDERS

First Half	1923	35,605 M
" "	1922	17,988 "
Increase		17,617 "
"		97.9 %

SHIPMENTS

First Half	1923	81,019 M
" "	1922	66,368 "
Increase		14,651 "
"		22.1 %

PRODUCTION

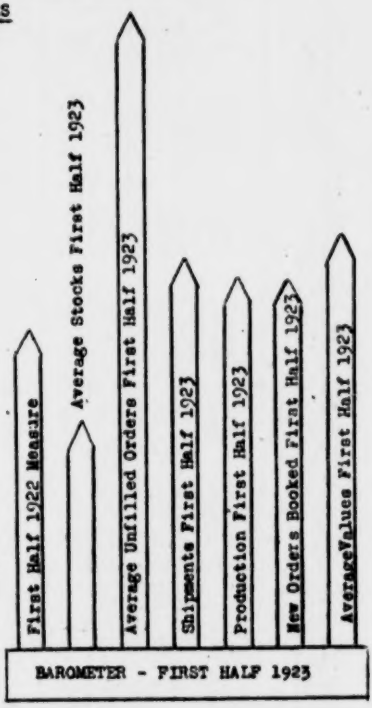
First Half	1923	73,395 M
" "	1922	63,598 "
Increase		9,797 "
"		15.4 %

NEW ORDERS BOOKED

First Half	1923	85,091 M
" "	1922	74,017 "
Increase		11,074 "
"		15 %

AVERAGE VALUES - FOB MICHIGAN AND WISCONSIN MILLS

First Half	1923	$90.86
" "	1922	70.88
Increase		19.98
"		28.2%



* * * *

AVERAGE STOCK CONDITIONS - PER CENTS SOLD

Grade	Maple Beech & Birch First Half 1923	1922	Points Up	Maple First Half 1923	1922	Points Up	Maple 2-1/4"Face First Half 1923	1922	Points Up
Clear	131	54	77	183	70	113	531	149	382
No. 1	201	100	101	217	104	113	419	408	11
Factory	152	30	122	172	32	140	523	60	463
All 3	155	56	99	192	65	127	476	144	332

AVERAGE VALUES FOB MICH.& WIS.MILLS FOR 13/16"x2-1/4"MAPLE FLOORING

First Half	Clear	No. 1	Factory	The Product
1923	$102.68	$92.55	$47.49	$90.86
1922	88.83	66.31	21.68	70.88
Increase	13.85	26.24	25.81	19.98
Per cent	15.6%	39.6%	119%	28.2%

MAPLE BEECH AND BIRCH FLOORING STATISTICS OF CORRESPONDING MEMBERSHIP - FIRST HALF 1923 - 1922 COMPARED

DATE	Members	STOCKS ON HAND 1923	STOCKS ON HAND 1922	UNFILLED ORDERS 1923	UNFILLED ORDERS 1922	SHIPMENTS 1923	SHIPMENTS 1922	PRODUCTION 1923	PRODUCTION 1922	NEW ORDERS 1923	NEW ORDERS 1922	Month
Jan.1	22	28,214M	32,966M	24,642M	15,112M					25,337	7252	Jan.
Jan.31	22	28,113	35,616	38,733	13,212	14157	8966	14,876	11846	17,488	8714	Feb.
Feb.28	22	28,193	36,996	43,860	12,959	12,320	8400	12,196	9984	18,321	12,323	March
Mar.31	21	23,161	34,187	42,434	14,905	15,329	10,611	12,344	9232	10,924	13,902	April
Apr.30	21	19,060	33,467	36,722	18,426	15,181	10,429	11,401	9478	8,034	18,367	May
May 31	21	19,131	30,215	34,578	25,109	12,999	13,725	12,069	11031	4,987	13,439	June
June30	21	18,867	27,877	28,265	26,193	11,033	14,237	10,509	12025			
Avge.		23,534	33,046	35,605	17,988	81,019	66,368	73,395	63596	85,091	74,017	Totals
Increase Decrease		9,512	28.8%	17,617	97.9%	14,651	22.1%	9,797	15.4%	11,074	15%	

SHIPMENTS OF EACH WOOD - TOTALS OF CORRESPONDING MEMBERSHIP

Month	Members	MAPLE 1923	MAPLE 1922	BEECH 1923	BEECH 1922	BIRCH 1923	BIRCH 1922	TOTALS 1923	TOTALS 1922
January	22	12,756	8,067	654	504	747	395	14,157	8,966
February	22	11,121	7,747	530	478	669	175	12,320	8,400
March	21	13,897	9,899	821	455	611	257	15,329	10,611
April	21	13,452	9,502	1,072	709	657	218	15,181	10,429
May	21	11,559	12,611	706	646	734	468	12,999	13,725
June	21	10,109	12,931	523	824	401	462	11,033	14,237
Totals		72,894	60,757	4,306	3,616	3,819	1,995	81,019	66,368
Increase		12,137	20%	690	19.1%	1,824	91.4%	14.651	22.1%

EX.41-2 V.

TREND OF CURRENT NET VALUES - BASED ON AVERAGES OF MICHIGAN & WISCONSIN MILLS - GROUP E

For 13/16" x 2-1/4" MAPLE

	CLEAR			NO.1			FACTORY			THE PRODUCT		
Month	1923	1922	1921	1923	1922	1921	1923	1922	1921	1923	1922	1921
January	$95.91	88.36	96.20	85.84	62.57	81.26	36.36	21.13	50.93	83.76	69.26	85.19
February	99.13	86.03	99.20	86.87	62.36	84.13	40.72	20.43	48.09	86.76	68.91	86.26
March	102.01	87.23	91.67	92.81	62.59	75.63	47.31	18.55	40.93	90.59	68.30	78.45
April	105.67	88.60	89.18	95.40	64.43	66.61	50.73	19.57	33.36	93.63	69.89	72.91
May	107.50	89.90	87.96	96.65	69.96	62.53	53.35	27.12	28.51	95.58	72.90	70.15
June	105.85	90.64	89.35	95.73	75.96	64.91	54.43	27.26	30.56	94.60	76.00	71.98
Average	102.68	88.83	92.60	92.55	66.31	72.52	47.49	21.68	38.74	90.86	70.86	77.49

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EX.41-3 M.

COMPARATIVE STOCK CONDITIONS - FIRST HALF 1923 - 1922

MAPLE BEECH AND BIRCH FLOORING

PERCENT SOLD ON	CLEAR		NO. 1		FACTORY		ALL GRADES	
	1923	1922	1923	1922	1923	1922	1923	1922
Jan. 1	74	58	115	73	85	14	87	45
Jan.31	118	45	178	60	133	11	138	36
Feb.28	127	41	194	52	177	14	156	34
Mar.31	159	40	226	71	182	23	183	42
Apr.30	159	47	272	105	169	31	193	55
May 31	153	68	229	156	178	50	181	83
Jun.30	128	77	192	180	142	64	150	96
Average	131	54	201	100	152	30	155	56

MAPLE FLOORING

	CLEAR		NO. 1		FACTORY		ALL GRADES	
	1923	1922	1923	1922	1923	1922	1923	1922
Jan. 1	98	70	125	76	98	14	106	48
Jan.31	160	54	191	62	148	12	167	39
Feb.28	169	51	199	54	199	15	185	38
Mar.31	217	52	248	73	207	25	225	48
Apr.30	225	63	295	110	194	33	240	64
May 31	229	95	255	162	194	54	230	99
Jun.30	184	105	209	191	163	69	189	116
Average	183	70	217	104	172	32	192	65

MAPLE 2-1/4" FACE

PERCENT SOLD ON	CLEAR		NO. 1		FACTORY		ALL GRADES	
	1923	1922	1923	1922	1923	1922	1923	1922
Jan. 1	259	154	321	222	270	18	280	93
Jan.31	411	112	407	165	389	13	405	74
Feb.28	385	102	361	127	501	19	396	70
Mar.31	559	110	451	196	510	38	507	95
Apr.30	750	127	573	385	554	61	639	142
May 31	807	195	487	692	776	115	652	233
Jun.30	546	240	324	1070	659	153	453	304
Average	531	149	419	408	523	60	476	144

MAPLE 2" FACE

	CLEAR		NO. 1		FACTORY		ALL GRADES	
	1923	1922	1923	1922	1923	1922	1923	1922
Jan. 1	110	27	64	54	67	2	94	20
Jan.31	120	17	86	42	108	6	110	16
Feb.28	109	17	80	44	91	15	101	20
Mar.31	169	22	77	87	122	14	135	26
Apr.30	152	33	94	114	161	21	138	36
May 31	220	42	76	159	134	38	169	54
Jun.30	165	37	38	119	119	28	127	46
Average	149	28	74	88	115	18	125	31

SURPLUSES IN MAPLE FLOORING STOCKS

	CLEAR		NO. 1		FACTORY		ALL GRADES	
	1923	1922	1923	1922	1923	1922	1923	1922
Jan. 1	15	22	6	14	6	34	27	70
Jan.31	11	22	1	16	5	34	17	72
Feb.28	6	24	1	20	3	34	12	78
Mar.31	4	24	0	18	2	26	6	68
Apr.30	2	22	0	15	2	23	4	60
May 31	3	17	1	13	2	14	6	44
Jun.30	3	14	2	10	3	10	8	34
Average	6	21	2	15	3	25	11	61

MAPLE BEECH AND BIRCH FLOORING STATISTICS (In M Feet) FIRST HALF 1923 AND 1922 COMPARED

Present Mbrs.	STOCKS ON HAND JANUARY 1ST 1923	STOCKS ON HAND JANUARY 1ST 1922	STOCKS ON HAND JUNE 30TH 1923	STOCKS ON HAND JUNE 30TH 1922	UNFILLED ORDERS JANUARY 1ST 1923	UNFILLED ORDERS JANUARY 1ST 1922	UNFILLED ORDERS JUNE 30TH 1923	UNFILLED ORDERS JUNE 30TH 1922	SHIPMENTS JANUARY-JUNE 1923	SHIPMENTS JANUARY-JUNE 1922	PRODUCTION JANUARY-JUNE 1923	PRODUCTION JANUARY-JUNE 1922	NEW ORDERS JANUARY-JUNE 1923	NEW ORDERS JANUARY-JUNE 1922	Present Mbrs
2	1,382	1,623	1,202	1,422	1,239	628	1,477	1,796	4,308	3,715	4,382	3,633	4,540	4,911	2
3	3,067	3,415	598	3,694	1,290	1,033	208	1,462	2,335	4,522	None	4,768	1,316	5,001	3
5	4,115	3,690	2,750	4,238	2,837	1,025	1,426	1,887	7,524	4,801	6,160	5,400	6,417	5,791	5
7	659	1,776	366	515	837	63	469	1,338	4,785	4,989	4,450	4,360	5,151	4,585	7
14	446	831	454	602	351	120	760	785	2,355	1,806	2,363	1,580	2,862	2,463	14
22	124	161	101	168	None	None	None	10	146	205	74	207	146	145	22
23	940	1,175	993	681	1,979	1,200	2,255	1,516	4,519	3,774	4,459	3,736	3,776	3,490	23
24	1,301	2,580	761	1,967	1,247	551	1,581	1,622	3,746	3 488	3,329	3,066	4,041	4,852	24
26	651	1,481	361	803	890	546	1,199	969	2,251	1,207	2,084	674	2,681	2,009	26
30	1,113	1,177	1,317	1,048	611	455	1,069	905	5,627	2,929	5,784	2,786	6,200	3,236	30
33	1,745	1,689	737	1,626	1,296	626	2,580	1,625	6,252	4,264	5,301	4,440	6,953	4,788	33
34	579	903	519	500	304	93	483	487	1,565	821	1,499	517	1,661	1,139	34
37	937	1,020	675	916	323	363	579	603	1,751	2,168	1,612	2,067	2,207	2,557	37
42	1,516	1,767	1,283	1,801	1,112	823	1,992	2,146	3,273	2,834	2,811	2,879	3,863	3,023	42
44	1,613	2,008	1,135	1,563	2,451	1,229	2,084	1,850	4,961	4,856	4,424	4,369	4,509	5,318	44
45	204	633	274	283	789	156	884	1,532	2,287	2,507	2,248	2,195	2,577	3,386	45
47	1,445	1,279	2,588	1,710	2,814	3,607	3,717	3,651	11,260	10,520	11,466	10,535	9,908	10,706	47
48	119	638	256	324	230	295	512	217	1,126	1,313	1,270	847	1,000	970	48
49	1,751	2,160	1,230	1,538	1,683	586	4,535	1,251	5,449	2,339	5,426	1,645	7,463	2,638	49
50	117	323	151	139	201	162	264	345	1,277	1,089	1,334	778	1,200	1,142	50
51	2,118	926	1,116	1,938	339	18	91	196	2,611	618	1,429	1,514	2,270	758	51
(21)	25,942	31,255	18,867	27,877	22,823	13,579	28,265	26,193	79,408	65,065	71,905	62,116	80,831	72,908	(21)
Incr. Decr.	5,313	17%	9,010	32.3%	9,244	68.1%	2,072	7.9%	14,343	22%	9,789	15.8%	7,923	10.9%	

EX.41-2 Y.

TREND OF CURRENT NET VALUES - BASED ON AVERAGE OF MICHIGAN AND WISCONSIN MILLS

FOR 13/16" x 2-1/4"	CLEAR			NO. 1			FACTORY		
	1912	1913	Gain	1912	1913	Gain	1912	1913	Gain
JANUARY	$36.79	$40.22	$3.43	$31.83	$33.68	$1.85	$17.49	$19.43	$1.94
FEBRUARY	37.08	40.58	3.50	31.78	34.39	2.61	17.49	19.69	2.20
MARCH	36.56	42.35	5.79	31.25	36.10	4.85	17.04	21.21	4.17
APRIL	36.15	42.80	6.65	30.72	36.36	5.64	17.26	22.22	4.96
MAY	36.70	43.07	6.37	30.94	37.02	6.08	16.87	22.66	5.79
JUNE	36.82	43.81	6.99	31.03	37.76	6.73	17.11	23.53	6.42
JULY	37.18	43.75	6.67	31.24	37.94	6.70	17.58	23.57	5.99
AUGUST	37.79	43.80	6.01	31.78	38.31	6.53	18.15	23.43	5.28
SEPTEMBER	38.79	*42.25	3.46	32.48	*37.66	5.17	18.34	*22.64	4.30
OCTOBER	38.93	42.39	3.46	32.61	37.18	4.57	18.25	21.93	3.68
NOVEMBER	39.67	42.25	2.58	32.61	37.35	4.74	18.50	21.69	3.19
DECEMBER	39.82	42.54	2.72	33.04	37.38	4.34	18.83	22.10	3.27
AVERAGE	37.69	42.49	4.80	31.80	36.76	4.96	17.74	22.01	4.27
LOW POINT	April	Jany.		April	Jany.		May	Jany.	
HIGH POINT	Dec.	July		Dec.	Aug.		Dec.	July	

*New method of reporting commenced with September 1913.

PRODUCTION BY GRADES

	MAPLE			BEECH			BIRCH			ALL THREE		
GRADE	1913	1912	1911	1913	1912	1911	1913	1912	1911	1913	1912	1911
CLEAR	50%	50%	49%	63%	60%	63%	70%	71%	60%	51%	51%	51%
NO 1	35	34	34	21	22	20	24	21	27	34	33	32
FACTORY	15	16	17	16	18	17	6	8	13	15	16	17
	100	100	100	100	100	100	100	100	100	100	100	100

GOV. EXHIBIT 42.

TREND OF CURRENT NET VALUES - AVERAGE OF MICHIGAN AND WISCONSIN MILLS

13/16" x 2½"	CLEAR			NO. 1			FACTORY		
	1912	1913	1914	1912	1913	1914	1912	1913	1914
January	$36.79	$40.22	$42.39	$31.83	$33.68	$37.81	$17.49	$19.43	$22.19
February	37.08	40.58	42.59	31.78	34.39	37.38	17.49	19.69	22.10
March	36.56	42.35	42.19	31.25	36.10	37.10	17.04	21.21	21.56
April	36.15	42.80	41.98	30.82	36.36	36.83	17.26	22.22	21.65
May	36.70	43.07	42.08	30.94	37.02	36.17	16.87	22.66	21.21
June	36.82	43.81	41.60	31.03	37.76	36.40	17.11	23.53	20.94
Average	36.68	42.14	42.14	31.28	35.89	36.95	17.21	21.46	21.61

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GOV. EX. 42.

TREND OF CURRENT NET VALUES - BASED ON AVERAGE OF MICHIGAN AND WISCONSIN MILLS GROUP E

FOR 13/16"x 2-1/4"	CLEAR			NO. 1			FACTORY		
MONTH	1912	1913	1914	1912	1913	1914	1912	1913	1914
January	$36.79	$40.22	$42.39	$31.83	$35.68	$37.61	$17.49	$19.43	$22.19
February	37.08	40.58	42.59	31.78	34.39	37.38	17.49	19.69	22.10
March	36.56	42.35	42.19	31.25	36.10	37.10	17.04	21.21	21.56
April	36.15	42.60	41.98	30.82	36.36	36.83	17.26	22.22	21.65
May	36.70	43.07	42.08	30.94	37.02	36.17	16.87	22.66	21.21
June	36.82	43.81	41.60	31.03	37.76	36.40	17.11	23.53	20.94
July	37.18	43.85	40.85	31.24	37.94	36.02	17.58	23.57	21.66
August	37.79	43.80	41.11	31.78	38.31	36.51	18.15	23.43	21.85
September	38.79	*42.25	40.95	32.48	*37.66	36.62	18.34	*22.64	21.86
October	38.93	42.39	40.86	32.61	37.18	35.95	18.25	21.93	21.15
November	39.67	42.25	39.78	32.61	37.35	35.36	18.50	21.69	20.71
December	39.62	42.54	40.18	33.04	37.38	35.25	18.83	22.10	19.84
Average	37.69	42.49	41.38	31.80	36.76	36.45	17.74	22.01	21.39
Low Point	April	Jany.	Nov.	April	Jany.	Dec.	May	Jany.	Dec.
High Point	Dec.	July	Feby.	Dec.	Aug.	Jany.	Dec.	July	Jany.

* New method of reporting commenced with September 1913.

PRODUCTION BY GRADES

	MAPLE				BEECH				BIRCH				ALL THREE			
GRADE	1914	1913	1912	1911	1914	1913	1912	1911	1914	1913	1912	1911	1914	1913	1912	1911
CLEAR	51%	50%	50%	49%	67%	63%	60%	63%	67%	70%	71%	60%	52%	51%	51%	51%
No 1	35	35	34	34	21	21	22	20	25	24	21	27	34	34	33	32
FACTORY	14	15	16	17	12	16	18	17	8	6	8	13	14	15	16	17
	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

GOV. EX. 42.

TREND OF CURRENT NET VALUES - BASED ON AVERAGE OF MICHIGAN AND WISCONSIN MILLS GROUP E

FOR 13/16" x 2½"	CLEAR			NO. 1			FACTORY		
MONTH	1915	1914	1913	1915	1914	1913	1915	1914	1913
January	$40.01	$42.39	$40.22	$35.34	$37.81	$33.68	$20.41	$22.19	$19.43
February	40.07	42.59	40.58	35.43	37.38	34.39	20.38	22.10	19.69
March	39.29	42.19	42.35	34.91	37.10	36.10	19.96	21.56	21.21
April	39.26	41.98	42.80	34.76	36.83	36.36	19.62	21.65	22.22
May	38.70	42.08	43.07	34.80	36.17	37.02	19.64	21.21	22.66
June	38.69	41.60	43.81	34.53	36.40	37.76	18.98	20.94	23.53
July	38.61	40.85	43.85	33.81	36.02	37.94	18.58	21.66	23.57
August	38.15	41.11	43.80	33.59	36.51	38.31	18.87	21.85	23.43
September	38.36	40.95	*42.25	33.63	36.62	*37.66	18.64	21.86	*22.64
October	38.73	40.86	42.39	33.04	35.95	37.18	18.77	21.15	21.93
November	39.46	39.78	42.25	33.53	35.36	37.35	18.73	20.71	21.69
December	39.77	40.16	42.54	34.37	35.25	37.38	19.02	19.84	22.10
Average	39.09	41.38	42.49	34.31	36.45	36.76	19.30	21.39	22.01
High Point	Feb.	Feb.	July	Feb.	Jan.	Aug.	Jan.	Jan.	July
Low Point	Aug.	Nov.	Jan.	Oct.	Dec.	Jan.	July	Dec.	Jan.

* Present method of reporting commenced with September 1913.

PRODUCTION BY GRADES

	MAPLE			BEECH			BIRCH			ALL THREE		
GRADE	1915	1914	1913	1915	1914	1913	1915	1914	1913	1915	1914	1913
CLEAR	50%	51%	50%	66%	67%	63%	72%	67%	70%	52%	52%	51%
No 1	35	35	35	22	21	21	22	25	24	33	34	34
FACTORY	15	14	15	12	12	16	6	8	6	15	14	15
	100	100	100	100	100	100	100	100	100	100	100	100

GOV.EX. 42.

TREND OF CURRENT NET VALUES - BASED ON AVERAGE OF MICHIGAN AND WISCONSIN MILLS GROUP E

FOR 13/16" x 2¼"	CLEAR			NO. 1			FACTORY		
MONTH	1916	1915	1914	1916	1915	1914	1916	1915	1914
January	$41.35	$40.01	$42.39	$34.87	$35.34	$37.81	$19.37	$20.41	$22.19
February	41.94	40.07	42.59	35.49	35.43	37.38	19.96	20.38	22.10
March	42.06	39.29	42.19	35.51	34.91	37.10	20.45	19.96	21.56
April	42.01	39.26	41.98	35.83	34.76	36.83	20.84	19.62	21.65
May	42.60	38.70	42.08	36.00	34.80	36.17	20.45	19.64	21.21
June	41.49	38.69	41.60	35.28	34.53	36.40	21.04	18.98	20.94
July	42.98	38.61	40.85	36.28	33.81	36.02	21.39	18.58	21.66
August	42.79	38.15	41.11	36.35	33.59	36.51	21.81	18.87	21.85
September	43.46	38.36	40.95	36.82	33.63	36.62	22.49	18.64	21.86
October	44.07	38.73	40.86	37.53	33.04	35.95	23.06	18.77	21.15
November	45.20	39.46	39.78	38.29	33.53	35.36	23.79	18.73	20.71
December	46.16	39.77	40.18	40.04	34.37	35.25	25.92	19.02	19.84
Average	43.01	39.09	41.38	36.52	34.31	36.45	21.71	19.50	21.39
High Point	Dec.	Feb.	Feb.	Dec.	Feb.	Jan.	Dec.	Jan.	Jan.
Low Point	Jan.	Aug.	Nov.	Jan.	Oct.	Dec.	Jan.	July	Dec.

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CONTRAST OF CURRENT NET VALUES WITH STOCK CONDITIONS - MAPLE FLOORING

13/16" x 2¼"	CLEAR		NO. 1		FACTORY		ALL THREE GRADES	
YEAR	Average Value	Average % Sold	Average Value	Average % Sold	Average Value	Average % Sold	Average Value	Average % Sold
1916	$43.01	224	$36.52	154	$21.71	167	$37.54	177
1915	39.09	153	34.31	59	19.30	35	34.45	79
1914	41.38	123	36.45	108	21.39	70	36.66	105

BASIS

Clear	50%
# 1	35%
Facty.	15%
	100%

GOV. EX. 42.

TREND OF AVERAGE PRICES REALIZED FOB MICHIGAN AND WISCONSIN MILLS

FOR 13/16 x 2-1/4" FACE MAPLE FLOORING AFTER DELUCTING FREIGHT TO DESTINATION AND COMMISSIONS FOR SELLING.

	CLEAR AS 50%		NO. 1 AS 35%		FACTORY AS 15%		THE PRODUCT	YEAR 1916 AS 100%
Year 1916	$43.01	100 %	36.52	100 %	21.71	100 %	37.54	100 %
" 1917	49.80	115 "	44.80	123 "	31.58	145 "	45.32	121 "
" 1918	53.26	124 "	50.11	137 "	40.62	187 "	50.26	134 "
" 1919	73.87	172 "	69.32	190 "	58.32	268 "	69.94	186 "
" 1920	158.27	368 "	150.94	413 "	114.79	528 "	149.18	397 "
Five Year Avge.	75.64	176 "	70.34	193 "	53.40	245 "	70.45	188 "
Half 1921	92.60	215 "	72.52	199 "	38.74	178 "	77.49	206 "

* * * *

TREND OF MARKET VALUES OF ROUGH MAPLE FLOORING LUMBER

	M 1 Comm. AS 64%	M 2 Comm. AS 28%	M 3 Comm. AS 8%	Average Cost of 1 M Lumber allowing 20% waste	1 M Flooring	1916 AS 100%
Mar. 1916	$24.00	18.00	12.00	21.36	26.70	100 %
Mar. 1917	30.00	25.00	15.00	27.40	34.25	128 "
May 1918	33.00	28.00	23.00	30.80	38.50	144 "
July 1919	36.00	31.00	26.00	33.80	42.25	158 "
Nov. 1919	45.00	37.00	31.00	41.64	52.05	195 "
Dec. 1919	60.00	52.00	45.00	56.56	70.70	265 "
Mar. 1920	105.00	80.00	70.00	95.20	119.00	446 "
Sept.1920	94.00	66.00	56.00	83.12	103.90	389 "
Five Year Average	53.00	42.00	35.00	48.74	60.92	228 "
Jan. 1921	60.00	35.00	25.00	50.20	62.75	235 "
May 1921	50.00	35.00	25.00	43.80	54.75	205 "

TREND OF MANUFACTURING AND MARKETING COSTS

	Average Cost of Manufacturing and Marketing		1916 AS 100%
1916	$11.20		100 %
1917	12.79		114 "
1918	17.62		157 "
1919	18.97		169 "
1920	23.48		210 "
Avge.	16.81		150 "
Half 1921	22.40		200 "

GOV. EX. 42.

TREND OF AVERAGE PRICES REALIZED FOR MICHIGAN & WISCONSIN MILLS - GROUP E

For 13/16" x 2-1/4" MAPLE

Month	CLEAR 1922	CLEAR 1921	CLEAR 1920	NO. 1 1922	NO. 1 1921	NO. 1 1920	FACTORY 1922	FACTORY 1921	FACTORY 1920	THE PRODUCT 1922	THE PRODUCT 1921	THE PRODUCT 1920
January	$88.38	98.20	129.53	62.57	81.28	123.68	21.13	50.93	103.84	69.26	85.19	123.63
February	88.03	99.20	159.07	62.36	84.13	149.20	20.43	48.09	128.57	68.91	86.26	151.04
March	87.23	91.67	166.89	62.59	75.63	179.11	18.55	40.93	143.08	68.30	78.45	167.60
April	86.80	89.18	181.00	64.43	66.61	177.84	19.57	33.38	148.72	69.89	72.91	175.05
May	89.90	87.98	176.22	69.96	62.53	172.12	23.12	28.51	153.47	72.90	70.15	171.37
June	90.64	89.35	173.61	75.96	64.91	170.57	27.28	30.58	136.20	76.00	71.98	166.93
July	92.66	89.16	177.37	79.64	64.25	167.72	32.17	27.90	131.57	79.03	71.25	167.12
August	94.46	88.71	175.84	83.67	59.53	166.57	33.51	23.15	117.60	81.54	68.31	164.86
September	95.34	86.94	164.98	85.18	56.94	156.79	35.66	19.62	97.12	82.83	66.34	151.69
October	95.66	83.87	148.47	85.63	54.25	140.56	35.79	18.77	82.58	83.17	63.74	135.82
November	95.24	85.12	134.14	85.56	56.03	114.47	36.69	20.11	71.66	83.07	65.19	117.89
December	95.56	88.08	110.08	85.54	62.59	93.36	36.64	20.77	63.04	83.22	69.06	97.18
Average	91.83	89.73	158.27	75.26	65.72	150.94	28.38	30.23	114.79	76.51	72.40	149.18
High	Oct.	Feb.	Apr.	Oct.	Feb.	Mar.	Nov.	Jan.	May	Dec.	Feb.	Apr.
Low	Mar.	Oct.	Dec.	Feb.	Oct.	Dec.	Mar.	Oct.	Dec.	Mar.	Oct.	Dec.

CONTRAST OF AVERAGE PRICES REALIZED WITH STOCK CONDITIONS - MAPLE FLOORING

13/16" x 2-1/4" CLEAR YEAR	Average Value	Average % Sold	NO. 1 Average Value	NO. 1 Average % Sold	FACTORY Average Value	FACTORY Average % Sold	THE PRODUCT Average Value	THE PRODUCT Average % Sold	YEAR	AVERAGE VALUES Year 1916 as Normal or 100%
1922	$91.83	209	75.26	579	28.38	143	76.51	234	1922	204
1921	89.73	134	65.72	98	30.23	13	72.40	55	1921	193
1920	158.27	856	150.94	564	114.79	234	149.18	522	1920	397
1919	75.87	734	69.32	504	58.32	446	69.94	555	1919	186
1918	53.26	92	50.11	83	40.62	189	50.26	97	1918	134
1917	49.80	185	44.80	243	31.58	330	45.32	217	1917	121
1916	43.01	224	36.52	154	21.71	167	37.54	177	1916	100
1915	39.09	153	34.31	59	19.30	35	34.45	79	1915	92
1914	41.38	123	36.45	108	21.39	70	36.66	105	1914	98
1913	42.49	140	36.76	151	22.01	73	37.42	122	1913	100
1912	37.69	207	31.80	144	17.74	57	32.64	126	1912	87
10 Yr.Avge	62.86	285	55.67	211	37.77	161	56.56	206		151

Average Value of 13/16x2-1/4"Maple Flooring product is based upon 50% Clear,35% No.1 and 15% Factory.

GOV. EX. 43
ANNUAL REPORT
January 20,1923.

TREND OF AVERAGES OF SALES

13/16 x 2-1/4" FACE MAPLE FLOORING STANDARD GRADES AND LENGTHS

COMPILED FROM WEEKLY REPORTS OF PAST AND COMPLETED TRANSACTIONS

	Averages of Delivered Prices			Averages of Average Freight Rates			Average Cost of Freight			Averages of Prices Realized FOB Mich.& Wis. Mills		
For week ended 1922	Clear	No. 1	Fcty.	Clear	No. 1	Fcty.	Clear	No. 1	Fcty.	Clear	No.1	Fcty.
October 21	$102.14	91.06	42.02	.34	.31	.36	6.80	6.20	7.20	95.34	84.86	34.82
" 28	101.41	90.65	40.98	.32	.27	.27	6.40	5.40	5.40	95.01	85.25	35.58
November 4	103.09	91.37	43.50	.40	.32	.37	8.00	6.40	7.40	95.09	84.97	36.10
" 11	102.07	91.03	42.54	.34	.29	.35	6.80	5.80	7.00	95.27	85.23	35.54
" 18	102.10	92.08	39.78	.35	.33	.22	7.00	6.60	4.40	95.10	85.48	35.38
" 25	102.49	92.02	42.49	.36	.35	.26	7.20	7.00	5.20	95.29	85.02	37.29
December 2	101.04	90.90	45.15	.30	.29	.36	6.00	5.80	7.20	95.04	85.10	37.95
" 9	100.81	89.80	43.34	.28	.24	.33	5.60	4.80	6.60	95.21	85.00	36.74
" 16	100.82	90.47	43.82	.29	.27	.34	5.80	5.40	6.80	95.02	85.07	37.02
" 23	101.38	90.74	43.17	.31	.26	.29	6.20	5.20	5.80	95.16	85.54	37.37
" 30	102.07	90.75	41.91	.34	.27	.28	6.80	5.40	5.60	95.27	85.35	36.31
Average	101.77	90.99	42.61	.33	.29	.31	6.60	5.82	6.24	95.17	85.17	36.37
Average for Previous 11 wks.	101.81	90.72	41.04	.37	.34	.36	7.35	6.80	7.13	94.46	83.92	33.91

GOV. EX. 42A.

January 8, 1923.

2119-2121

TREND OF AVERAGES OF SALES

13/16x2-1/4" FACE MAPLE FLOORING STANDARD GRADES AND LENGTHS

COMPILED FROM WEEKLY REPORTS OF PAST AND COMPLETED TRANSACTIONS

For week ended 1923	Averages of Delivered Prices			Averages of Average Freight Rates			Average Cost of Freight			Averages of Prices Realized FOB Flooring Mill Basis		
	Clear	No.1	Fcty.	Clear	No. 1	Fcty.	Clear	No. 1	Fcty.	Clear	No. 1	Fcty.
May 26	$112.95	103.06	59.54	.28	.36	.38	5.60	7.20	7.60	107.35	95.86	51.94
June 2	112.38	100.29	56.50	.27	.27	.29	5.40	5.40	5.80	106.98	94.89	50.70
9	113.94	100.68	55.88	.35	.33	.30	7.00	6.60	6.00	106.94	94.08	49.88
16	109.68	101.31	58.63	.29	.32	.29	5.80	6.40	5.80	103.88	94.91	52.83
23	115.46	100.98	59.04	.39	.28	.37	7.80	5.60	7.40	107.66	95.38	51.64
30	113.15	104.44	56.50	.47	.47	.32	9.40	9.40	6.40	103.75	95.04	50.10
July 7	114.54	98.50	57.80	.44	.25	.41	8.80	5.00	8.20	105.74	93.50	49.60
14	111.23	104.60	61.54	.39	.48	.49	7.80	9.60	9.80	103.43	95.00	51.74
21	109.92	99.06	57.32	.24	.28	.32	4.80	5.60	6.40	105.12	93.46	50.92
28	107.75	96.08	55.98	.32	.29	.34	6.40	5.80	6.80	101.35	90.28	49.18
Average	112.10	100.90	57.87	34.4	33.3	35.1	6.88	6.66	7.02	105.22	94.24	50.85

GOV. EX. 42A.

FLOORING MANUFACTURING INFORMATION FOR DECEMBER 1914.

№	Question № 1	Question № 2	Question № 3 A	Question № 3 B	Question № 4 Dec. 1914	PRODUCTION Dec.1913	Nov.1914	Oct.1914	Shipments Dec.1913
1	15	6	8	44	550 M	1,640 M	799 M	785 M	800 M
2	9	6	8	45	566	972	731	691	793
3	7	6	8	48	675	690	603	934	856
4	7	5	10	60	800	818	954	1251	746
5	8	5	8	48	700	509	710	1145	363
6	5	3	10	60	450	201	526	459	221
7	10	10	10	60	1200	1325	764	1176	1016
8	10	8	9	50	800	781	761	909	605
12	3	2	10	60	300	479	386	209	333
14	3	2	8	48	170	320	183	264	196
15	5	1	8	44	20	110	161	90	102
17	4	2	8	24	75	101	63	148	99
22	2	2	8	48	90	129	104	111	118
24	4	3	10	60	400	212	391	497	279
26	3	3	8	48	350	497	209	547	516
29	2	2	10	60	180	288	284	329	407
30	3	3	10	59	325	335	425	442	342
32	2	2	10	60	300	473	375	362	14
34	3	2	9	54	280	318	256	308	182
36	5	3	10	60	500	332	471	550	294
37	3	3	6	36	225	445	333	365	201
40	3	1	10	40	150	165	55	96	70
42	4	3	8	48	400	565	513	800	411
43	2	1	8	48	150	169	75	213	89
44	5	3	10	50	350	750	256	764	478
46	3	1	10	50	100	181	132	178	166
26	130	88	232	1312	10109	12611	10700	13691	9425
Mtchrs.Running		68%	Avge 9	50	Decrease				3165 Est. Decrease
					21. % ⟵				6330
					5.5% ⟵⟶				
					26. % ⟵⟶				

M. C. 12-16-14

Question № 1

Number of matchers installed for the manufacture of Maple, Beech and Birch Flooring.

Question № 2

Number of matchers we are going to run on Maple, Beech and Birch Flooring during December, 1914.

Question № 3

Number of working hours we are going to operate our flooring plant during December 1914.
A. Hours per day
B. Hours per week.

Question № 4

Our production of Maple, Beech and Birch Flooring in December, 1914, we estimate will be about___.

GOV. EX. 42B.

2123-2128

FLOORING MANUFACTURING INFORMATION FOR FEBRUARY 1916.

#	Question # 1	Question # 2	Question # 3 A	Question # 3 B	PRODUCTION Question # 4 February 1916	Actual February 1915	January 1916 Estimated	January 1916 Actual	Shipments February 1915
1	15	7	8	40	900 M	734 M	450 M	146 M	547 M
2	9	7	10	60	800	609	900	673	609
3	7	6	10	60	600	634	825	763	412
4	9	7	10	60	1000	881	1000	666	566
5	8	6	10	60	1075	738	1150	1118	657
6	7	4	9	54	600	341	---	---	385
9	4	4	10	60	700	563	700	617	162
12	3	2	10	60	260	159	None	226	67
14	3	3	10	60	250	292	300	271	135
15	5	1	10	55	60	44	50	67	68
17	4	1	9	50	93	26	93	107	55
22	2	2	9	50	50	46	65	59	47
24	4	3	10	60	450	347	500	491	260
26	3	3	10	60	400	None	500	362	249
29	2	2	10	60	300	247	200	338	101
30	3	3	10	60	450	None	500	416	242
33	5	4	10	60	600	709	500	556	507
34	3	2	10	60	275	211	300	295	153
37	3	3	10	60	480	119	450	486	176
42	4	3	10	55	400	419	500	357	577
43	2	0	0	0	None	193	90	98	112
44	5	5	10	60	750	270	800	739	467
46	3	2	10	55	160	136	155	146	107
(23)	113	80	215	1259	10673	7722	10038	9217	6914
	Matchers Running	71%	Average 9.3	54.7	3151 Increase 40.8%		Decrease 821 8.2%		6923 Total Feb. 1915 of 29 members
									11000 Estimate February 1916

Question # 1

Number of matchers installed for the manufacture of Maple Beech and Birch Flooring.

Question # 2

Number of matchers we are going to run on Maple, Beech and Birch Flooring during February 1916.

Question # 3

Number of working hours we are going to operate our flooring plant during February 1916. A. Hours per day B. Hours per week

Question # 4

Our production of Maple, Beech and Birch Flooring in February 1916 we estimate will be about _____.

23 Members

GOV. EX. 42B.

2129

M.C.C. 2-24-16.

CURRENT NET VALUES - SEPTEMBER 1913.

For New Orders for ¾" x 2¼" Face Clear, No. 1 and Factory Maple Flooring, after deducting Freight, Teaming and Commissions.

		CLEAR	NO. 1	FACTORY
A		Per M	Per M	Per M
Eastern	2	45.25		25.74
	6	44.74	40.93	
	9	44.85	39.18	23.01
Lower	24	41.75	38.25	
	40		35.37	
	43	42.28	38.73	
Michigan				
	Avgs.	43.55	36.67	24.44
B				
Western	3	41.32	37.91	22.25
	5	42.24	38.71	23.00
	14	42.15	38.36	
Lower	29	40.39	36.91	
	32	42.50	38.00	21.30
	36		35.83	
	37	42.88	37.29	22.78
Michigan				
	Avgs.	41.74	37.25	22.45
C				
All Lower Michigan		42.03	37.06	22.79
D				
Upper	4	44.57	39.69	23.18
	34	44.27	38.38	23.73
Michigan	42	42.62	37.65	22.65
and	44	43.52	37.20	22.18
Wisconsin	Avgs.	43.49	38.58	22.49
E				
Average of Mich. and Wis.		42.25	37.66	22.64
F				
Chicago	1	46.73	41.20	25.14)
	8	47.13	40.88	25.40) Freight
Detroit	15	52.00	42.00	27.00) or
Milwaukee	17	48.00	40.72	) Teaming
St. Paul	22	50.63	44.21	30.05) deducted
Minneapolis	46	48.53	41.58	26.26)
		Avg 48 84	4177	2677

Reports from 23 members. 7 prices

October 25th, 1913.

2130=2132

CURRENT NET VALUES - DECEMBER 1913.

For New Orders for ⅝" x 2¼" Face Clear, M 1 and Factory Maple Flooring, after deducting Freight, Teaming and Commissions.

		CLEAR	NO. 1	FACTORY
Group A		Per M	Per M	Per M
Eastern	M 2	42.07	36.83	21.46
	6	42.29		
	9	43.69		22.64
Lower	24	41.00	35.95	23.03
	40		36.20	
Michigan	43		38.29	
	Avge.	42.33	36.73	22.47
Group B				
Western	M 3	41.32	37.97	22.96
	5	41.58	37.35	22.80
Lower	14	No sales	No sales	No sales
	36	41.38	35.65	21.24
Michigan	37	41.94	38.51	21.14
	Avge.	41.53	36.99	22.47
Group C				
All Lower Michigan		41.88	36.87	22.47
Group D				
Upper	M 4	43.25	39.34	21.61
	34	43.65	38.50	23.54
Michigan	38	44.00	40.00	24.00
and	42	41.40	37.15	20.90
Wisconsin	44	42.00		23.00
	Avge.	43.10	38.39	21.70
Group E				
Average of Mich. and Wis.		42.54	37.38	22.10
Group F				
Chicago	M 1	46.09	40.51	24.29) Less
"	8	46.49	40.24	24.48) Freight
Detroit	15	48.00	42.00	25.16) or
Minneapolis	46	49.13	44.48	27.95) Teaming
Milwaukee	17	48.38	40.43	27.33
St. Paul	22	49.22	44.39	30.67

Reports from 22 members

January 20th, 1914.

2133=2232

[fol. 2094] GOVERNMENT'S EXHIBIT No. 41-HH

[Omitted in printing]

[fol. 2095] GOVERNMENT'S EXHIBIT No. 41-II

[Omitted in printing]

[fol. 2096] GOVERNMENT'S EXHIBIT No. 41-JJ

[Omitted in printing]

[fol. 2097] GOVERNMENT'S EXHIBIT No. 41-KK

[Omitted in printing]

[fol. 2098] GOVERNMENT'S EXHIBIT No. 41-LL

[Omitted in printing]

[fol. 2099] GOVERNMENT'S EXHIBIT No. 41-MM

[Omitted in printing]

[fol. 2100] GOVERNMENT'S EXHIBIT No. 41-NN

[Omitted in printing]

[fol. 2101] GOVERNMENT'S EXHIBIT No. 41-OO

[Omitted in printing]

[fol. 2102] GOVERNMENT'S EXHIBIT No. 41-PP

[Omitted in printing]

[fol. 2103] GOVERNMENT'S EXHIBIT No. 41-QQ

[Omitted in printing]

[fol. 2104] GOVERNMENT'S EXHIBIT No. 41-RR

[Omitted in printing]

[fol. 2105] GOVERNMENT'S EXHIBIT No. 41-SS

[Omitted in printing]

[fol. 2106] GOVERNMENT'S EXHIBIT No. 41-TT

[Omitted in printing]

(Here follow Government's Exhibits Nos. 41-UU, 41-VV, 41-WW, 41-XX, 41-YY, 42, 42-A, 42-B, 42-C, marked side folio pages 2107-2232, inclusive.)

Record of Average Prices Realized F.O.B. Flooring Mills in January, 1922, and December, 1921, for New Orders Booked for 13/16 x 2¼" Clear, No. 1 and Factory Maple Flooring After Deducting Freight and Commissions

		Clear		No. 1		Factory	
Group A:		Jan.	Dec.	Jan.	Dec.	Jan.	Dec.
Eastern	No. 24	.....	83.89	.....	61.35	.....	21.71
Lower Michigan	49	89.27	89.36	64.74	64.44	24.27	28.41
Average		89.27	87.40	64.74	62.48	24.27	26.25
Gain		1.87	....	2.26	....	....	....
Loss		....	....	....	....	1.98	....
Group B:							
Western	No 3	88.36	87.71	68.50	68.08	.....	.....
Lower Michigan	5	88.15	87.92	67.29	.....	.....	.....
	14	87.93	88.00	63.07	63.00	25.16	.....
	26	87.90	84.60	62.80	.....	20.92	18.34
	30	88.97	87.33	64.75	62.56	23.67	21.14
Average		88.28	87.50	65.98	64.00	21.64	19.29
Gain		.78	....	1.98	....	2.35	....
Group C:							
All Lower Michigan	Avge.	88.48	87.45	65.47	63.01	22.09	20.22
	Gain	1.03	....	2.46	....	1.87	....

Group D:							
Upper Michigan and Wisconsin.....	No. 4	87.80	88.61	63.14	62.39	15.84	26.13
	7	89.62	86.08	63.43	60.37	20.24	21.22
	34	.....	92.34	66.97	67.61	20.82	.....
	42	88.65	88.45	58.50	58.22	.....	16.59
	44	87.63	89.05	59.31	64.52	20.28	24.45
	50	93.90	91.80	67.01	65.30	26.46	31.00
Average		88.32	88.62	60.49	62.23	20.19	21.47
Loss		.30	....	1.74	....	1.28	....
Group E:							
Michigan and Wisconsin — Avge.		88.38	88.08	62.57	62.59	21.13	20.77
Gain		.30	....	....	....	.36	....
Loss		....	....	.02	....	....	....
Tupper Lake, N. Y.....	No. 51	87.38	78.00	.....	.....	21.80	16.35
Group F:							
Chicago	No. 48	99.95	97.16	72.85	71.31	31.91	30.83
St. Paul	22	97.10	100.33	86.07	81.12	42.56	50.71

Reports from 15 Members.

February 23, 1922.

[fol. 2234] GOVERNMENT EXHIBIT No. EXTRA 43

Maple Flooring Manufacturers Association, 1045 Stock Exchange Building, Chicago. Telephone, Franklin 4960

March 2, 1920.

Record of Completed Transactions

Reports of Sales made during week ending February 28, 1920

Date, Feby.	Quantity	Description	Deld. prices	Index letters	Commissions	Mills reptg.
27	10,000	13/16 x 2¼" No. 1 Maple.....	$176.75	A D		
27	10,000	" " Factory "	146.75	A D		
27	15,000	" x any width Fcty. Maple.....	140.00	A C		
23	10,000	13/16 x 2¼" Clear Maple	170.00	C A	$1.00	
23	5,000	" " No. 1 "	165.00	C A	1.00	Group
23	10,000	" " Fcty. "	140.00	C A	1.00	A
25	40,000	" x 4" No. 1 & Better, 50% Clear & 50% No. 1..	160.00	C B	1.00	
26	20,000	13/16 x 2¼" Fcty. Maple	140.00	C B	1.00	
26	40,000	" x 3¼" " "	143.00	C B	1.00	
	160,000					

25	25,000	13/16 x 2¼"	2 to 16 No. 1 Fcty. mixed	151.50	C C	1.50	
25	15,000	" x 2"	2 to 16 Clr. Beech	158.75	A D		
26	25,000	" x 2¼"	2 to 16 No. 1 Fcty. mixed	151.75	C D	2.00	Shpmts. on open price orders Group B Open price order
10–27–19	25,000	13/16 x 2¼"	2 to 16 No. 1 M	153.50	A D	1.50)	
9– 8–19	10,000	⅜ x 2"	" " " Clr. "	145.75	H E	1.50)	
9– 8–19	30,000	13/16 x 2¼"	Clear Maple	173.00	H E	1.50)	
26	40,000	" "	" "	170.00	C D	1.50	
26	30,000	" "	No. 1 "	158.00	C D	1.50	
11–15–19	25,017	" "	2 to 16 Clr. Maple	166.50	E C	2.00)	
23	34,000	" "	Fcty. Maple	151.75	B D		
27	7,000	" "	No. 1 "	160.50	E C		
27	8,000	" "	Fcty. "	149.50	E C		
27	6,000	⅜ x 2"	No. 1 Maple	130.00	E C		

One member reports "No Sales—Not Quoting."
" " " "No Sales."

280,017

Record of Completed Transactions—*Continued*

Date, Feby.	Quantity	Description	Deld. prices	Index letters	Commissions	Mills reptg.
25	2,000	13/16 x 2¼" No. 1 Maple	217.50	A G		
16	20,000	" " Fcty. "	156.50	B B	1.50	
24	8,000	" x 1½" Clear "	199.00	A H		
24	5,000	" " No. 1 "	150.00	A H		
24	3,000	" " 7-23" No. 1 Maple	115.00	A H		
	5,000	" x 2¼" Clear "	205.00	A G	1.00	
	2,000	" " " Beech	205.00	A G	1.00	
	12,000	" " Fcty. Maple	140.00	A G	1.00	
	4,000	" " Clear "	200.00	A G	1.00	
	10,000	" " " Beech	175.00	A C		
	5,000	⅜ x 1½" No. 1 Maple	110.00	A C		
	5,000	13/16 x 2¼" Fcty. "	135.00	A G	1.00	
	12,000	" " Clear "	185.00	A G	1.00	
	10,000	" " No. 1 "	180.00	A G	1.00	
	103,000					Group D

One member reports "No Sales."
One member reports "No Sales on price, 4 cars sold for shipment when possible at our list at time of shipment."
One member reports "our present list FOB our mill for today's invoicing is as follows:

13/16 x 2¼" Clear M. & Beech	183.00	FOB
" " Birch	198.00	"
" No. 1 M. & Beech	173.00	"
" " Birch	178.00	"
" Maple, B. & B	143.00	"
⅜ x All Faces Clear Maple & Beech	139.00	"
⅜ x All faces Clr. Bir	149.00	"

[fol. 2235]

	3,097	3/8 x 1½"	Clear	Maple	$150.00	B B			
	4,000	"	No. 1	"	125.00	B B			
	1,000	"	"	"	135.00	B B			
	2,500	13/16 x 2¼"	"	"	190.00	B B			
	1,000	"	Clear	"	215.00	B B			
	1,790	3/8 x 1½"	"	Birch	160.00	B B			
23	1,200	13/16 x 3¼"	No. 1	Maple	180.00	A G	Team Del.		Group
24	1,000	" x 2¼"	Clear	"	175.00	A G	"		F
24	2,300	" x 2"	"	"	175.00	A G	"		
25	3,000	" x 3¼"	No. 1	"	172.00	A G	"		
27	2,000	" x 2¼"	"	"	165.00	A G	"		
23	11,750	" "	Clear	"	215.00	B B			
	34,367								

Members reporting week ending 2-28-20

Group	A—Eastern Lower Michigan	2	Members
"	B—Western " "	7	"
"	D—Upper Michigan and Wisconsin	5	"
"	F—Chicago, Minneapolis and St. Paul	3	"
	Total	17	"

Correction in report week ending 2-21-20

A member in Group D who reported the third item from the last advises that the grade should have been "Clear" instead of "Factory" as stated in his report. Please correct your copy.

You may be interested in reading two articles in the American Lumberman of 2-28-20, one in the second column, on page 45, and the other on page 50.

[fol. 2236] GOVERNMENT'S EXHIBIT No. EXTRA 43-B

Maple Flooring Manufacturers Association, 1045 Stock Exchange Bldg., Chicago

Telephone, Franklin, 4960

Record of Completed Transactions March 16, 1920.

Reports of Sales Made During Week Ending March 13, 1920

Date, March	Quantity	Description	Deld. prices	Index letters	Commissions	Mills reptg.
3	25,000	13/16 x 3¼" Clear Maple	$181.25	H E	.....	Group A
5	6,000	" 2¼" " "	181.00	C E	.....	
5	6,000	" 3¼" " "	180.00	C E	.....	
5	6,000	" " No. 1 "	177.00	C E	.....	
		One member reports "no sales"				
	43,000					
9	25,000	13/16 x 2¼" Clear Maple	195.00	A G	.....	
9	20,000	1-1/16 x 2" " "	195.00	A I	$2.00	
9	250,000	13/16 x 2¼" " "	185.00	Mill	.....	
		" No. 1 "	180.00	"	.....	
		" Fcty. "	160.00	"	.....	
6	10,000	" Clear "	195.00	C D	.....	
5	100,000	" No. 1 "	195.00	C D	.....	
	25,000	" Clear "	175.00	A G	2.00	
		Open Price Shipments				
11-10-19	25,001	" Clear Maple	165.00	D E	1.50	
11-29	18,002	" No. 1 "	153.75	A D	1.50	

10-4	10,003	"	Clear	"	.....	162.25	C A	1.50
	10,004	13/16 x 1½"	"	"	.....	165.25	C A	1.50
	10,004	⅜ x 2"	"	"	.....	140.25	C A	1.50
1-13-20	17,654	" 1½"	"	"	.....	145.25	H J	1.50
	34,979	13/16 x 2"	"	"	.....	172.00	H J	1.50
9	36,000	⅜ x 1½"	"	"	.....	152.75	B H	1.50
	10,000	13/16 x 2¼"	"	"	.....	195.50	E C	1.00
11	25,000	" 3¼"	"	"	.....	191.75	C D	.....
	25,000	" "	No. 1	"	.....	181.75	C D	.....

Group B

The above sale of ⅜" represents an old open price order.

3	17,500	13/16 x 2¼"	Fcty.	Maple.....	152.25	A A	.....
6	25,000	" 3¼"	Clear	"	191.75	C D	.....
9	14,000	" "	Fcty.	"	164.25	A	.....
	3,000	" "	Prime	"	176.25	A	.....
10	6,000	" 2¼"	Clear	"	177.00	C D	.....
	6,000	" "	"	Beech.....	177.00		.....
	3,000	" 3¼"	"	Maple.....	178.00		.....
	5,000	⅜ x 2"	"	Beech.....	148.50		.....
8	7,500	13/16 x 2"	"	Maple.....	180.50	E C	.....
	7,500	" 2¼"	"	"	180.50	E C	.....
9	11,000	" 2"	"	Beech.....	187.00	H E	1.00
	20,000	" 3¼"	No. 1	"	186.25		1.00
	14,000	⅜ x 2"	Clear	"	153.75		1.00
	2,000	"	No. 1	"	147.75		1.00

Two Members report "no sales."
One Member reports "no sales—not quoting"

793,147

Record of Completed Transactions—*Continued*

Date, March	Quantity	Description	Deld. prices	Index letters	Commissions	Mills reptg.
1	12,500	13/16 x 2¼" No. 1 Maple	175.00	B B	.....	Group D
	12,500	" Fcty. "	140.00	B B	.....	
2	12,000	" Clear "	175.00	A F	1.00	
	6,000	" No. 1 "	160.00	A F	1.00	
6	10,000	" Clear Maple & Bir	185.00	A I	.....	
	10,000	" " Beech	135.00	A I	.....	
	1,500	⅜ x 1½" " Maple	141.00	A I	.....	
9	17,000	13/16 x 2¼" Fcty. Beech	155.00	C A	.....	
10	5,000	" 1½" Clear Mixed	130.00	B B	.....	
	5,000	¾ x 1½" & 2¼" No. 1 & Better Mixed	115.00	B B	.....	
13	20,000	13/16 x 2¼" No. 1 Maple	185.00	C D	.....	
	20,000	" Clear Birch	200.00	C D	.....	
	131,500					
[fol. 2237]						
Brot. Forward	131,500					
13	4,000	⅜ x 1½" Clear Maple	$136.00	B J	$1.00	Group D
8	15,000	13/16 x 3½" Jointed Fcty. Maple	158.75	B A	.....	
11	6,000	" 2¼" Clear Maple	175.00	A	.....	
13	17,000	" " Fcty. "	158.00	C A	1.50	
13	17,000	" " " "	154.75	A D	.....	
		Two members report "no sales."				
	190,500					

40,000	13/16 x 1½" No. 1 Maple..... Two members report "no sales."	180.00	B B	.....	} Group F
40,000					
1,066,647					

Members Reporting Week Ending 3-13-20

Group A—Eastern Lower Michigan	2	Members.
B—Western " "	9	"
D—Upper Michigan & Wisconsin	6	"
F—Chicago, Minneapolis & St. Paul	3	"
Total	20	"

GOVERNMENT'S EXHIBIT No. EXTRA 43-A

Maple Flooring Manufacturers Association, 1045 Stock Exchange Bldg., Chicago

Telephone—Franklin 4960

April 20, 1920.

Record of Completed Transactions

Reports of Sales Made During Week Ending April 17, 1920

Date	Quantity	Description	Deld. prices	Index letters	Commissions	Mills reptg.
4-12	100,000	1 1/16 x 3¼" No. 1 Maple	$178.50	C D	.....	Group A
	22,000	" 3½" Jtd. Fcty. Maple	163.50	B G	.....	
	5,600	" " " No. 1 "	183.50	B G	.....	
4-13	20,000	13/16 x 2¼" No. 1 Maple	173.25	C D	.....	
	20,000	" 3¼" " "	173.00	C B	.....	
4-14	30,000	" 2¼" Fcty. "	152.50	C J	$1.00	
4-12	50,000	" " No. 1 "	190.00	A C	1.00	
	247,600					

Open Price Shipments

11-19-19	9,002	13/16 x 2¼" Clear Maple	177.75	C D	.....	
	8,003	" No. 1 "	172.75	C D	.....	
	3,003	" Fcty. "	160.75	C D	.....	
	1,000	⅜ x 1½" Clear "	150.50	C D	.....	
	9,003	13/16 x 2¼" Clear "	178.25	C F	.....	
	6,003	" No. 1 "	173.25	C F	.....	

	3,002	13/16 x 1½"	Clear	"	.....	181.25	C F	.....
4-14	22,000	"	2¼"	"	"	.....	200.00	A D	.....
	8,000	"	1½"	No. 1	"	.....	180.00	A G	.....
				Open Price Orders Booked Sometime Ago					
4-6	13,500	13/16 x 2¼"	Clear	Maple		.....	178.00	C D	1.50
	11,500	"	No. 1	"		.....	173.00	C D	1.50
4-8	5,500	"	Fcty.	"		.....	160.00	C D	1.50
	16,500	13/16 x 3¼"	"	"		.....	163.00	C D	1.50
4-16	20,000	13/16 x 2¼"	Clear	"		.....	175.50	B B	1.50
	20,000	"	No. 1	"		.....	170.50	B B	1.50
4-6	7,000	"	Clear	"		.....	178.00	C D	1.50
	13,000	"	No. 1	"		.....	173.00	C D	1.50
4-10	15,000	"	Clear	"		.....	178.00	C D	1.50
	5,000	"	No. 1	"		.....	173.00	C D	1.50
4-17	40,000	"	Clear	"		.....	178.00	C D	1.50
	15,000	"	"	"		.....	178.00	C D	1.50
	3,000	⅜ x 2"	"	"		.....	150.00	C D	1.50
4-12	15,000	"	Ex. Short No. 1 and Better Mixed			..	87.00	A I	2.00
	10,000	13/16 x 2¼"	Ex. Short Clear Maple			.....	127.75	A I	2.00
4-13	10,000	⅜ x 2"	Clear	Maple		.....	150.50	C D	2.00
	11,000	"	"	Beech		.....	150.50	C D	2.00
	16,000	13/16 x 2¼"	No. 1	Fcty.	Mixed	.....	166.75	C D	2.00
4-16	25,000	"	"	"	"	.....	166.75	C D	2.00
4-17	25,000	"	"	"	"	.....	166.75	C D	2.00
	60,000	13/16 x 2"	"	"	"	.....	161.75	A D	.....
4-14	10,000	"	x 3¼"	Fcty.	Maple	.....	167.00	A I	.....
	6,000	"	2¼"	"	"	.....	164.00	A I	.....
4-16	17,000	"	"	Clear	"	.....	194.75	B D	.....

Group B

Record of Completed Transactions—*Continued*

Date	Quantity	Description	Deld. prices	Index letters	Commissions	Mills reptg.
	½ Car	2¼" No. 1 "	180.00	A D	1.00	
	" "	" Facty. "	145.00	A D	1.00	
	1 "	" No. 1 "	180.00	A D	1.00	
	1 "	" " "	177.00	C B	.....	
	5,000	" Clear "	190.00	A	.....	
	3,500	" " "	190.00	A	.....	
	5,000	" " "	190.00	A	.....	
	1 Car	2" " "	185.00	A G	2.00	
	1 "	2" No. 1 "	18.00	E J	.....	
	617,516					
		Two Members report "No Sales."				
[fol. 2239]						
4-6	1,200	13/16 x 2¼" No. 1 Birch.....	$185.00	F. O. B. Mill	.....	
4-12	30,000	" Clear Maple.....	208.25	C A	.....	
	30,000	" No. 1 "	198.25	C A	.....	
	5,000	" Shorts Clear Birch.....	190.00	B F	.....	
	5,000	" Fcty. Mixed.....	152.00	B F	.....	
	18,000	" No. 1 Maple.....	180.00	A I	.....	
	2,000	" Extra Shorts Clear Mixed....	135.00	A I	.....	
	50,000	1 1/16 x 2¼" Fcty. Maple.....	153.00	C J	.....	
	17,000	13/16 x 2¼" Fcty. Maple.....	143.25	C A	.....	Group D
	30,000	" Clear "	200.00	B B	$1.50	
	25,000	13/16 x 3¼" " "	197.00	B B	.....	

	7,800	" 2¼" " "	225.00	A E	.....		
	20,000	" 1½" No. 1 "	170.00	B B	1.50		
	40,000	" 2¼" Facty. "	151.00	B A	.....		
	50,000	1 1/16 x 2¼" No. 1 Maple.....	195.00	C J	1.50		
	331,000						
4-10	2,000	⅜ x 1½" No. 1 Maple.....	130.00	B B	Local		
	2,000	" " Birch.....	130.00	B B	Sales		
4-12	1,500	13/16 x 2¼" Fcty. Maple.....	155.00	F. O. B. Mill	.....		
4-15	5,800	" " "	155.00	A G	.....		Group F
4-17	2,300	" Clear "	200.00	F. O. B. Mill	.....		
	4,000	" No. 1 "	180.00	" "	.....		
	17,600						
	1,213,716						

Members reporting—Group A, 2; Group B, 8; Group D, 4; Group F, 2. Total, 16 Members.

[fol. 2240] GOVERNMENT'S EXHIBIT NO. EXTRA 43-C
[Omitted in printing]

[fol. 2241] GOVERNMENT'S EXHIBIT NO. EXTRA 43-D
[Omitted in printing]

[fol. 2242] GOVERNMENT'S EXHIBIT NO. EXTRA 43-E
[Omitted in printing]

[fol. 2243] GOVERNMENT'S EXHIBIT NO. EXTRA 43-F
[Omitted in printing]

[fol. 2244] GOVERNMENT'S EXHIBIT NO. EXTRA 43-A
[Omitted in printing]

[fols. 2245 & 2246] GOVERNMENT'S EXHIBIT NO. EXTRA 43-B
[Omitted in printing]

[fols. 2247 & 2248] GOVERNMENT'S EXHIBIT NO. EXTRA 43-C
[Omitted in printing]

[fols. 2249 & 2250] GOVERNMENT'S EXHIBIT NO. EXTRA 43-D
[Omitted in printing]

[fols. 2251 & 2252] GOVERNMENT'S EXHIBIT NO. EXTRA 43-E
[Omitted in printing]

[fols. 2253-2255] GOVERNMENT'S EXHIBIT NO. EXTRA 43-F
[Omitted in printing]

[fols. 2256-2258] GOVERNMENT'S EXHIBIT NO. 43-G
[Omitted in printing]

[fols. 2259-2261] GOVERNMENT'S EXHIBIT NO. 43-H
[Omitted in printing]

[fols. 2262-2264] GOVERNMENT'S EXHIBIT NO. 43-I
[Omitted in printing]

[fols. 2265-2270] GOVERNMENT'S EXHIBIT NO. 43-J
[Omitted in printing]

[fols. 2271-2272] GOVERNMENT'S EXHIBIT No. 43-K
[Omitted in printing]

[fols. 2273-2274] GOVERNMENT'S EXHIBIT No. 43-K-1
[Omitted in printing]

[fols. 2275-2277] GOVERNMENT'S EXHIBIT No. 43-K-2
[Omitted in printing]

[fols. 2278-2280] GOVERNMENT'S EXHIBIT No. 43-K-3
[Omitted in printing]

[fols. 2281-2284] GOVERNMENT'S EXHIBIT No. 43-L
[Omitted in printing]

[fols. 2285-2289] GOVERNMENT'S EXHIBIT No. 43-M
[Omitted in printing]

[fols. 2290-2293] GOVERNMENT'S EXHIBIT No. 43-N
[Omitted in printing]

[fols. 2294-2301] GOVERNMENT'S EXHIBIT No. 43-O
[Omitted in printing]

[fols. 2302-2311] GOVERNMENT'S EXHIBIT No. 43-P
[Omitted in printing]

[fols. 2312-2315] GOVERNMENT'S EXHIBIT No. 43-Q
[Omitted in printing]

[fols. 2316-2321] GOVERNMENT'S EXHIBIT No. 43-R
[Omitted in printing]

[fols. 2322-2324] GOVERNMENT'S EXHIBIT No. 43-R-1
[Omitted in printing]

[fols. 2325-2328] GOVERNMENT'S EXHIBIT No. 43-S
[Omitted in printing]

[fols. 2329-2332] GOVERNMENT'S EXHIBIT No. 43-T
[Omitted in printing]

[fols. 2333-2336] GOVERNMENT'S EXHIBIT No. 43-T-1
[Omitted in printing]

[fols. 2337-2341] GOVERNMENT'S EXHIBIT No. 43-U
[Omitted in printing]

[fols. 2342-2348] GOVERNMENT'S EXHIBIT No. 43-V
[Omitted in printing]

[fols. 2349-2352] GOVERNMENT'S EXHIBIT No. 43-W
[Omitted in printing]

[fols. 2353-2356] GOVERNMENT'S EXHIBIT No. 43-X
[Omitted in printing]

[fols. 2357-2360] GOVERNMENT'S EXHIBIT No. 43-Y
[Omitted in printing]

[fols. 2361-2365] GOVERNMENT'S EXHIBIT No. 43-AA
[Omitted in printing]

[fols. 2366-2369] GOVERNMENT'S EXHIBIT No. 43-CC
[Omitted in printing]

[fols. 2370-2374] GOVERNMENT'S EXHIBIT No. 43-BB
[Omitted in printing]

[fols. 2375-2377] GOVERNMENT'S EXHIBIT No. 43-II
[Omitted in printing]

[fols. 2378-2381] GOVERNMENT'S EXHIBIT No. 43-DD
[Omitted in printing]

[fols. 2382-2385] GOVERNMENT'S EXHIBIT No. 43-EE
[Omitted in printing]

[fol. 2386] GOVERNMENT'S EXHIBIT No. 43-GG
[Omitted in printing]

[fols. 2387-2389] GOVERNMENT'S EXHIBIT No. 43-HH
[Omitted in printing]

GOV.EX.43JJ.

MAPLE FLOORING MANUFACTURERS ASSOCIATION

October 6, 1921

AUDIT CHANGES - JUNE 2 to JULY 8, 1921
IN MEMBERS' WEEKLY SALES REPORTS

DATE	QUANTITY	DESCRIPTION	REPORTED AS	SALE MADE AT
		No. 2		
5-18	50,000	3-1/4" No.1 Maple	80.50 DG	80.50 DG 1.50
	100,000	" Clear "	93.50 DG	93.50 DG 1.50
5-13	30,075	2-1/4" " "	110.00 AAC 2.00	110.00 AAC 2.50
5-23	60,000	in 3 sales - 3 items	without com.	Commission 1.50
5-24	20,000	in 1 sale - 4 items	without Com.	Commission 1.50
		No.49		
5-16	50,000	2-1/4" No.1 Maple	85.50 BE	85.50 BG
5-24	17,000	3-1/4 Fcty. "	38.50 DG 2.00	38.50 DG 2.50
5-26	5,000	17/16x3-1/4 Fcty. Maple	44.75 DC 2.00	46.75 DC 2.00
	5,000	" No.1 & Btr "	86.25 DC 2.00	88.25 DC 2.00
	8,000	3-1/4" No. 1 Maple	69.75 DC 2.00	71.75 DC 2.00
	12,500	2-1/4" Clear "	96.50 DC 2.00	98.50 DC 2.00
	12,500	" No.1 "	71.50 DC 2.00	73.50 DC 2.00
5-28	18,000	17/16x2-1/4 Clr "	97.00 DE 2.00	99.00 DE 2.00
	18,000	2-1/4" No.1 Maple	69.00 DE 2.00	71.00 DE 2.00
		No.30		
6-1	15,000	2-1/4" Clear Maple	110.50 AAC	112.50 AAC 2.00
6-10	5,000	3/8x2 Clear Maple	64.75 DG	66.75 DG 2.00
	3,000	" " Birch	70.75 DG	72.75 DG 2.00
	12,000	2-1/4 " "	97.50 DG	99.50 DG 2.00
6-11	1,700	3-1/4 No.1 Maple	86.00 CA	86.00 AI
		No.47		
5-16	14,000	17/16x3-1/2 Jtd.No.1 Mpl	83.00 DH	83.00 DE
	25,000	2-1/4" No. 1 Maple	74.00 DE 2.00	74.00 DG 2.00
5-19	160,000	3-1/4" " "	65.00 BD	65.00 CA
5-25	10,000	2-1/4" Clear "	89.00 DB	89.00 DF 2.00
	10,000	" No. 1 "	67.00 DB	67.00 DE 2.00
5-24	19,000	" Clear "	95.00 DE	95.00 ED
	100,000	" No. 1 "	65.00 AG 1.00	65.00 AF 2.00
	350,000	2" Clear Maple	87.00 CA	85.00 DC 2.00
6-2	3,000	1-1/2" Clr. "	90.00 BI 2.00	80.00 BD 2.00
	4,000	2-1/4" No.1 "	78.00 BI 2.00	70.00 BD 2.00
	14,000	" Fcty."	38.00 BI 2.00	38.00 BD 2.00
6-3	20,000	" Clr. "	95.00 EA 2.00	95.00 GA 2.00
	5,000	" Fcty."	42.00 EA 2.00	42.00 GA 2.00
5-27	10,000	" Clr. Birch	91.50 DE	91.50 DG 2.00
	6,000	" No.1 Beech	64.50 DE	64.50 DG 2.00
	4,000	3/8x2 Clr. Birch	63.75 DE	63.75 DG 2.00
	20,000	2-1/4" Clear Maple	97.50 BD	97.50 GD
5-31	1,000	" " Beech	100.00 AJE	110.00 IG
		No. 4		
5-18	2,500	1-1/2" Clear 2/3-1/2' Mpl	98.00 CJ 1.50	90.00 CJ 1.50
5-19	1,000	" Clr (should be 7-22")	70.00 CJ 1.50	63.00 CJ 1.50
	1,100	" " Maple	68.50 Mill	should be 3/8"
5-28	7,500	2-1/4 No.1 Maple	65.00 BI	65.00 BI
5-23	5,000	" Clr. "	98.00 CJ 1.00	98.00 BD 1.00
6-3	6,000	" " "	94.75 BF 1.50	94.75 BF 1.50
	7,000	" No.1 "	68.75 BF 1.50	69.75 BF 1.50
6-4	2,000	1-1/2 Clr. "	94.50 IG 1.50	104.50 IG 1.50
6-8	5,000	2-1/4 No.1 "	96.00 CJ 1.50	should be Clear
6-16	3,000	" Clear "	91.00 CJ 1.00	both items are
	2,000	1-1/2 " "	83.00 CJ 1.00	2 to 3-1/2' Clr

DATE	QUANTITY	DESCRIPTION	REPORTED AS	SALE MADE AT
		No. 7		
5-28	5,000	3/8x1-1/2 Clear Maple	65.00 BJ	65.00 BI
5-31	20,000	2-1/4" No. 1 "	70.00 BF	70.00 BF 2.00
5-28	3,000	" Clear "	90.00 CJ	90.00 CJ 2.00
	2,000	" " Birch	95.00 CJ	95.00 CJ 2.00
	2,000	" No.1 Maple *	36.00 CJ	
		*should be Fcty. Maple		36.00 CJ 2.00
	2,000	3/8x1-1/2 Clr. Maple	65.00 CJ	65.00 CJ 2.00
6-10	17,000	2-1/4" Clear Maple	98.50 DC	96.50 DC
6-8	5,000	" " "	96.00 BD	95.25 BD
6-6	25,000	in 2 sales - 4 items	without Com.	Commission 2.00
6-10	20,000	" 1 " - 3 "	" "	" 2.00
6-8	2,000	2-1/4 Clear Maple	96.00 CJ	96.00 CJ 2.00
6-3	20,000	" No.1 "	69.50 CJ	71.00 CJ 1.50
6-2	10,000	" Clear "	93.50 AF	93.50 BB
	10,000	" No.1 "	68.50 AF	68.50 BB
6-4	20,000	" Clear "	93.50 CJ 2.00	94.00 CJ 2.00
6-16	15,000	" Fcty. "	36.50 CC	36.00 CC
		No.23		
5-17	3,000	2-1/4" Clr 2-3-1/2' Mpl.	77.75 Mill	79.75 Mill2.00
6-2	1,000	3-1/2" Fcty. Maple	38.75 "	should be Jtd.
6-7	12,500	2-1/4" " "	34.00 CJ	36.00 CJ 2.00
	12,500	" No. 1 "	69.00 CJ	71.00 CJ 2.00
6-8	15,000	" Clr. Birch	97.50 DA	99.50 DG 2.00
	10,000	" " Maple	97.50 DA	99.50 DG 2.00
6-8	2,000	" " "	89.75 Mill	91.75 Mill2.00
	2,000	" No.1 "	64.75 "	66.75 " 2.00
		No.42		
6-2	12,000	2-1/4" Clr. 2-3-1/2' Mpl.	85.00 CJ	80.00 CJ
6-4	18,000	" " Maple	90.00 A 2.00	90.00*Mill2.00
	300,000	1-1/2" " "	85.00 A 2.00	85.00* " 2.00
	84,000	" No. 1 "	58.00 A 2.00	58.00* " 2.00
		* was sold for delivery	western points	
6-9	5,000	2-1/4" Clr. 7-22" Maple	85.00 CJ	75.00 BG
	5,000	" No. 1 Maple	50.00 CJ	50.00 BG
6-11	13,500	" " "	71.75 BE 2.00	71.75 CD 2.00
		No.34		
6-15	5,000	1-1/2" Clear Maple	96.00 CJ	91.00 CJ
		No.44		
5-17	32,000	2-1/4" Clear Maple	92.00 DC 1.50	92.00 DC 2.00
5-25	3,000	1-1/2" " "	91.00 CJ 1.00	91.00 CJ 2.00
	4,000	2-1/4" " "	96.00 CJ 1.00	96.00 CJ 2.00
	6,000	" No. 1 " *	64.00 CJ 1.00	
		* should be 1-1/2" No.1		64.00 CJ 2.00
5-30	25,800	in 1 sale - 4 items	Without Com.	Commission 2.00
6-3	16,000	" " " - 3 "	" "	" 2.00
6-9	23,000	" " " - 3 "	" "	" 1.50
6-13	45,000	" 2 " - 6 "	" "	" 2.00
6-14	16,000	" 1 " - 2 "	" "	" 1.50
		No.45	-	
5-16	6,000	2-1/4" Clear Maple	88.50 DC	88.50 DA 1.5
	8,000	" No. 1 "	73.50 DC	73.50 DA 1.5
	6,000	" Fcty. "	42.50 DC	42.50 DA 1.5
	6,000	17/16x2-1/4Clear "	93.50 DC	93.50 DA 1.5
5-23	45,000	2-1/4" Clear Maple	104.50 GC contr	104.50 GC 3%

(Page 2 of "Audit Changes" to July 8)

DATE	QUANTITY	DESCRIPTION	REPORTED AS		SALE MADE AT		
		No.45					
6-1	20,000	2-1/4" Factory Maple	29.75	BD	*32.25	BD	
	20,000	" Clear "	89.76	BD	*same		
	20,000	" No. 1 "	64.75	BD	*same		
		*Sold to member of MFMA					
6-11	20,000	2-1/4" Clear Maple		DG	#	DG	Con-
	20,000	" No.1 "		DG	#	DG	tract
		#their market price at time of shipment.					
6-10	20,000	2-1/4" Clear Birch	95.00	DG	95.00	DG	"
5-24	7,000	" " Maple	95.00	DG	95.00	DG	"
	9,000	" " Birch	95.00	DG	95.00	DG	"
	2,000	3/8x2 " Maple	64.75	DG	64.75	DG	"
6-15	4,000	2-1/4" " "		DG	92.50	DA	1.50
6-25	20,000	" " "	104.50	GC	104.50	GC	1.50
	5,000	17/16x2-1/4 Clr. "	104.50	GC	104.50	GC	1.50
		No.50					
5-23	1,000	1-1/2" Clr. Red Birch	121.00	CJ	100.00	Mill	
6-4	3,000	3/8x1-1/2 Clr. Maple	63.00		*63.00	CJ	
		*out of Maple - shipped Birch					
6-17	5,000	3/8x1-1/2 Clr. Maple	63.00	CJ	*63.00	CJ	
6-22	1,500	2-1/4" Clear Maple	96.00	CJ	96.00	Mill	

Orders found to be reported twice - totaled 31,000
" " " " cancelled later - " 39,000
70,000

The foregoing Audit Changes cover the members' Weekly Sales Reports, as follows:

For weeks ended May 21 to June 4	(3 weeks)	No.2-24-26-33-37-49-47	(7)
" " " " " " " 11	(4 ")	No.3-5-14-30	(4)
" " " " " " " 18	(5 ")	No.23-42	(2)
" " " " " " " 25	(6 ")	No.4-7-34-44-45-50	(6)
			19

MAPLE FLOORING MANUFACTURERS ASSOCIATION

October 6, 1921

AUDIT CHANGES - JULY 8 to SEPT.26, 1921
IN MEMBERS' WEEKLY SALES REPORTS

DATE	QUANTITY	DESCRIPTION	REPORTED AS	SALE MADE AT
		No. 2		
7-25	6,010	13/16x2-1/4 Clr Maple	101.50 EE 2.00	101.50 EI 2.00
	15,078	"x3-1/2 Std #1 "	81.00 EH 2.00	81.00 EI 2.00
7-28	5,000	13/16x2-1/4 Clr "	135.00 AAG	135.00 ACJ
8-8	5,000	3/8 x 2 " "	65.00 CH	65.00 CH 2.00
		No. 24		
7-27	8,000	13/16x2-1/4 Clr. Maple	89.00 CA	91.00 CA 2.00
	12,000	" No.1 "	63.00 CA	65.00 CA 2.00
	5,000	" Fcty. "	29.00 CA	31.00 CA 2.00
8-2	11,000	" Clr. Beech	70.00 BG	72.00 BG 2.00
	10,000	" No.1 Maple	63.00 BG	65.00 BG 2.00
	5,000	" Clr. "	89.00 BG	91.00 BG 2.00
8-15	6,500	13/16x3-1/4 Fcty. "	52.00 FE	52.00 FJ
9-3	1,500	" "2-1/4 No.1 Beech	60.00 Mill	67.50 AG
		No. 33		
8-17	20,000	13/16x3-1/4 Fcty. Maple	45.25 EI 2.00	*45.25 EI 2.50
8-26	25,000	"2-1/4 Clr. "	94.75 BD 2.00	*94.75 BD 5,00
				*Sold member MFMA
		No. 49		
8-11	25,000	13/16x2¼ No.1 Maple	73.50 2.00	73.50 DC 2.00
8-14	5,000	17/16x3-1/4 Clr "	99.50 DG 2.00	95.50 DG 2.00
8-2	20,000	13/16x3-1/4 Fcty. "	3?.00 DG 2.50	38.50 DG 3.50
8-25	10,050	13/16x2-1/4 " "	32.00 BG	32.00 DH 2.00
		No. 3		
7-28	20,000	13/16x2-1/4 Clr. Birch	102.50 FB 2.00	102.50 FF 2.00
		No. 5		
8-13	22,000	13/16x2-1/4 Fcty. Maple	37.50 CF 1.50	37.50 CH 1.50
7-14	17,000	" Clr. "	112.50 AAB 2.00	112.50 AAD 2.00
7-25	9,000	" " "	109.50 FB 2.00	102.50 FF 2.00
	7,000	" No.1 Beech	67.50 " "	67.50 " "
	2,000	1/2 x 2-1/4 Clr. Maple	89.25 " "	89.25 " "
8-15	17,000	13/16x2-1/4 " "	112.50 AJC 2.00	112.50 AJF 2.00
9-3	2,500	13/16x1-1/2 " "	99.50 DB 1.50	should be 2-1/4"
9-17	5,000	13/16x2 No.1 Beech	51.25 AF 2.00	51.25 AF 0
	1,000	13/16x2-1/4 " "	58.25 " "	58.25 " "
		No. 14		
8-18	4,000	13/16x2-1/4 No.1 Maple	74.50 DG 2.00	
		should be		
		13/16x3-1/4 No.1 Maple		76.50 DG 2.00
8-6	6,000	13/16x2-1/4 Fcty. "	40.50 DG 2.00	39.50 DG 2.00
8-9	2,000	13/16x2 No.1 "	65.50 CC	65.50 AD
	2,000	" Fcty. "	38.50 CC	35.50 AD
	3,000	13/16x2-1/4 No.2 Fcty Mpl	25.50 CC	25.50 AD
9-1	7,000	13/16x2 Clr. Maple	93.50 EB 1.50	93.50 BG 1.50
9-9	2,700	13/16x2-1/4 No.1 "	69.00 DE	68.00 BA
		No. 26		
7-21	14,000	13/16x2-1/4 No.1 Maple	61.50 BD	63.50 BD 2.00
	4,000	" Fcty. "	27.50 BD	29.50 BD 2.00
7-22	20,000	" " "	30.50 DC	32.50 DC 2.00
8-2	10,000	13/16x3-1/4 Clr. "	88.50 DG	90.50 DG 2.00
	10,000	" No.1 "	73.50 DG	75.50 DG 2.00

DATE	QUANTITY	DESCRIPTION	REPORTED AS		SALE MADE AT	
		No.26				
8-2	12,000	2-1/4" No.1 Maple	67.50	DC 2.00	67.50	CC 2.00
	4,000	" Fcty. "	33.00	DC 2.00	33.00	CC 2.00
8-4	12,000	" " "	31.50	BJ 2.00	31.00	BJ 2.00
8-31	20,000	" " "	34.50	2.00	34.50	DB 2.00
		No. 30				
6-13	7,000	2" Clear Maple	103.00	FH 2.00	101.00	CH 2.00
6-15	5,000	3/8x2 Clear Maple	84.50	AHE	84.50	GC
6-28	2,000	2" Clear "	101.00	FA	101.00	CH 2.00
6-30	20,000	2" " "	91.50	DC	91.50	DC 2.00
7-9	75,000	2" " "	94.50	EH	94.50	EH 2.00
7-8	24,000	2-1/4" Clr. "	99.50	DG	99.50	DG 2.00
7-11	8,000	" No.1 "	74.00	DG	76.00	DG 2.00
	3,000	" Clr. "	97.00	DG	99.00	DG 2.00
	3,000	3/8 x 2 " Beech	65.00	DG	67.00	DG 2.00
	6,000	" " " " Maple	65.00	DG	67.00	DG 2.00
8-3	7,500	2-1/4 Fcty. "	36.00	Mill	36.00	Mill2.00
8-9	6,000	" No. 1 "	71.50	CC	72.50	CC 3.00
9-6	16,000	2" Clear Maple	93.75	FD	93.00	FA
	2,000	2" Fcty. "	33.75	FD	33.00	FA
9-9	17,000	2-1/4 Clear Beech	82.00	GC 2.00	83.00	GC 3.00
9-12	3,000	3-1/4 " Maple	91.00	CA	91.00	CA 2.00
		No. 47				
6-9	12,000	2-1/4" No. 1 Maple	68.00	BJ	68.00	CJ 2.00
	6,000	1-1/2" Clr. "	87.00	BJ	87.00	CJ 2.00
	4,000	3/8x1-1/2 Clr. "	62.00	BJ	62.00	CJ 2.00
6-10	23,000	2" No. 1 Maple	58.00	Mill2.00	58.00	Mill 5%
	16,000	2" " "	53.00	AB	53.00	AG
6-17	7,500	2" " "	60.00	BJ	60.00	BJ 2.00
6-14	12,000	2-1/4 " "	70.00	CC	70.00	CC 2.00
	30,000	3-1/4 Clear "	86.00	DG 2.00	86.00	DG 3.00
6-11	20,000	17/16x3-1/2 Jtd Fcty & B	55.00	BI 2.00	55.00	BF 2.00
6-23	23,000	3-1/2 Jtd No.1 & Btr Mpl	75.00	DJ	75.00	DG
	18,000	3-1/4" Clr. Maple	100.00	DH 2.00	100.00	FG 2.00
6-24	12,000	3-1/4" Fcty. "	35.50	DE	35.50	DB
	6,000	2-1/4" " "	33.50	DE	33.50	DB
6-25	3,000	17/16x3-1/2 Jtd. Fcty.	44.00	DE 2.00	50.25	DE 2.00
6-30	10,800	2-1/4" No. 1 Maple	68.00	CC	70.00	CC 2.00
6-27	20,000	2" Fcty. Maple	35.00	DC	35.00	DC 2.00
	10,000	2" No.1 "	65.00	DC	65.00	DC 2.00
6-28	18,000	2-1/4" No. 1 Maple	71.00	DC	71.00	DC 2.00
7-8	15,000	" " "	74.00	DE 2.00	74.00	DG 2.00
	5,000	" Clear "	99.00	DE 2.00	99.00	DG 2.00
	12,000	" No. 1 "	74.00	DE 2.00	74.00	EB 2.00
8-22	40,000	" Clear "	105.00	GH 2.00	105.00	AAC 2.00
8-17	26,000	3-1/4" Factory "	33.00	DE	33.00	DG
8-23	20,000	2-1/4" No. 1 " should be 13/16x2-1/2 Jtd. No. 1	59.00	A		
8-23	27,000	2-1/4" No. 1 Maple should be 17/16x2-1/4 No. 1	64.00	DG	64.00	DG 2.00
8-19	3,500	21/16x3-1/4 No.1 & Btr.	85.00	Mill	87.00	Mill2.00
8-24	36,000	2-1/4" No. 1 Maple	66.00	DG	66.00	DG 3.00
8-24	21,600	17/16x2-1/4 Clr "	94.00	DE	94.00	DE 2.00
	28,000	" No.1 "	66.00	DC	66.00	DC 2.00
8-29	22,000	2-1/4" No. 1 Maple	62.00	BJ 2.00	62.00	BJ 3.00
8-30	30,000	" " "	63.00	DG	65.00	DG 2.00
8-25	10,000	2" Clear Maple	85.00	DE	85.00	DE 2.00
	11,000	2" No. 1 "	57.00	DE	57.00	DE 2.00
	6,000	2-1/4" Clr. "	92.50	DE	92.50	DE 2.00
	4,000	" No.1 "	63.00	DE	63.00	DE 2.00
	4,000	2" No. 1 "	57.00	DE	57.00	DE 2.00
9-1	9,000	2" Clear "	90.00	DE	90.00	DC
8-31	17,000	2-1/4" Short #1 & Btr	47.00	DH	49.00	DG 2.00
	3,000	" " " " " Beh	44.00	DH	46.00	DG 2.00

DATE	QUANTITY	DESCRIPTION	REPORTED AS		SALE MADE AT		
		No. 47					
8-29	40,000	2-1/4 Clr. Maple	99.00	DG 2.00	99.00	DE	2.00
9-3	48,000	" " "	90.00	BJ	90.00	BJ	3.00
9-6	20,000	" No.1 "	62.00	AG	62.00	AG	2.00
	7,500	2" Clear "	90.00	CF 2.00	90.00	DB	2.00
9-7	23,000	2-1/4 Clr. "	91.50	CJ	91.50	EM	1.00
	10,000	" Fcty. "	29.00	BJ 2.00	29.00	BI	2.00
	5,000	" No.1 "	64.00	BJ 2.00	64.00	BI	2.00
9-8	40,000	" Clr. "	94.00	CJ	94.00	CD	2.00
	20,000	3-1/4 " "	84.00	CJ	84.00	CD	2.00
		No. 4					
7-1	6,000	2-1/4 Clear Maple	95.75	BF	95.25	BF	
6-29	4,000	1-1/2 No. 1 " (13/16)	64.00	CJ	reported as 3/8"		
7-30	11,000	2-1/4 Clear "	94.75	BD	96.00	CJ	
8-6	2,000	" No.1 1-1/2-5-1/2'	65.25		65.25	BF	
8-17	5,000	" Clear Maple		BI 1.50	95.75	BI	1.50
	12,000	" No. 1 "		" "	*65.75	"	"
	5,000	" Fcty. "		" "	*30.75	"	"
	5,000	3/8x2 Clr. "		" "	63.00	"	"
		*adjusted later					
		No. 7					
7-14	4,000	2-1/4 Clear Maple	94.25	2.00	94.25	BF	2.00
	18,000	" " "	94.75	2.00	94.75	BD	2.00
7-19	3,000	3/8x1-1/2 Clr "	65.00	BF 1.50	65.00	Mill	1.50
	4,000	2-1/4 Clr. "	95.25	BF 1.50	95.25	"	1.50
	2,000	1-1/2 " "	90.25	BF 1.50	90.25	"	1.50
7-26	8,000	2-1/4 " "	93.50	2.00	93.50	BD	2.00
8-10	4,000	" " 2-5-1/2'	81.00	CJ	81.00	BF	
	2,000	" " 9-23"	65.00	CJ	65.00	BF	
	2,000	" No.1 7-23"	50.00	CJ	50.00	BF	
8-10	5,000	" Clr. Maple	91.00	BD 2.00	92.00	BD	2.00
8-19	8,000	" No.1 "	66.00		66.00	CJ	
	6,000	1-1/2 Fcty(should be2A)	26.00		26.00	CJ	
		No.23					
6-28	12,000	2-1/4 No.1 Maple	68.50	AG	70.50	CJ	2.00
8-18	10,000	" Clr. "	85.00	BD	87.00	BD	2.00
	10,000	" No.1 "	60.00	BD	62.00	BD	2.00
		No.34					
7-14	2,700	2-1/4 Clr. Maple	95.00	Mill	104.25	BF	
7-11	50,000	" Fcty. "	38.50	DC 2.00	*36.00	DC	2.00
		*order sent in @ 33.00 net, but No.34 invoicing @36.50 net.					
9-3	32,000	2-1/4 Fcty. Maple	21.50	Mill	24.00	CJ	
		No.42					
6-24	3,000	2-1/4 No.1 Maple 8-16"	50.00	CJ	50.00	AG	
	1,500	1-1/2 " " "	40.00	CJ	40.00	AG	
6-28	30,000	2-1/4 Clr." 2-3-1/2'	65.00	AG 2.00	65.00	BG	2.00
7-6	16,500	3-1/4 Fcty. Maple	40.50	BJ 1.50	40.50	CH	1.50
8-3	20,000	2-1/4 No. 1 "	69.00	DC 2.00	68.50	DC	2.00
	25,000	" "	57.00	AF	59.00	AF	2.00
8-6	30,000	17/16x3-1/4 #1 & Str.	94.00	DG 4.00	93.50	DC	4.00
8-22	25,000	2-1/4 No.1 Maple	57.00	AF	59.00	AF	2.00
	4,000	" " "	63.50	AG 2.00	65.75	BI	1.50
	2,000	" " " 8-16"	45.00	AG 2.00	50.00	AG	1.50
8-27	5,000	" " "	66.00	DC	68.00	DC	2.00
	13,000	" Fcty. "	28.00	DC	30.00	DC	2.00
9-9	50,000	" No. 1 "	57.00	AF	59.00	BJ	2.00

DATE	QUANTITY	DESCRIPTION	REPORTED AS		SALE MADE AT		
		No.44					
7-5	2,000	2-1/4" Clear Maple	96.25	CA	96.25	CA	1.50
	2,000	5/8x2-1/4 " "	85.00	CA	85.00	CA	1.50
7-7	19,000	in 2 sales - 6 items	without com.		commission		.50
7-5	1,000	1-1/2 Clr 2-3-1/2' Maple	88.50	BG	80.50	BG	1.50
7-7	2,500	2-1/4 Clr. White	103.50	BE	103.50	AG	1.50
7-5	3,000	" " Maple	95.00	BE	95.00	BE	2.00
	2,000	" No.1 "	70.00	BE	70.00	BE	2.00
7-7	7,000	" Clr. "	94.25	BA	94.25	BA	1.00
7-18	30,000	in 1 sale - 5 items	without com.		commission		.50
7-21	5,000	" 1 " - 3 "	"	"	"		1.50
8-1	6,000	2-1/4 No. 1 Maple	73.50	DC	2.00	73.50	DH 2.00
8-4	2,000	3/8x1-1/2 Clr. Birch	73.00	CJ	2.00	63.00	CJ 2.00
8-17	5,000	2-1/4 Clr. Maple	94.75	BD	1.50	94.75	BD 1.50
8-26	8,000	" No. 1 "	89.00	BD	1.50	58.00	BD 1.50
8-31	10,000	" " "	55.00	BD	1.50	58.00	BD 1.50
9-8	20,000	" " "	55.00	BD		55.00	BA
		No.45					
8-17	25,000	2-1/4 No. 1 Maple	64.75	BD	Con-	64.75	BD *
	100,000	" Clear "	94.75	BD	tract	94.75	BD *
		*Less $10.00 concession to member of M.F.M.A.					
		No. 45 mistakenly reported their "Orders Shipped" instead of "Orders Booked" for the week ended 7-23				See report #3 "Sales Omitted" of 9-28-21	
		Sales for week ended July 30th	Reported "none"			See our report No.3 of 9-28	
		" " " " Sept.10th	" "				
		No.50					
7-12	3,000	1-1/2 No. 1 Maple	64.00	CJ		64.00	CJ 1.50
	12,000	2-1/4 Clear	96.00	CJ		96.00	CJ 1.50
7-15	* 2,000	3/8x2 Clear Maple	63.00	CJ		*63.00	CJ
8-8	* 2,000	3/8x1-1/2 Clr. Maple	63.00	CJ	2.00	*63.00	CJ 2.00
8-10	* 2,000	" " "	62.50	BD		*62.50	BD
		*No Maple in stock - furnished Birch, reported as Maple					

Orders found to be reported twice - totaled 87,000
" " " " cancelled later - " 206,000
293,000

The foregoing Audit Changes covers the members' Weekly Sales Reports, as follows:

For	weeks	ended	June	11	to	July	2	(4 wks.)	No.33 (1)
"	"	"	"	11	"	Sept.	10	(14 ")	No. 2-37-49 (3)
"	"	"	"	11	"	"	17	(15 ")	No.24-26-47 (3)
"	"	"	"	18	"	"	17	(14 ")	No. 3-5-14-30 (4)
"	"	"	"	25	"	"	10	(12 ")	No.23-42 (2)
"	"	"	July	2	"	"	10	(11 ")	No.4-7-44-45 (4)
"	"	"	"	2	"	"	17	(12 ")	No.34-50 (2)
									19

MAPLE FLOORING MANUFACTURERS ASSOCIATION

October 6, 1921.

RECORD OF COMPLETED TRANSACTIONS

Reports of Sales made during the week ending October 1, 1921.

DATE	QUANTITY	DESCRIPTION		DELD. PRICE	INDEX LETTERS	COMMIS-SIONS	MILLS REPTG. Group A
9-23	25,000	13/16x2-1/4	No. 1 Maple	$62.00	CE	$1.50	№ 24
9-27	1,500	"	" "	65.00	Mill		
9-26	11,000	1-1/16x3-1/4	" "	74.50	DB		
	6,000	"	Clear "	89.50	DB		
9-27	30,000	13/16x2-1/4	No. 1 "	62.00	AG	1.00	
9-28	10,000	"	" "	62.00	BJ	1.00	
	5,000	"	Clear "	89.00	BJ	1.00	
	5,000	"	Fcty. "	26.50	BJ	1.00	
	1,500	3/8x2	Clr Wht "	77.50	BJ	1.00	
9-20	30,000	13/16x3-1/4	Clear "	78.00	DG		
9-26	5,000	13/16x2	Fcty. "	27.00	Mill		49
	22,000	" x2-1/4	No. 1 "	58.50	AG	2.00	
9-27	20,000✓	"	Clear "	89.75	BD	2.00	
	8,000	"	No. 1 "	59.75	BD	2.00	
	25,000✓	"	Clear "	94.50	DG	2.50	
	3,000	3/8x2	" "	64.75	DG	2.50	
	3,000	"	No. 1 "	49.75	DG	2.50	
9-26	31,000	1-1/16x2-1/4	Clear "	94.00	DE	2.00	
9-29	12,000	13/16x2-1/4	Fcty. "	27.50	BG	2.00	
	6,000	"	No. 1 "	60.50	BG	2.00	
	22,000	"	" "	60.50	BG	2.00	

282,000 No reports from Nos. 2 and 33.

							Group B
9-29	15,000✓	13/16x2-1/4	Clear Maple	93.50	AG	2.00	№ 3
	10,000	"	No. 1 "	63.50	AG	2.00	
9-30	5,000✓	"	Clear "	99.50	DG	2.00	
	5,000	"	" Beech	79.50	DG	2.00	
	10,000	"	Fcty. "	24.50	DG	2.00	
	3,000	3/8x2	Clear "	59.75	DG	2.00	
9-26	15,000✓	13/16x2-1/4	" Maple	93.50	AG	2.00	
	10,000	"	No. 1 "	63.50	AG	2.00	
	19,000	" x2	" Beech	52.00	BJ		
	17,000✓	" x2-1/4	Clear Maple	99.50	DG	2.00	
9-26	3,000✓	"	" "	94.75	BD		5
	4,000	"	No. 1 "	64.75	BD		
	5,000	"	Fcty. "	24.75	BD		
	7,000	3/8x2	Clear "	62.50	BD		
	4,000	3/8x1-1/2	" "	62.50	BD		
	3,000	"	No. 1 "	47.50	BD		
	23,000	13/16x2	" "	62.50	DG	2.00	
9-29	18,000	"	" "	57.00	BJ	1.50	
	6,000	13/16x2-1/4	" Birch	69.50	DG	2.00	
	12,000	"	No.1-Fcty.Birch	43.50	DG	2.00	
	4,000	" x2	No. 1 "	52.50	DG	2.00	
10-1	20,000✓	" x2-1/4	Clear Maple	107.50	AAC	1.50	
	10,000	"	No. 1 "	77.50	AAC	1.50	
	1,361	In five small sales.					
9-21	1,000	13/16x2	No. 1 Beech	52.00	A		14
9-26	17,000	" x2-1/4	" Maple	64.00	DG	2.00	
	13,500	" x2	" "	52.75	BD	1.50	
	6,000✓	" x2-1/4	Clear "	89.75	BD	1.50	
	*20,000	3/8x2	" "	*52.50	AG		
	* 5,000	3/8x1-1/2	" "	*52.50	AG		
		*Sold to member of MFMA					
	6,000✓	13/16x2-1/4	Clear Maple	88.50	AG	1.50	
	8,000	"	No. 1 "	58.00	AG	1.50	

DATE	QUANTITY	DESCRIPTION	DELD. PRICE	INDEX LETTERS	COMMIS-SIONS	MILLS REPTG Group B
9-26	6,000 13/16x2-1/4	No.1-Fcty.Mpl.	$25.50	AG	$1.50	No 14
	3,000 3/8x1-1/2	Clear Maple	55.75	AG	1.50	
	3,000 3/8x2	" "	58.75	DG	2.00	
	8,000 13/16x2-1/4	" "	94.50	DG	2.00	
	9,000 "	No. 1 "	64.00	DG	2.00	
9-28	1,000 "9/21"	No.1&Btr"	48.00	A		
	30,590 "	No.1-Fcty.Mpl	27.00	AH	2.00	
9-29	1,700 "9/21"Extra Sht" "		20.00	A		
	4,000 " " " " " "		17.00	A		
	1,565 In four small sales.					
9-27	10,000 13/16x2-1/4	No. 1 Maple)On consignment				26
	10,000 "	" ")		DG		
	41,000 "	Fcty. "	27.50	BJ	1.00	
	25,000 "	No. 1 "	60.00	BD	2.00	
	10,000✓ "	Clear "	88.00	BD	2.00	
	10,000 "	No. 1 "	63.00	BD	2.00	
9-26	1,600 13/16x3-1/4	" "	76.00	Mill		30
9-27	1,334 " x1-1/2	Clear Birch	86.00	BD	2.00	
	3,500 " x3-1/4	" Maple	89.50	BD		
	1,000 " x2-1/4	" Beech	79.00	Mill		
	3,200 " "	No.1-Fcty.Mpl	36.00	Mill		
	2,000 3/8x2	Clear Maple	65.00	Mill		
9-28	5,900 13/16x1-1/2	" Beech	68.75	AG		
9-29	1,300 " x2	No.1-Fcty.Mpl	34.00	Mill		
	2,000 " x2-1/4	Fcty. Maple	32.00	Mill		
	1,000 3/8x2	" "	20.50	CD		
	2,000 13/16x2	No. 1 "	64.00	Mill		
9-30	4,500 " x2-1/4	" Birch	69.50	DG		
	8,000 "	Clear "	96.50			
	7,000 "(2-3½')	" Beech	65.00			
	1,000 "(1½')No.1	"	50.00			
	1,300 " x1-1/2	"-Fcty.Mpl	26.00	Mill		
10-1	10,000✓ " x2-1/4	Clear Maple	93.00	DG		
	9,028 In twenty-eight small sales.					
9-20	18,000✓13/16x2-1/4	Clear Maple	94.00	DA		47
9-22	20,000✓ "	" "	87.00	CA		
	5,000 "	No. 1 "	58.00	CA		
	5,000 "	" Beech	52.00	CA		
9-22	5,000✓ "	Clear Maple	90.00	DG		
	5,000 1-1/16x2-1/4	" "	92.00	DG		
9-23	3,000✓13/16x2-1/4	" "	93.00	CA		
	17,000✓ "	" "	88.00	BD		
9-19	10,000 3/8x2	" "	69.00	AJE		
	25,000✓13/16x2-1/4	" "	107.00	AJE		
9-22	6,000 3/8x2	" "	60.00	CD		
	17,000✓13/16x2-1/4	" "	85.00	A		
9-21	5,000 1-1/16x3-1/2	Jtd.No.1"	73.00	DG		
9-20	4,000 13/16x2-1/4	No. 1 Maple	62.50	DA		
	22,000 "	" "	64.00	CC		
	20,000 "	" "	63.00	DA		
	25,000 "	" "	63.50	DA	2.00	
9-17	9,000✓ "	" "	66.00	DA	2.00	
9-20	15,200✓ "	Clear "	90.00	CC		
	17,000 "	No. 1 "	59.00	BI		
9-21	17,000 "	" "	61.50	DA		
	17,000 "	" "	63.50	DA	2.00	
9-24	18,000 13/16x2	Clear "	80.00	CC		
	18,000 " x2-1/4	No. 1 "	58.00	BJ	2.00	
9-21	11,000✓ "	Clear "	93.00	DG		
	6,500 " x3-1/2	Jtd.No.1"	65.00	DG		
9-22	18,000✓ " x2-1/4	Clear "	90.00	DG		
9-26	14,000 "	No. 1 "	62.00	DA	2.00	
9-19	20,000 "	" "	61.00	CC	2.00	
9-24	40,000 "	" "	57.00	DB		
9-23	12,000 "	" "	60.00	BG	2.00	
	6,000✓ "	Clear "	88.00	BG	2.00	
9-30	2,300 "	" Beech	70.00	A		
	4,000 "	No. 1 Maple	61.00	CD	2.00	

DATE	QUANTITY	DESCRIPTION	DELD. PRICE	INDEX LETTERS	COMMIS-SIONS	MILLS KEPTG. Group B
9-30	3,500	13/16x2-1/4 Fcty. Maple	$30.00	CD	$2.00	~~W 47~~
	10,000	" x3-1/4 " "	30.00	CD	2.00	
	8,200	" x2-1/4 No. 1 "	60.00	BJ		
9-27	27,500	" x2 " "	55.00	BJ	2.00	
	1,100	" " Clear "	83.00	BJ	2.00	
9-30	4,500	3/8x2 No. 1 "	45.50	A		
	17,000	13/16x2-1/4 Clear "	83.00	A		
9-29	14,000	" Fcty. "	26.50	DA	1.00	
	3,000	" No. 1 "	58.00	DA	1.00	
	15,000	" Clear "	86.00	BD		
	5,000	" No. 1 "	56.00	BD		
	12,000	" Clear "	83.00	A		
	5,000	" x3-1/2 Jtd.Fcty. Mpl	35.00	A		
	20,000	1-1/16x2-1/2 " " "	47.00	DG	2.00	
	17,000	13/16x3-1/4 Clear Maple	80.00	DG		
	5,800	" x1-1/2 " "	80.00	CC		
	7,700	" x2-1/4 No. 1 "	57.00	CC		
	3,400	" " Fcty. "	25.00	CC		
10-1	17,400	" " " "	25.00	DA		
	8,000	" " Clear "	89.00	BI		
	15,000	" " No. 1 "	60.00	BI		
	10,000	3/8x1-1/2 Clear "	55.00	A		
	10,000	13/16x2 " "	55.00	A		
	10,000	" x2-1/4 " "	83.00	A		
	10,000	" " No. 1 "	55.00	A		
	50,000	" " Clear "	93.00	DG		
	10,000	" x3-1/2 " "	83.00	DG		
	65,000	" x2-1/4 "Wht "	113.00	DC		
	1,386,778	No report from No. 37				

						Group D
9-26	5,000	13/16x2-1/4 No. 1 Maple	65.25	BF	2.00	~~W 4~~
	7,000	" Clear "		BD	1.50	
	3,000	" No. 1 "		BD	1.50	
	3,000	" x1-1/2 Clear "		BD	1.50	
	1,000	" x2-1/4 7/22"Clr. "		BD	1.50	
	2,000	3/8x1-1/2 Clear Maple		BD	1.50	
	2,000	13/16x2-1/4 " "	92.50	Mill	1.50	
	10,000	" " "	94.50	BB		
9-27	1,000	" " "	92.50	Mill	1.50	
	1,500	" No. 1 "	62.50	Mill	1.50	
	3,000	" Clear Beech	79.75	BD	1.50	
	5,000	" " Maple	94.75	BD	1.50	
	5,000	" " Beech	80.00	BE	1.50	
	3,000	" No. 1 "	60.00	BE	1.50	
	7,500	" Clear Maple	104.00	GJ	1.50	
	2,000	" " "	104.00	GJ	1.50	
	8,000	" " "	104.00	GJ	1.50	
9-28	1,000	"2/5½' No. 1 "	55.75	BI		
	200	3/8x1½1/2 " "	61.25	Mill		
	1,000	3/8x1-1/2 " "	61.25	Mill		
	2,000	13/16x1-1/2 " "	59.00	CJ	1.50	
	2,600	3/8x1-1/2 Clear "	61.25	Mill	2.00	
	5,000	13/16x2-1/4 2/5½' Clr"	75.50	BG	1.50	
	2,000	" Clear "	91.50	BG	1.50	
	4,000	"7/22" " "	60.50	BG	1.50	
9-29	1,500	" " Fcty. "	24.00	AG		
	800	" x1-1/2 7/22"No.1"	36.00	AG		
	450	" x2-1/4 2/5½'Clr "	82.50	Mill		
9-30	7,500	" No. 1 "	62.75	BI	1.50	
	7,500	" Fcty. Birch	22.75	BI	1.50	
	2,500	3/8x2 Clear Maple	63.00	BI	1.50	
	10,000	13/16x2-1/4 " "	96.00	CJ	2.00	44
	15,000	" No. 1 "	66.00	CJ	2.00	
	11,500	" Fcty. "	30.00	CJ	2.00	
	10,000	" x1-1/2 Clear Birch	91.00	CJ	2.00	

DATE	QUANTITY	DESCRIPTION		DELD. PRICE	INDEX LETTERS	COMMISSIONS	MILLS REPTG Group D
	10,000	13/16x2-1/4	Clear Maple	$96.00	CJ	$2.00	№ 44
	3,000	" x1-1/2	No. 1 Birch	59.00	CJ	2.00	
	13,000	"	Fcty. Maple	23.00	CJ	2.00	
	10,000	"	Clear "	87.00	CJ		
	9,000	"	No. 1 "	57.00	CJ		
	2,000	" x2-1/4	Fcty. "	31.00	CJ		
	2,000	"	No. 1 "	65.00	CJ		
	10,500	"	" "	69.50	DH		
	10,000	"	Clear "	98.50	DC		
	7,500	"	No. 1 "	68.50	DC		
	2,400	"	Fcty. "	32.00	DC		
	36,000	"	No. 1 "	56.00	BE	1.50	
	100,000	"	Fcty. "	20.00	ED	1.50	
	25,000	"	" "	21.00	BD	1.50	
	65,000	"	" "	25.00	DB	1.50	
	1,000	"	No. 1 "	65.25	BF		
	13,000	"	" "	60.00	BB	1.00	
	28,000	"	Clear Beech	75.00	BJ	1.50	
	3,000	"	" Maple	95.25	BF		
	15,000	"	No. 1 "	65.25	BF		
9-26	15,000	" x2-1/2	Clear "	87.50	CA		45
	5,000	3/8x1-1/2	" "	59.00	CA		
	7,000	13/16x2-1/4	" "	96.00	DG		
	11,000	"	" Birch	42.00	DG		
9-28	21,000	"	" Maple	85.25	EF	2.00	
9-30	8,500	"	" "	88.25	DA	2.00	
9-15	4,000	"	" "	90.00	Mill	1.50	50
	4,000	"	No. 1 "	60.00	Mill	1.50	
9-19	2,000	"	Clear "	96.00	CJ		
9-20	6,000	"	No. 1 "	66.00	CJ		
	2,000	"	Clear "	96.00	CJ		
	6,000	" x1-1/2	Fcty. "	21.00	CJ		
	1,000	3/8x1-1/2	Clear Birch	63.00	CJ		
9-22	850	13/16x2-1/4	" Maple	96.00	CJ		
	3,000	"	" "	96.00	CJ		
	2,680	" x1-1/2	Fcty. "	25.00	CJ		
9-26	6,000	" x2-1/4	Clear "	90.00	Mill	1.50	
9-28	1,000	" x1-1/2	No. 1 "	59.00	CJ		
	1,000	" x2-1/4	" "	66.00	CJ		
	4,000	" "	Clear "	96.00	CJ	2.00	
	5,000	" "	No. 1 "	66.00	CJ	2.00	
	3,000	" x1-1/2	" "	59.00	CJ	2.00	
	8,000	" x2-1/4	" Birch	61.00	CJ	2.00	
	5,000	" x1-1/2	" "	54.00	CJ	2.00	
	3,000	" x2-1/4	" Maple	66.00	CJ		
	30,000	"	" "	66.00	CJ	2.00	
	2,000	"	" "	66.00	Mill		
	1,700	"	Fcty. "	20.00	Mill		
	677,680	No reports from Nos. 7, 34, 42 and 23.					

							Group F
9-26	1,200	13/16x2-1/4	No. 1 Maple	68.50	Wrhse		№ 1
	1,000	"	Clear "	98.50	"		
	2,900	"	" "	100.00	BD		
	2,600	"	No. 1 "	70.00	BD		
	1,300	"	" "	75.00	BD		
	1,700	"	Clear "	105.00	BD		
	2,100	" x3-1/4	No. 1 "	75.00	BD		
	2.000	3/8x2	" "	60.00	BD		
	1,250	" x1-1/2	Clear "	75.00	BD		
10-1	2,100	13/16x2-1/4	" "	105.00	BD		
	9,425	In eleven small sales.					22

DATE	QUANTITY	DESCRIPTION	DELD. PRICE	INDEX LETTERS	COMMIS-SIONS	MILLS REPTG Group F
10-1	3,000	13/16x2-1/4 Clr.Wht Maple	$120.00	BD		MW 48
	10,585✓	" " "	100.00	BD		
	1,763✓	" " "	98.50	Wrhse		
	1,195	" " "	95.00	BD		
	6,700	" " "	90.00	Wrhse		
	*6,000	13/16x3-1/4 " "	*71.50	"		
	*5,550	" " "	*73.00	BD		
	2,110	" x2-1/4 No. 1 "	75.00	BD		
	15,370	" " "	70.00	BD		
	2,760	" " "	68.50	Wrhse		
	3,900	" " "	62.50	BD		
	*3,500	" " "	*58.50	Wrhse		
	1,050	" Fcty. "	35.00	BD		
	2,600	" " "	30.00	BD		
	945	In three small sales.				
		* Sold to member of MFMA.				
	94,603					

OVAL WOOD DISH CORPORATION - No. 51

Reports "No Sales" 51

2,441.061

MEMBERS REPORTING:

Group A	2	Members
B	6	"
D	4	"
F	3	"
Tupper Lake, N.Y.	1	"
	16	Members

[fols. 2390-2393] GOVERNMENT'S EXHIBIT No. 43-FF

(Here follow Government's Exhibits Nos. 43-JJ and 43-KK, marked side folio pages 2394-2405, inclusive.)

[fols. 2406-2408] GOVERNMENT'S EXHIBIT No. 43-LL

[Omitted in printing]

[fols. 2409-2412] GOVERNMENT'S EXHIBIT No. 43-MM

[Omitted in printing]

[fols. 2413-2419] GOVERNMENT'S EXHIBIT No. 43-NN

[Omitted in printing]

[fols. 2420-2424] GOVERNMENT'S EXHIBIT No. 43-OO

[Omitted in printing]

[fols. 2425-2428] GOVERNMENT'S EXHIBIT No. 43-PP

[Omitted in printing]

[fols. 2429-2434] GOVERNMENT'S EXHIBIT No. 43-QQ

[Omitted in printing]

[fols. 2435-2437] GOVERNMENT'S EXHIBIT No. 43-RR

[Omitted in printing]

[fols. 2438-2440] GOVERNMENT'S EXHIBIT No. 43-SS

[Omitted in printing]

[fols. 2441-2444] GOVERNMENT'S EXHIBIT No. 43-TT

[Omitted in printing]

[fols. 2445-2447] GOVERNMENT'S EXHIBIT No. 43-UU

[Omitted in printing]

GOVERNMENT'S EXHIBIT No. 40-VV

Maple Flooring Manufacturers Association

Record of Completed Transactions

January 20, 1922.

Report of Sales Made During the Week Ending January 14, 1922

Reports from 3 Members in Eastern Lower Michigan.

Date	Quantity	Description	Deld. price	Cadillac frt. rate	Commissions
1-14	20,000	13/16 x 2¼ Fcty. Maple	$28.50	.42	$1.00
	22,000	" No. 1 "	69.00	.20	2.00
	5,000	" Clear "	94.00	.20	2.00
1-11	25,000	" " "	99.50	.47	2.00
1-13	120,000	" " "	89.75	.24	
		Sold to member of M. F. M. A.			
1-12	16,000	13/16 x 3¼ Fcty. Maple	25.50	.24	
		Sold to member of M. F. M. A.			
12-30	5,012	13/16 x 2¼ No. 1 Maple	82.00	.60	
1- 3	8,600	" Clear "	96.25	.31	2.00
	4,284	In 17 small shipments.			
1- 9	23,000	13/16 x 2¼ No. 1 Maple	74.50	.33	2.00
1-11	800	" " "	65.00	Mill	
1- 9	5,000	" x 1½ Clr. Wht. Maple	114.00	.45	2.00
1-11	10,000	1 1/16 x 2¼ Fcty. "	38.50	.42	2.00
	15,000	13/16 x 2¼ " "	33.50	.42	2.00
	279,696				

Reports from 3 Members in Western Lower Michigan.
1 Other member in Western Lower Michigan reports "No Sales."

1- 9	30,000	13/16 x 2¼ Clear Beech	80.50	.27½	1.50
	5,000	" " Maple	96.00	.30	1.50
	3,000	" No. 1 "	76.00	.30	1.50
	5,000	" x 1½ Clear "	86.00	.30	1.50
	4,000	" No. 1 "	56.00	.30	1.50
	3,000	" Clear Beech	66.00	.30	1.50
	6,000	In several small sales.			
1-12	7,000	13/16 x 2 No. 1 Maple	63.00	.40	
	80,000	" x 2¼ Clear "	99.00	.45	2.00
1- 9	12,000	" Fcty. "	34.00	.45	2.00
	6,000	" No. 1 "	74.00	.45	2.00
	14,000	" x 2 No. 1 "	80.50	1.12	2.00
	6,000	⅜ x 2 Clear "	66.50	1.12	2.00
1-14	4,000	13/16 x 2¼ " Beech	79.75	.24	2.00
	20,000	13/16 x 2 No. 1 Maple	62.75	.24	2.00
	205,000				

Reports from 2 Members in Upper Michigan and Wisconsin.
1 Other member in Upper Michigan and Wisconsin reports "No Sales."

1-14	3,000	13/16 x 2¼ Clear Maple	96.00	.30	1.50
	4,000	" x 1½ " "	89.50	.30	1.50
	5,000	" No. 1 "	62.50	.30	1.50
	3,000	" x 2¼ Clear "	94.50	.30	1.50
	3,000	" Fcty. "	24.50	.30	1.50
	7,000	" Clear "	96.00	.30	
	2,000	" " Birch	91.00	.30	
	3,000	⅜ x 1½ " Maple	63.00	.30	

Record of Completed Transactions—*Continued*

Date	Quantity	Description	Deld. price	Cadillac frt. rate	Commissions
	3,000	13/16 x 2¼ Fcty. "	26.00	.30	
	7,500	" Clear "	96.00	.30	2.00
	5,000	" No. 1 "	71.00	.30	2.00
	2,500	" Fcty. "	31.00	.30	2.00
	10,000	" Clear "	94.75	.24	1.50
	10,000	" No. 1 "	69.75	.24	1.50
	3,000	" Fcty. "	29.75	.24	1.50
	5,000	" Clear "	95.50	.27	1.50
	20,000	" No. 1 "	70.50	.27	1.50
	20,000	" " Beech	60.00	.27	1.50
	116,000				

[fol. 2449] Reports from 3 other members.
1 Other member reports "No Sales."

1-14	1,300	13/16 x 2¼ No. 1 Maple	$76.00	.24	
	1,000	" " "	74.00	Whse.	
	3,000	" " "	76.00	.24	
	1,400	" Fcty. "	36.00	.24	
	1,500	" x 3¼ Clear "	96.00	.24	
	3,340	" x 2¼ " "	101.00	.24	
	1,900	" x 1½ " Birch	96.00	.24	
	1,650	" x 2¼ " Maple	101.00	.24	
	1,825	" " "	101.00	.24	
	1,000	" No. 1 "	76.00	.24	
	1,300	⅜ x 1½ & 2 Clear "	75.00	.24	

2,267	In 3 small retail sales.		
12,105	13/16 x 2¼ Clear Maple	101.00	.24
1,475	" " "	99.50	Whse.
1,950	" x 1½ " "	100.00	.24
1,200	⅜ x 2 " "	70.00	.24
1,450	13/16 x 2¼ No. 1 "	83.00	.24
6,045	" " "	76.00	.24
2,100	" " "	74.50	Whse.
3,500	" Fcty. "	36.00	.24
2,500	" x 3¼ " "	39.50	Whse.
2,610	In 5 small sales.		
172,417			
773,113	Reported by 11 Members. 3 Members reported "No Sales."		

[fols. 2450-2452] GOVERNMENT'S EXHIBIT No. 43-WW
[Omitted in printing]

[fols. 2453-2455] GOVERNMENT'S EXHIBIT No. 43-XX
[Omitted in printing]

[fols. 2456-2458] GOVERNMENT'S EXHIBIT No. 43-YY
[Omitted in printing]

[fols. 2459-2465] GOVERNMENT'S EXHIBIT No. 43-ZZ
[Omitted in printing]

[fols. 2466-2468] GOVERNMENT'S EXHIBIT No. 43-AAA
[Omitted in printing]

[fol. 2469] GOVERNMENT'S EXHIBIT No. 43-AAA-2
[Omitted in printing]

[fols. 2470-2473] GOVERNMENT'S EXHIBIT No. 43-BBB
[Omitted in printing]

[fols. 2474-2478] GOVERNMENT'S EXHIBIT No. 43-CCC
[Omitted in printing]

[fols. 2479-2482] GOVERNMENT'S EXHIBIT No. 43-DDD
[Omitted in printing]

[fols. 2483-2487] GOVERNMENT'S EXHIBIT No. 43-EEE
[Omitted in printing]

[fol. 2488]

GOVERNMENT'S EXHIBIT No. 43-FFF

Maple Flooring Manufacturers Association

April 6, 1922.

Record of Completed Transactions

Report of Sales Made During the Week Ending April 1, 1922

Date	Quantity	Description			Deld. price	Cadillac frt. rate	Commissions	Mills reptg.
3–25	3,250	13/16 x 3¼	Clear	Maple	$110.00	.66	....	No. 2
	6,000	1 1/16 x 3¼	"	"	105.50	.47	$2.00	
	6,000	⅜ x 2	"	"	59.75	.47	2.00	
	12,000	13/16 x 2¼	No. 1	"	71.50	.47	2.00	
	15,621	"	Clear	"	95.75	.29	2.00	
	5,132	"	No. 1	"	67.75	.29	2.00	
3–24	25,053	"	"	"	67.50	.27	2.00	
	12,073	"	Fcty.	"	28.50	.42	2.00	
	5,839	"	Clear	"	98.50	.42	2.00	
3–25	2,828	"	No. 1	"	73.50	.32	2.00	
3–27	2,007	"	Clear	"	99.25	.36	2.00	
3–28	10,000	"	No. 1	"	73.25	.56	2.00	
3–24	40,000	"	"	"	68.50	.43	2.00	
	20,000	"	Fcty.	"	29.50	.43	2.00	
	50,000	"	No. 1	"	68.50	.43	2.00	
3–27	50,000	"	"	"	68.50	.43	2.00	
	15,000	1 1/16 x 2¼	"	"	84.00	.45	2.00	
	25,000	13/16 x 2¼	"	"	71.00	.45	2.00	
3–22	32,500	"	"	Beech	69.00	.85	2.00	

Record of Completed Transactions—*Continued*

Date	Quantity	Description	Deld. price	Cadillac frt. rate	Commissions	Mills reptg.
3–24	160,000	" Fcty. Maple	25.75	.29	2.00	
	7,758	In 27 small sales.				
	505,861					
3–24	64,000	13/16 x 2¼ Fcty. Maple	26.00	.43	2.00	24
3–28	20,000	" " "	24.00	.20	2.00	
3–25	50,000	1 1/16 x 3¼ Clear "	94.00	.47	2.00	
3–30	10,000	13/16 x 1½ Fcty. "	17.50	.17	1.00	
3–25	5,000	" x 2¼ No. 1 "	68.00	.20	1.50	
3–30	8,000	" Clear "	96.50	.43	2.00	
	2,500	" Sh. Lengths " Birch	83.50	.43	2.00	
	15,000	" x 3¼ Fcty. Maple	31.75	.43	2.00	
	174,500					
3–28	5,000	13/16 x 2¼ No. 1 Maple	68.00	.18	....	33
	18,000	" Clear "	94.00	.33	2.00	
3–29	18,000	" " "	94.00	.47	2.00	
3–30	20,000	" No. 1 "	70.50	.45	2.00	
3–31	20,000	" " "	70.00	.47	2.00	
	25,000	" x 2 " "	64.00	.20	1.50	
	106,000					

2–28	20,000	13/16 x 2¼	No. 1 Maple	76.00	.30	1.50	3
	50,000	"	"-Fcty. Maple	39.00	.16	1.50	
3–31	15,000	"	" " "	42.75	.24	1.50	
	10,000	"	Clear Maple	94.75	.24	1.50	
4–1	15,000	"	" Beech	84.50	.47	2.00	
	5,000	⅜ x 2	" "	59.75	.47	2.00	
	6,000	13/16 x 2¼	" Maple	99.50	.47	2.00	
	3,000	" x 3¼	No. 1 "	80.50	.47	2.00	
	3,000	" x 2¼	" Beech	69.50	.47	2.00	
	2,000	"	"-Fcty. Beech	42.50	.47	2.00	
	6,000	⅜ x 2	Clear Maple	59.75	.47	2.00	
	3,000	13/16 x 2¼	" "	99.50	.47	2.00	
	6,000	"	" Beech	84.50	.47	2.00	
	8,000	"	No. 1 "	69.50	.47	2.00	
3–30	12,000	"	" "	69.50	.47	2.00	
	8,000	"	" Birch	79.50	.47	2.00	
	172,000						
3–28	39,000	13/16 x 2	Clear Maple	99.75	.89	2.00	5
3–27	2,000	⅜ x 1½	" Beech	58.75	.36	1.50	
	2,000	⅜ x 2	" "	58.75	.36	1.50	
	5,000	13/16 x 2¼	" "	82.25	.36	1.50	
	2,000	⅜ x 1½	No. 1 "	38.75	.36	1.50	
	2,000	"	Clear Maple	58.75	.36	1.50	
	4,000	13/16 x 2¼	" "	97.25	.36	1.50	
	6,000	"	No. 1 "	77.25	.36	1.50	
3–29	25,000	" x 2	Clear "	85.50	.17	1.50	

Record of Completed Transactions—*Continued*

Date	Quantity	Description	Deld. price	Cadillac frt. rate	Commissions	Mills reptg.
3–29	10,000	3/8 x 2 Clear Maple	$56.75	.17	$1.50	No. 5
	17,000	13/16 x 2¼ " "	99.50	.47	2.00	
	5,000	13/16 x 2¼ " Beech	84.50	.47	2.00	
	10,000	" " Maple	99.50	.47	2.00	
	4,000	3/8 x 2 " "	59.75	.47	2.00	
	2,000	13/16 x 1½ Fcty. Hdwds	18.00	.30	1.50	
	2,210	In 6 small sales.				
	137,210					
3–27	1,000	13/16 x 2¼ 9/21 Clr. Maple	45.00	...	....	14
3–28	2,000	3/8 x 2 Clear Maple	55.00	...	....	
	7,000	13/16 x 2 Fcty. "	42.00	.85	2.00	
3–31	1,000	13/16 x 2¼ 9/21 " "	17.00	...	....	
	1,000	" x 3¼ " " "	17.00	...	....	
	35,000	" x 2¼ No. 1 Maple	67.50	.16	2.00	
	35,000	" x 3¼ " "	71.50	.47	2.00	
	1,241	In 6 small sales.				
	83,241					
3–27	35,000	13/16 x 2¼ Fcty. Maple	37.00	.85	2.00	26
	8,000	" " "	24.00	.20	2.00	
	2,000	" Clear "	95.00	Mill	2.00	
3–30	16,000	" No. 1 "	69.75	.24	2.00	
	16,000	" Fcty. "	26.75	.20	2.00	

	50,000	" x 3¼	" "	.....	29.00	.20	2.00	
	127,000							
3–27	35,000	13/16 x 2¼	No. 1 Maple	.....	80.00	.85	1.00	30
	2,300	"	" "	.....	70.75	.29	....	
	8,000	" x 1½	" "	.....	67.00	.59	....	
3–28	2,500	" x 3¼	Fcty. "	.....	35.00	Mill	....	
3–29	6,000	"	No. 1 "	.....	69.50	.20	....	
	6,000	" x 2¼	" "	.....	69.00	.20	....	
	21,000	" x 2	Clear "	.....	92.25	.26	2.00	
3–30	3,140	" x 2¼	No. 1 "	.....	72.00	Mill	....	
	3,300	"	" "	.....	72.00	Mill	....	
	1,500	⅜ x 2	Clear "	.....	65.00	Mill	....	
3–31	4.275	13/16 x 2¼	No. 1 Beech	.....	67.00	Mill	....	
	1,903	"	" Maple	.....	72.00	Mill	....	
4–1	5,000	⅜ x 2	Clear Beech (Red)	.....	88.00	.47	2.00	
	11,899	In 25 small sales.						
	111,817							
3–27	10,000	13/16 x 3¼	Fcty. Maple	.....	32.25	.45	2.00	37
	5,000	" x 2¼	No. 1 "	.....	71.00	.45	2.00	
	4,000	⅜ x 2	Clear "	.....	59.50	.45	2.00	
3–29	22,000	13/16 x 2¼	No. 1 "	.....	71.00	.45	2.00	
	10,000	"	" "	.....	69.50	.38	2.00	
	10,000	"	" Birch	.....	69.50	.38	2.00	
3–31	5,000	⅜ x 1½	Clear Maple	.....	55.00	Mill	1.50	
	596	In 3 small sales.						
	66,596							

Record of Completed Transactions—*Continued*

Date	Quantity	Description			Deld. price	Cadillac frt. rate	Commissions	Mills reptg.
3–27	20,000	1 1/16 x 2¼	Clear Maple	.....	104.00	.45	2.00	47
	17,000	13/16 x 2	No. 1 "	.....	60.00	.17	....	
3–29	30,000	" x 2¼	Clear Beech	.....	80.00	.47	....	
	1,500	"	No. 1 Maple	.....	74.50	...	....	
	51,000	"	Clear "	.....	94.50	.47	....	
3–28	17,000	"	Fcty. "	.....	29.00	.40	2.00	
	20,000	"	" "	.....	29.00	.45	2.00	
3–25	31,000	"	Clear "	.....	95.00	.45	....	
	3,000	1 1/16 x 2¼	Clear "	.....	105.00	.45	....	
3–24	68,100	13/16 x 2¼	Fcty. "	.....	23.50	.14	2.00	
3–28	20,000	"	" "	.....	22.50	.25	....	
	278,600							
3–27	1,500	13/16 x 2¼	Fcty. Maple	.....	26.00	.27	2.00	
	3,000	⅜ x 1½	Clear "	.....	62.50	.27	2.00	
	10,000	13/16 x 1½	Fcty. "	.....	23.50	.41	....	
	10,000	" x 2¼	Cottage "	.....	37.50	.41	....	
3–28	3,500	"	Clear "	.....	93.50	.28	2.00	
	1,500	" x 2/3½'	" "	.....	78.50	.28	2.00	
	5,000	⅜ x 1½	" "	.....	62.00	.28	2.00	
	2,000	13/16 x 2¼	No. 1 "	.....	62.00	Mill	....	
	12,000	" x 1½	" "	.....	62.50	.30	....	
[fol. 2490]	2,400	"	Clear "	.....	88.50	.30	....	
3–29	2,000	13/16 x 1½	Fcty. Maple	.....	$22.50	Mill	....	No. 7
	4,000	" x 2¼	No. 1 "	7/23"	36.00	.30	....	
	7,000	"	Clear "	9/23"	56.00	.30	....	

3–30	1,000	"	No. 1	"	.....	71.00	.30	....	
	1,000	"	Fcty.	"	.....	26.00	.30	....	
	2,000	"	Clear	"	.....	90.50	.27	....	
	3,000	"	"	"	2/5½'.....	85.25	.27	....	
	5,000	"	Fcty.	"	.....	26.00	.27	....	
	2,000	"	"	"	7/23".....	15.00	.27	....	
	50,000	"	No. 1	"	.....	65.00	.24	....	
	3,000	⅜ x 1½	Clear	"	.....	62.50	.30	$2.00	
	6,000	13/16 x 2¼	Fcty.	"	.....	22.00	.21	....	
3–31	6,000	"	"	"	.....	23.50	.25	2.00	
	1,000	"	Clear	"	.....	94.50	.25	2.00	
	12,000	"	"	"	9/23".....	52.50	.24	2.00	
	3,000	"	No. 1	"	7/23".....	32.50	.24	2.00	
	1,200	⅜ x 2	Clear	"	9/23".....	34.75	.24	2.00	
4–1	18,000	13/16 x 2¼	Cottage	"	.....	37.50	.17	2.00	
	500	⅜ x 2	Clear	"	.....	62.00	.21	2.00	
	25,000	13/16 x 2¼	Fcty.	"	.....	23.50	.24	....	
	203,600								
3–27	17,000	13/16 x 2¼	No. 1 Maple		.....	72.50	.38	....	34
3–29	2,500	"	Fcty.	"	.....	26.00	.30	1.50	
	19,500								
	2,000	13/16 x 2¼	Clear Maple		.....	94.75	.24	2.00	42
	1,000	"	No. 1	"	.....	69.75	.24	2.00	
	5,000	⅜ x 2	Clear	"	.....	62.50	.24	2.00	
	1,000	"	No. 1	"	.....	47.50	.24	2.00	
	18,000	13/16 x 2¼	Clear	"	.....	96.00	.30	2.00	
	27,000								

Record of Completed Transactions—*Continued*

Date	Quantity	Description			Deld. price	Cadillac frt. rate	Commissions	Mills reptg.
4–1	42,000	13/16 x 2¼	No. 1 Maple	.....	65.00	.24	1.50	44
	25,000	13/16 x 2	" "	.....	64.00	.20	2.00	
	67,000							
4–1	4,634	In 9 small sales.			.....	...	....	22
4–1	2,500	13/16 x 2	Clear Maple	.....	91.50	Warehouse	....	48
	2,580	" x 2¼	" Wht. "	.....	125.00	.24	....	
	14,357	"	" "	.....	101.00	.24	....	
	1,450	" x 1½	" "	.....	100.00	.24	....	
	10,775	" x 2¼	No. 1 "	.....	75.00	.24	....	
	1,200	" x 2	Fcty. "	.....	35.00	.24	....	
	7,095	" x 2¼	" "	.....	35.00	.24	....	
	2,750	In 4 small sales.						
	42,707							
3–28	2,000	13/16 x 2¼	No. 1 Maple	.....	80.00	Mill	....	51
	475	In 2 small sales.						
	2,475							
	2,129,741	Total reported by 17 Members.						

Memorandum

The form of this report is as per last interview with Attorney Newman.
Next general meeting Thursday, April 20th, at 10:30 A. M. sharp, rooms 1124-1128 Congress Hotel.

[fols. 2491-2493] GOVERNMENT'S EXHIBIT No. 43-GGG
[Omitted in printing]

[fols. 2494-2495] GOVERNMENT'S EXHIBIT No. 43-HHH
[Omitted in printing]

[fols. 2496-2500] GOVERNMENT'S EXHIBIT No. 43-III
[Omitted in printing]

[fols. 2501-2504] GOVERNMENT'S EXHIBIT No. 44-JJJ
[Omitted in printing]

[fols 2505-2511] GOVERNMENT'S EXHIBIT No. 43-OOO
[Omitted in printing]

[fols. 2512-2517] GOVERNMENT'S EXHIBIT No. 43-KKK
[Omitted in printing]

[fols. 2518-2523] GOVERNMENT'S EXHIBIT No. 43-LLL
[Omitted in printing]

[fols. 2524-2527] GOVERNMENT'S EXHIBIT No. 43-QQQ
[Omitted in printing]

[fols. 2528-2532] GOVERNMENT'S EXHIBIT No. 43-MMM
[Omitted in printing]

[fol. 2533] GOVERNMENT'S EXHIBIT No. 43-NNN
[Omitted in printing]

[fols. 2534-2541] GOVERNMENT'S EXHIBIT No. 43-PPP
[Omitted in printing]

[fol. 2542] GOVERNMENT'S EXHIBIT No. 43-RRR
[Omitted in printing]

[fols. 2543-2547] GOVERNMENT'S EXHIBIT No. 43-SSS
[Omitted in printing]

[fols. 2548-2551] GOVERNMENT'S EXHIBIT No. 43-TTT
[Omitted in printing]

[fol. 2552] GOVERNMENT'S EXHIBIT 43-UUU

[Omitted in printing]

[fols. 2553-2556] GOVERNMENT'S EXHIBIT No. 43-VVV

[Omitted in printing]

[fol. 2557-2562] GOVERNMENT'S EXHIBIT No. 43-WWW

[Omitted in printing]

[fols. 2563-2566] GOVERNMENT'S EXHIBIT No. 43-XXX

[Omitted in printing]

[fol. 2567] GOVERNMENT'S EXHIBIT No. 43-YYY

[Omitted in printing]

[fols. 2568-2572] GOVERNMENT'S EXHIBIT No. 43-ZZZ

[Omitted in printing]

[fols.2573-2577] GOVERNMENT'S EXHIBIT No. 43-AAAA

[Omitted in printing]

[fols. 2578-2581] GOVEERNMENT'S EXHIBIT No. 43-BBBB

[Omitted in printing]

[fols. 2582-2586] GOVERNMENT'S EXHIBIT No. 43-CCCC

[Omitted in printing]

[fols. 2587-2594] GOVERNMENT'S EXHIBIT No. 43-DDDD

[Omitted in printing]

[fols. 2595-2599] GOVERNMENT'S EXHIBIT No. 43-FFFF

[Omitted in printing]

[fols. 2600-2603] GOVERNMENT'S EXHIBIT No. 43-GGGG

[Omitted in printing]

[fols. 2604-2607] GOVERNMENT'S EXHIBIT No. 43-HHHH

[Omitted in printing]

[fols. 2608-2611] GOVERNMENT'S EXHIBIT No. 43-HHHH-1

[Omitted in printing]

[fols. 2612-2617] GOVERNMENT'S EXHIBIT No. 43-IIII

[Omitted in printing]

[fols. 2618-2622] GOVERNMENT'S EXHIBIT No. 43-JJJJ

[Omitted in printing]

[fol. 2623] GOVERNMENT'S EXHIBIT No. 43-KKKK

[Omitted in printing]

[fols. 2624-2628] GOVERNMENT'S EXHIBIT No. 43-LLLL

[Omitted in printing]

[fols. 2629-2632] GOVERNMENT'S EXHIBIT No. 43-MMMM

[Omitted in printing]

[fols. 2633-2636] GOVERNMENT'S EXHIBIT No. 43-NNNN

[Omitted in printing]

[fols. 2637-2640] GOVERNMENT'S EXHIBIT No. 43-OOOO

[Omitted in printing]

[fols. 2641-2644] GOVERNMENT'S EXHIBIT No. 43-PPPP

[Omitted in printing]

[fols. 2645-2649] GOVERNMENT'S EXHIBIT No. 43-QQQQ

[Omitted in printing]

[fols 2650-2652] GOVERNMENT'S EXHIBIT No. 43-RRRR

[Omitted in printing]

[fols. 2653-2657] GOVERNMENT'S EXHIBIT No. 43-SSSS

[Omitted in printing]

[fols. 2658-2661] GOVERNMENT'S EXHIBIT No. 43-TTTT

[Omitted in printing]

[fols. 2662-2665] GOVERNMENT'S EXHIBIT No. 43-UUUU

[Omitted in printing]

[fols. 2666-2671] GOVERNMENT'S EXHIBIT No. 43-VVVV

[Omitted in printing]

[fols. 2672-2676] GOVERNMENT'S EXHIBIT No. 43-WWWW
[Omitted in printing]

[fols. 2677-2680] GOVERNMENT'S EXHIBIT No. 43-XXXX
[Omitted in printing]

[fols. 2681-2685] GOVERNMENT'S EXHIBIT No. 43-YYYY
[Omitted in printing]

[fols. 2686-2690] GOVERNMENT'S EXHIBIT No. 43-ZZZZ
[Omitted in printing]

[fols. 2691-2698] GOVERNMENT'S EXHIBIT No. 43-AAAAA
[Omitted in printing]

[fols. 2699-2708] GOVERNMENT'S EXHIBIT No. 43-BBBBB
[Omitted in printing]

[fols. 2709-2716] GOVERNMENT'S EXHIBIT No. 43-CCCCC
[Omitted in printing]

[fols. 2717-2721] GOVERNMENT'S EXHIBIT No. 43-DDDDD
[Omitted in printing]

[fols. 2722-2726] GOVERNMENT'S EXHIBIT No. 43-EEEEE
[Omitted in printing]

[fols. 2727-2731] GOVERNMENT'S EXHIBIT No. 43-FFFFF
[Omitted in printing]

[fols. 2732-2736] GOVERNMENT'S EXHIBIT No. 43-GGGGG
[Omitted in printing]

[fols. 2737-2740] GFOVERNMENT'S EXHIBIT No. 43-HHHHH
[Omitted in printing]

[fols. 2741-2745] GOVERNMENT'S EXHIBIT No. 43-IIIII
[Omitted in printing]

[fols. 2746-2751] GOVERNMENT'S EXHIBIT No. 43-JJJJJ
[Omitted in printing]

[fols. 2752-2755] GOVERNMENT'S EXHIBIT No. 43-KKKKK
[Omitted in printing]

[fols. 2756-2759] GOVERNMENT'S EXHIBIT No. 43-LLLLL
[Omitted in printing]

[fols. 2760-2764] GOVERNMENT'S EXHIBIT No. 43-MMMMM
[Omitted in printing]

[fols. 2765-2768] GOVERNMENT'S' EXHIBIT No. 43-NNNNN
[Omitted in printing]

[fols. 2769-2771] GOVERNMENT'S EXHIBIT No. 43-OOOOO
[Omitted in printing]

[fols. 2772-2776] GOVERNMENT'S EXHIBIT No. 43-PPPPP
[Omitted in printing]

[fols. 2777-2780] GOVERNMENT'S EXHIBIT No. 43-QQQQQ
[Omitted in printing]

[fols. 2781-2783] GOVERNMENT'S EXHIBIT No. 43-RRRRR
[Omitted in printing]

[fols. 2784-2785] GOVERNMENT'S EXHIBIT No. 43-SSSSS
[Omitted in printing]

[fols. 2786-2788] GOVERNMENT'S EXHIBIT No. 43-TTTTT
[Omitted in printing]

[fols. 2789-2793] GOVERNMENT'S EXHIBIT No. 43-UUUUU
[Omitted in printing]

[fols. 2794-2796] GOVERNMENT'S EXHIBIT No. 43-VVVVV
[Omitted in printing]

[fols. 2797 & 2798] GOVERNMENT'S EXHIBIT No. 43WWWWW
[Omitted in printing]

[fols. 2799-2804] GOVERNMENT'S EXHIBIT No. 43-XXXXX
[Omitted in printing]

[fol. 2805]

GOVERNMENT EXHIBIT No. 43-ZZZZZ

Maple Flooring Manufacturers Association

Record of Completed Transactions

July 19, 1923.

Report of Sales Made During the Week Ended July 14, 1923

July	Quantity	Description		Deld. price	Average frt. rate	Commissions	Mills reptg.
6	3,011	13/16 x 2¼	No. 1 Maple.....	$103.50	.17	....	No. 2
10	34,500	1 1/16 x 2¼	" "	103.50	.18	....	
9	26,416	" x 3¼	Fcty. "	63.00	.36	....	
10	60,000	13/16 x 2¼	No. 1 "	98.25	.41	....	
	10,092	In 29 small sales.					
	134,019						
12	10,000	13/16 x 2¼	No. 1 Maple.....	98.50	.18	$2.00	33
	10,000	" x 2	" "	93.50	.18	2.00	
	20,000						
9	6,400	17/16 x 2¼	Clear Maple	113.25	.39	2.00	49
	15,000	13/16 x 2¼	" "	108.25	.41	2.00	
	17,100	"	Fcty. "	58.00	.39	2.00	
	15,000	" x 2	No. 1 "	92.75	.39	2.00	
	3,000	"	Clear "	105.75	.39	2.00	
10	15,000	17/16 x 2¼	No. 1 "	98.50	.18	....	

	10,000	"	Clear "	108.50	.18	....	
	4,460	In small sales.					
	85,960						
12	1,000	13/16 x 1½ 2/31/½'	Clear Mpl.	75.50	.27	2.00	3
	8,000	⅜ x 1½	Clear Maple.....	59.75	.27	2.00	
	2,000	"	No. 1 Mixed.....	44.75	.27	2.00	
	5,000	"	Clear Birch	52.75	.27	2.00	
	4,000	13/16 x 2¼ 9/21"	No. 1 & Clr. B. & B.....	45.50	.27	2.00	
	5,000	" "	Clear Maple	55.50	.27	2.00	
10	11,000	" "	" "	55.50	.27	2.00	
	6,000	" "	No. 1 & Clr. B. & B.....	45.50	.27	2.00	
	8,500	" x 2 "	" " "	40.50	.27	2.00	
	8,500	" "	Fcty. Hdwds.....	17.50	.27	2.00	
	59,000						
10	80,000	13/16 x 2¼	No. 1 Maple.....	99.00	.20	2.00	5
12	3,700	"	" "	112.00	.85	1.50	
	10,000	" x 2	" "	107.00	.85	1.50	
	5,000	"	Clear "	117.00	.85	1.50	
10	17,000	" x 2¼ 9/21"	" "	65.50	.27	2.00	
	10,000	" x 1½	" "	104.00	.20	2.00	
9	8,000	" x 2¼	" "	113.50	.43	2.00	
	5,000	"	No. 1 "	103.50	.43	2.00	
	5,000	½ x 2¼	Clear "	90.75	.43	2.00	
	5,000	⅜ x 2	" "	66.50	.43	2.00	
	7,000	13/16 x 2¼ 9/21"	" "	65.50	.27	2.00	

Record of Completed Transactions—Continued

July	Quantity		Description	Deld. price	Average frt. rate	Commissions	Mills reptg.
	6,000	"	No. 1 " "	55.50	.27	2.00	
	7,000	"	" & Clr. B. & B.....	55.50	.27	2.00	
	430	In small sales.					
	169,130						
11	3,000	13/16 x 3½	Jtd. No. 1 & Btr. Mpl.....	99.75	.43	2.00	14
	4,000	" x 3¼	Fcty. Maple	64.75	.43	2.00	
	1,000	" x 2¼	" "	60.00	...	2.00	
10	10,454	"	No. 1 Beech.....	98.50	.43	2.00	
	18,000	⅜ x 2	Clear Maple	69.25	.43	2.00	
13	1,500	13/16 x 2¼ 9/21"	No. 1 & Btr. Mpl.	55.00	...	....	
	1,500	" "	Fcty. Mpl.	32.00	...	....	
	39,454						
11	1,500	13/16 x 2¼	Fcty. Maple	50.00	.18	....	26
[fol. 2806]							
9	22,000	13/16 x 2	Clear Maple.....	$100.50	.27	$2.00	No. 30
	2,000	" x 2¼	" "	114.00	Mill	....	
	1,400	"	" "	123.50	.47	....	
	2,000	"	" Red Beech.....	131.50	.43	2.00	
	17,000	"	" Maple	107.75	.39	....	

	1,000	3/8 x 1½	" Birch	70.00	Mill	....	
	1,500	13/16 x 2¼ 6/11	" Fcty. & Btr. Mpl.	18.00	Mill	....	
10	7,000	" x 2	Clear Maple	109.75	.49	2.00	
	7,000	"	No. 1 "	99.75	.49	2.00	
	5,000	"	Fcty. "	59.75	.49	2.00	
	2,000	" 1/3½′	Fcty. "	33.00	Mill	....	
11	13,200	" x 2¼	Clear " 1/3½′	103.50	.18	2.00	
	5,000	"	Fcty. " "	32.00	.18	2.00	
	17,000	"	Clear "	105.00	.25	2.00	
	1,200	"	No. 1 Beech	97.00	Mill	....	
13	2,000	" 1/3½′	Fcty. Maple	57.50	1.12	....	
	2,700	3/8 x 2	No. 1 "	65.00	.50	....	
	5,000	13/16 x 2¼	Clear "	110.50	.27	2.00	
	5,000	"	No. 1 "	100.50	.27	2.00	
	4,000	" x 1½	Clear "	100.50	.27	2.00	
	3,000	"	No. 1 "	88.50	.27	2.00	
	30,000	" x 2¼	Clear "	107.00	.22	2.00	
	10,000	"	Fcty. "	72.00	.85	2.00	
	10,000	"	No. 1 "	112.00	.85	2.00	
	15,000	"	Clear "	122.00	.85	2.00	
	16,000	"	" "	105.50	.27	2.00	
	12,570	In 30 small sales.					
	221,570						
11	15,000	13/16 x 2¼	Clear Maple	112.50	.43	2.00	37
9	3,000	13/16 x 2	Clear Maple	108.00	.64	2.00	47
	25,000	1-1/6 x 3¼	No. 1 "	94.00	.41	2.00	

Record of Completed Transactions—Continued

July	Quantity		Description	Deld. price	Average frt. rate	Commissions	Mills reptg.
6	25,000	13/16 x 2¼	Fety. "	54.50	.23	2.00	
	21,000	" x 3¼	Clear "	95.00	.44	2.00	
	74,000						
9	15,000	13/16 x 2¼	Clr. Wht. Maple.....	132.50	.24	....	7
	5,000	"	" "	112.50	.24	....	
10	5,000	⅜ x 1½	" "	66.50	Mill	....	
	2,000	" 9/23"	" "	33.50	Mill	....	
13	2,000	13/16 x 2¼	" "	114.50	.23	1.50	
	1,000	" 2/3½′	" "	94.50	.23	1.50	
	1,000	" 9/23"	" "	70.00	.23	1.50	
	3,000	"	No. 1 "	99.50	.23	1.50	
	1,000	" 7/23"	" "	48.00	.23	1.50	
14	2,000	⅜ x 1½	Clear "	68.00	.27	....	
	3,000	"	No. 1 "	53.00	.27	....	
	2,000	13/16 x 1½	" "	89.00	.27	....	
	8,000	" x 2¼	" "	100.50	.27	....	
	6,000	"	Fety. "	60.50	.27	....	
	10,000	"	Clear "	109.00	.27	....	
	2,000	"	" Birch.....	99.00	.27	....	
	3,000	"	No. 1 Maple.....	46.00	.27	....	
	15,000	" x 1½	Clear "	107.50	.52	1.50	
	2,000	" 2/3½′	" "	92.50	.52	1.50	
	3,000	"	No. 1 "	91.00	.52	1.50	
	2,000	⅜ x 1½	Clear "	70.50	.52	1.50	
	93,000						

6	18,000	17/16 x 2¼	No. 1 Maple.....	101.00	.37	2.00	23
	10,250	⅝ x 1½	No. 1 & Btr. Maple.....	56.75	.18	....	
	15,000	13/16 x 2¼	Clear " 2/3½'...	85.00	.18	....	
	5,000	⅝ x 1½	Fcty. "	18.50	.18	....	
	47,000	17/16 x 2¼	" "	51.00	.37	2.00	
	95,250						
9	2,000	13/16 x 2¼	Fcty. Maple.....	55.00	Mill	....	
10	2,000	"	Clear "	110.50	.27	2.00	
	2,000	"	No. 1 "	100.50	.27	2.00	
	1,000	" x 1½	Clear "	105.50	.27	2.00	
[fol. 2807]							
10	2,000	13/16 x 1½	Clear Birch	$95.50	.27	$2.00	No. 34
	1,500	In 3 small sales.					
	10,500						
11	15,000	13/16 x 2¼	Fcty. Maple	57.25	.36	2.00	42
12	20,000	"	Clear "	122.00	.85	2.00	
	25,000	"	No. 1 "	112.00	.85	2.00	
	15,000	"	Fcty "	67.00	.85	2.00	
	7,000	⅜ x 1½	Clear "	73.50	.85	2.00	
	2,000	13/16 x 2¼	Fcty. "	50.00	Mill	....	
	84,000						
9	8,000	13/16 x 1½	Clear Maple	100.50	.27	....	44
	4,000	" 2/3½'	" "	80.50	.27	....	

Record of Completed Transactions—Continued

July	Quantity	Description			Deld. price	Average frt. rate	Commissions	Mills reptg.
	4,000	" 1½/3½	" "	.....	45.50	.27	....	
9	6,000	" x 2¼	" "	.....	121.25	.60	....	
	6,000	"	No. 1 "	.....	111.25	.60	....	
	6,000	" x 1½	Fcty. "	.....	56.25	.60	....	
	7,000	"	Clear "	.....	98.50	.27	....	
	2,000	" 2/3½'	" "	.....	78.50	.27	....	
13	3,000	" x 2¼	" "	.....	110.50	.27	....	
	1,100	" x 1½	" "	.....	100.50	.27	....	
9	50,000	" x 2¼	No. 1 "	.....	99.00	.20	....	
	50,000	"	" "	.....	109.00	.20	....	
12	1,200	"	Fcty. "	.....	56.00	.15	....	
	148,300							
9	750	13/16 x 2¼	Clear Maple	.....	110.50	Mill	....	50
	1,300	"	Fcty. "	.....	55.00	Mill	....	
14	22,000	"	No. 1 Birch	.....	80.50	.27	....	
	24,050							
	8,430	In 9 small sales.			.....	...	....	22
	46,134	13/16 x 2¼	Clear Maple	.....	120.00	.24	....	48

18,845	"	No. 1	"	.....	105.00	.24	....
6,345	"	Fcty.	"	.....	65.00	.24	....
71,324							
	No sale.				.....	...	 51
1,354,487	Reported by 19 Members.						

Averages of Sales Week Ended July 14, 1923

13/16 x 2¼" face Clear, No. 1 and Factory Maple Flooring, Standard Grades and Lengths:

	Clear	No. 1	Factory
Averages of Delivered Prices	$111.23	104.60	61.54
Averages of Average Freight Rates	.39	.48	.49
Average Cost of Freight	7.80	9.60	9.80
Averages of Prices Realized	.....	.....	.....
F. O. B. Flooring Mill Basis	103.43	95.00	51.74

Total Sales of 13/16 x 2¼" Face Maple Flooring

Clear	399 M
No. 1	311 "
Factory	120 "
Total	830

[fol. 2808]

GOVERNMENT'S EXHIBIT No. 43-AAAAAA

Maple Flooring Manufacturers Association

Record of Completed Transactions

July 27, 1923.

Report of Sales Made During the Week Ending July 21, 1923

July	Quantity		Description		Deld. price	Average frt. rate	Commissions
13	10,000	13/16 x 2-¼	Clear Maple	.....	$107.75	.15	$2.00
	10,000	1-1/16 x 2-¼	No. 1 "	.....	97.75	.15	2.00
16	7,500	13/16 x 2	Clear "	.....	102.75	.39	2.00
	7,500	" x 2-¼	No. 1 "	.....	97.75	.39	2.00
	3,000	"	Fcty. "	.....	57.75	.39	2.00
18	20,000	"	No. 1 "	.....	98.25	.16	2.00
19	2,000	"	" "	.....	100.00	.25	....
19	4,000	"	" "	.....	107.50	.38	2.00
17	23,000	"	" "	.....	110.50	.77	2.00
	19,000	"	Fcty. "	.....	48.50	.18	2.00
	4,472	In 7 small sales.					
9	3,000	13/16 x 2-¼	Clear Maple	.....	118.00	.43	2.00
	1,500	5/8 x 2-¼	Fcty. "	.....	40.00	Mill	....
17	25,000	13/16 x 2-¼	No. 1 "	.....	93.50	.18	....
16	21,000	1-1/16 x 2-¼	Fcty. "	.....	54.50	.22	2.00
18	60,000	13/16 x 2-¼	No. 1 "	.....	103.00	.41	2.00
	220,972	Eastern Lower Michigan Mills					

20	4,000	3/8 x 2	Clear	Maple	64.25	.21	1.50
	6,000	" x 1-½	"	"	64.25	.21	1.50
	12,000	13/16 x 2-¼	No. 1	"	99.25	.21	1.50
18	1,000	3/8 x 2	Clear	"	69.00	Mill	....
	500	" 2/3½′	"	"	59.00	Mill	....
	1,000	13/16 x 2-9/21″	No. 1	"	52.00	Mill	....
	2.795	In 4 small sales.					
16	17,000	13/16 x 2-¼	No. 1	Maple	99.75	.24	....
	3,000	"	Clear	"	109.75	.24	....
	3,000	3/8 x 1-½	"	Beech	57.50	.24	....
18	15,000	13/16 x 2-¼	No. 1	Fcty. Maple	54.50	.12	1.50
	6,500	"	"	" "	68.00	.85	2.00
	25,000	" x 2-¼	Clear	Maple	101.00	.20	2.00
	13,000	" "	Fcty.	"	57.50	.16	2.00
	5,000	" "	Clear	"	109.50	.16	2.00
14	15,000	" "	"	"	102.00	.20	2.00
	10,000	" "	No. 1	"	90.00	.20	2.00
	1,000	" x 3-¼	Fcty.	"	61.00	.16	2.00
	1,000	" x 2	"	"	61.00	Mill	2.00
16	15,000	" x 2-¼	"	" 1/3½′	35.00	.25	2.00
	20,000	" "	No. 1	"	94.00	.20	2.00
	7,000	" "	"	"	102.50	.32	....
	4,000	" "	"	"	101.00	Mill	....
	1,400	" "	Clear	Beech 9/21″	50.00	Mill	....
	6,000	" x 1-½	"	Maple	95.50	.27	2.00
	5,000	" x 2-¼	"	"	105.50	.27	2.00
	6,000	" x 1-½	No. 1	"	83.50	.27	2.00
	1,000	" x 2-¼	"	"	102.00	Mill	....
	3,400	" x 1-½	Fcty.	"	47.00	Mill	....
	1,200	" x 2-¼	Clear	Beech	102.00	Mill	....

Record of Completed Transactions—Continued

July	Quantity		Description	Deld. price	Average frt. rate	Commissions
19	5,000	" "	" Maple	122.75	.39	....
	1,150	" "	" Beech	102.00	Mill	....
	1,000	3/8 x 1-½	" Red Birch	73.50	.34	2.00
	15,000	13/16 x 2-¼	No. 1 Maple	96.75	.34	2.00
	1,000	" "	Fcty. " 1/3½'	38.00	Mill	....
	1,200	" x 2	No. 1 "	99.00	Mill	....
	5,000	" x 2-¼	" "	100.50	.27	2.00
	3,000	" "	" " 1½/3½'	75.50	.27	2.00
	5,000	" x 1-½	Clear "	95.50	.27	2.00
	4,000	" x 2-¼	No. 1 Birch	90.50	.27	2.00
	6,300	" "	Fcty. Maple	52.75	Mill	....
20	5,000	" x 2	No. 1 Birch	81.50	.18	2.00
	15,000	" "	" Maple	86.50	.18	2.00
	5,000	" x 2-¼	Clear Maple	122.75	.39	....
	16,309	In 37 small sales.				
	300,754	Western Lower Michigan Mills.				

[fol. 2809]

17	17,000	17/16 x 3-¼	Fcty. Maple	$50.00	.26	....
	25,000	13/16 x 2-¼	No. 1 "	92.00	.15	$2.00
	20,000	"	Fcty. "	57.00	.25	2.00
	17,000	" x 3-¼	" "	53.50	.15	2.00
	18,000	" x 1-½	No. 1 "	65.50	.27	2.00
	10,000	5/8 x 1-½	Fcty. "	19.00	.17	2.00
	5,000	13/16 x -½	No. 1 & Btr. Maple	65.50	.17	2.00

	5,000	5/8 x 1-½	" " "	.....	60.00	.17	2.00
	25,000	13/16 x 2-¼	Clear Beech	.....	90.00	.15	2.00
	14,000	17/16 x 2-¼	" Maple	.....	110.00	.25	2.00
17	1,000	13/16 x 2-¼	" "	.....	110.50	.27	....
	2,000	"	No. 1 "	.....	100.50	.27	....
	4,000	"	Fcty. "	.....	55.50	.27	....
	9,000	"	Clear "	.....	110.50	.27	....
	3,000	"	No. 1 "	.....	100.50	.27	....
	3,000	"	Fcty. "	.....	55.50	.27	....
20	650	13/16 x 1-½	Clear "	.....	102.00	Mill	2.00
	8,000	13/16 x 2-¼	" "	.....	110.00	.25	2.00
	8,000	"	No. 1 "	.....	100.00	.25	2.00
	5,000	3/8 x 1-½	Clear "	.....	68.50	.25	2.00
	2,000	13/16 x 2-¼	Fcty. "	.....	55.00	.25	2.00
	3,000	" " 2/3½	Clr. "	.....	100.00	.25	2.00
16	10,000	"	" Birch	.....	103.50	.43	2.00
	10,000	"	No. 1 "	.....	93.50	.43	2.00
	25,000	" x 3-¼	Fcty. Maple	.....	55.00	.24	2.00
	20,000	"	No. 1 & Btr. Maple	.....	96.00	.66	2.00
16	8,000	" x 2-½	No. 1 Maple	.....	99.00	.18	....
	14,000	"	Fcty. "	.....	60.25	.41	....
	5,000	"	Clear "	.....	108.75	.19	....
	5,000	"	No. 1 "	.....	98.75	.19	....
	3,000	3/8 x 1-½	Clear "	.....	67.00	.19	....
	3,000	"	No. 1 "	.....	47.00	.19	....
	25,000	13/16 x 2-¼	Clear "	.....	108.00	.15	....
	2,600	"	No. 1 "	.....	97.75	.14	....
18	5,000	5/8 x 2-¼	Mill Run "	.....	70.00	.27	....
	5,000	13/16 x 2-¼	No. 1 "	.....	100.00	.27	....
	10,000	"	Clear "	.....	110.00	.27	....

Record of Completed Transactions—Continued

July	Quantity		Description			Deld. price	Average frt. rate	Commissions
	12,000	"	"	"	.....	110.50	.22	....
20	8,500	" x 1-½	Clear	"	2/3½'	81.75	.27	....
	5,000	" "	No. 1	"	"	71.75	.27	....
	1,000	3/8 x 1-½	Clear	"	.....	68.00	.27	....
	1,500	13/16 x 1-½	No. 1	"	.....	101.75	.27	....
	383,250	Upper Michigan and Wisconsin Mills.						
	8,065	In 8 small sales.						
	43,000	13/16 x 2-¼	Clear Maple		.....	120.00	Mill	....
	30,000	"	No. 1	"	.....	105.00	Mill	....
	8,200	"	Fcty.	"	.....	65.00	Mill	....
20	22,000	" x 3-¼	Clear	"	.....	99.75	.43	2.00
	1,016,241	Reported by 17 Members. No reports from Nos. 7-45-49-50.						

Averages of Sales Week Ended July 21, 1923

13/16 x 2-¼" Face Clear, No. 1 and Factory Maple Flooring, Standard Grades and Lengths:

	Clear	No. 1	Factory
Averages of Delivered Prices.....	$109.92	$99.06	$57.32
Averages of Average Freight Rates.	.24	.28	.32
Average Cost of Freight.....	4.80	5.60	6.40
Averages of Prices Realized.....	.....	.....	.....
F. O. B. Flooring Mill Basis.....	105.12	93.46	50.92

Total Sales of 13/16 x 2-¼" Face Maple Flooring

Clear	193 M
No. 1	327 "
Factory	131 "
	651 "

[fols. 2810-2812] GOVERNMENT'S EXHIBIT No. 43-BBBBBB

[Omitted in printing]

[fols. 2813-2815] GOVERNMENT'S EXHIBIT No. 43-CCCCCC

[Omitted in printing]

[fols. 2816-2818] GOVERNMENT'S EXHIBIT No. 43-DDDDDD

[Omitted in printing]

[fols. 2819-2821] GOVERNMENT'S EXHIBIT No. 43-EEEEEE

[Omitted in printing]

[fols. 2822-2824] GOVERNMENT'S EXHIBIT No. 43-FFFFFF

[Omitted in printing]

[fols. 2825-2827] GOVERNMENT'S EXHIBIT No. 43-GGGGGG

[Omitted in printing]

[fols. 2828-2831] GOVERNMENT'S EXHIBIT No. 43-HHHHHH

[Omitted in printing]

[fols. 2832-2834] GOVERNMENT'S EXHIBIT No. 43-IIIIII

[Omitted in printing]

[fols. 2835-2837] GOVERNMENT'S EXHIBIT No. 43-JJJJJJ

[Omitted in printing]

[fols. 2838-2840] GOVERNMENT'S EXHIBIT No. 43-KKKKKK

[Omitted in printing]

[fols. 2841-2844] GOVERNMENT'S EXHIBIT No. 43-LLLLLL

[Omitted in printing]

[fols. 2845-2848] GOVERNMENT'S EXHIBIT No. 43-MMMMMM

[Omitted in printing]

[fols. 2849-2851] GOVERNMENT'S EXHIBIT No. 43-NNNNNN

[Omitted in printing]

(Here follow Government's Exhibits Nos. 44, 45, 45, 46-A, 46-B, 47, and 48, marked side folio pages 2852-2858, inclusive.)

[fols. 2859 & 2860] GOVERNMENT'S EXHIBIT No. 49

(Here follows GOVERNMENT'S EXHIBIT No. 50, marked side folio pages 2861-2869, inclusive.)

[fol. 2870] GOVERNMENT'S EXHIBIT No. 51

Sept. 30, 1921.

Mr. Wm. Horner, Reed City, Mich.

Att'n Mr. Ralstrom

DEAR SIR: We had an old order thru the John C. Hill Lumber Co. on our files calling for 2¼" Clear, on which we guaranteed prices against decline. They now ask us for shipment and claim the price has declined $5.00, stating that they could buy the stock from you on the basis of $85.00 Cadillac.

On account of the scarcity of 2¼" Clear we hardly thought it possible you would quote this price. All the manufacturers this side of the Lake are holding at $96.00 delivered Twin Cities.

This merely for your informtion as it is of course desirable that Mr. Hill, who is representing us as well as you should have one price as nearly as possible.

Yours very truly, J. W. Wells Lumber Company.

CHL:MK.

GOV. EXHIBIT 44.

Sales Report Week Ending Saturday.....

The following is a complete report of all sales made by us this week of all kinds of Maple, Beech and Birch Flooring.

Exhibit 5 (5)

Signature_____

By_____

DATE	QUANTITY		THICKNESS AND FACE	GRADE	WOOD	DELIVERED PRICE SOLD AT		AVERAGE FREIGHT RATE IN CENTS PER	RATE OF COMMISSION PAID, IF ANY	
			Lam							
TOTAL										

Please mail this report every Saturday. If you made no sale during the week, please mail this report form with the notation "No Sale."

2852

REPORT OF AVERAGE PRICES REALIZED F. O. B. OUR FLOORING PLANT, AFTER DEDUCTING FREIGHT, FOR ¾" x 2¼" FACE CLEAR, NO. 1 AND FACTORY MAPLE FLOORING, STANDARD GRADES AND LENGTHS, SOLD BY US DURING THE MONTH OF ____

Signature ____

By ____

CLEAR				No. 1				FACTORY			
Feet	Deld. Price Sold at	Amount	Freight to Destination	Feet	Deld. Price Sold at	Amount	Freight to Destination	Feet	Deld. Price Sold at	Amount	Freight to Destination

Exhibit 46

MAPLE FLOORING ON HAND _____ 19____

	11"x1/2"	11"x2"	11"x2 1/4"	11"x3 1/4"	1/2" All Widths	1/4" All Widths	3/8" All Widths	1" All Widths	11"x21" and up Jointed	Other Kinds	TOTALS
CLEAR											
No. 1											
FACTORY											
TOTALS											

MAPLE UNFILLED ORDERS ON HAND _____ 19____

	11"x1/2"	11"x2"	11"x2 1/4"	11"x3 1/4"	1/2" All Widths	1/4" All Widths	3/8" All Widths	1" All Widths	11"x21" and up Jointed	Other Kinds	TOTALS
CLEAR											
No. 1											
FACTORY	2954										
TOTALS											

GOV. EXHIBIT 46

BEECH FLOORING ON HAND _____ 19__

	11/16"x11/2"	11/16"x2"	11/16"x2 1/4"	11/16"x3 1/4"	1 1/4" All Widths	1 1/2" All Widths	2" All Widths	3" All Widths	11/16"x2 1/4" and up Jointed	Other Kinds	TOTALS
CLEAR											
No. 1											
FACTORY											
TOTALS											

BEECH UNFILLED ORDERS ON HAND _____ 19_____

	11/16"x11/2"	11/16"x2"	11/16"x2 1/4"	11/16"x3 1/4"	1 1/4" All Widths	1 1/2" All Widths	2" All Widths	3" All Widths	11/16"x2 1/4" and up Jointed	Other Kinds	TOTALS
CLEAR											
No. 1											
FACTORY											
TOTALS											

28855

GOV. EX. 46A.

BIRCH FLOORING ON HAND_____19___

	H"x1½"	H"x2"	H"x2¼"	H"x3¼"	1¼" All Widths	1½" All Widths	¾" All Widths	1" All Widths	H"x2½" and up Jointed	Other Kinds	TOTALS
CLEAR											
No. 1											
FACTORY											
TOTALS											

BIRCH UNFILLED ORDERS ON HAND_____19___

	H"x1½"	H"x2"	H"x2¼"	H"x3¼"	1¼" All Widths	1½" All Widths	¾" All Widths	1" All Widths	H"x2½" and up Jointed	Other Kinds	TOTALS
CLEAR											
No. 1											
FACTORY	2856										
TOTALS											

GOV. EX. 46B.

Exhibit #6

GOV. EXHIBIT 47

Lewis 6

REPORT OF PRODUCTION and NEW ORDERS BOOKED

FOR MONTH OF _____

PRODUCTION

	Clear		No. 1		Factory		Totals	
Maple		Ft.		Ft.		Ft		Ft.
Beech		"		"		"		"
Birch		"		"		"		"
Totals		Ft.		Ft.		Ft.		Ft.

NEW ORDERS BOOKED

Maple		Ft.
Beech		"
Birch		"
Total		Ft.

2857

No. _____

GOV. EXHIBIT 48.

Lewis 7 Exhibit 7

Report of Shipments of
Maple, Beech and Birch Flooring

FOR MONTH OF.....

Day	Maple Feet	Beech Feet	Birch Feet	Total Shipments Feet
TOTALS				2858

Signature.....

By.....

GOV.EXHIBIT 50.

STOCK CONDITIONS AND BAROMETER FOR SEPTEMBER 1923

STOCK CONDITIONS- PER CENT SOLD

Grades	MAPLE-BEECH-BIRCH Septl 1923	Sept30 1923	Sept30 1922	M A P L E Septl 1923	Sept30 1923	Sept30 1922	MAPLE 2-1/4"FACE Septl 1923	Sept30 1923	Sept30 1922
Clear	84	83	69	113	109	92	209	173	282
No. 1	108	99	164	113	102	179	126	103	798
Fcty.	103	87	74	107	95	88	422	378	283
All 3	96	89	93	112	104	115	186	154	375

COMPARED WITH

M. B. & B.	A MONTH AGO Clear	No. 1	Fcty.	All Three	A YEAR AGO Clear	No. 1	Fcty.	All Three
Points Up					14		13	
" Down	1	9	16	7		65		4
Maple Rints Up					17		7	
" Down	4	11	12	8		77		11
Maple 2¼" Points Up							95	
" Down	36	23	44	32	109	695		221

M F M A B A R O M E T E R F O R S E P T E M B E R 1 9 2 3

September 1923 - 1922 Compared
Reports of same 21 Members.

STOCKS ON HAND
September 30, 1923 19,794 M
" " 1922 23,417
Decrease 3,623
" 15.5 %

UNFILLED ORDERS
September 30, 1923 17,671 M
" " 1922 21,467
Decrease 3,796
" 17.7 %

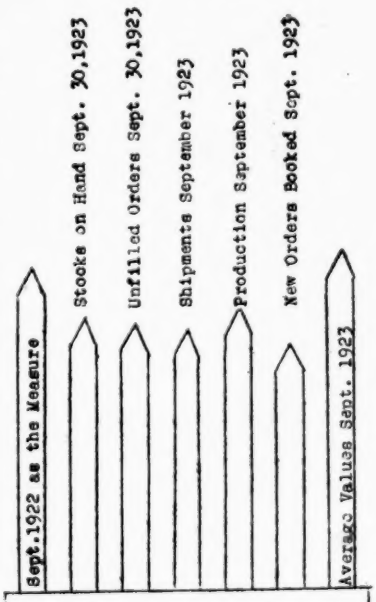
SHIPMENTS
September 1923 9,933 M
" 1922 12,301
Decrease 2,368
" 19.3 %

PRODUCTION
September 1923 10,422 M
" 1922 11,957
Decrease 1,535
" 12.8 %

NEW ORDERS BOOKED
September 1923 8,603 M
" 1922 11,404
Decrease 2,801
" 24.6 %

AVERAGE VALUES OF
13/16 x 2-1/4" FACE
CLEAR, NO.1 AND FACTORY
MAPLE FLOORING
FOB MICHIGAN & WISCONSIN MILLS

September 1923 $86.66
" 1922 82.83
Increase 3.83
" 4.6%



BAROMETER FOR SEPTEMBER 1923

October 20, 1923.

MAPLE, BEECH AND BIRCH FLOORING STATISTICS (IN M FEET) SEPTEMBER 1923 - 1922 COMPARED

	STOCKS ON HAND September 30th		UNFILLED ORDERS September 30th		SHIPMENTS September		PRODUCTION September		NEW ORDERS September		STOCK CHANGES September 1923		1922	
	1923	1922	1923	1922	1923	1922	1923	1922	1923	1922	Incr.	Decr.	Incr.	Decr.
GROUP 1 Eastern Lower Michigan Mills (4)	4236	4882	5298	6062	2613	3253	2875	3244	1457	3315		16		491
GROUP 2 Western Lower Michigan Mills (6)	6317	9788	4126	5618	2522	3177	2588	3356	3497	3781		49	117	
GROUP 3 Upper Michigan Mills (4)	5686	4792	5363	5653	2907	3664	2756	3180	2182	2715		89		78
GROUP 4 Wisconsin Mills (4)	1845	1528	2661	3580	1371	1540	1570	1512	1178	1145	165		113	
GROUP 5 Chicago, St. Paul Tupper Lake Mills (3)	1710	2427	223	554	520	667	633	665	289	448	231			127
21 Mills	19794	23417	17671	21467	9933	12301	10422	11957	8603	11404	396	154	230	696
Decrease	3623	15.5%	3796	17.7%	2368	19.3%	1535	12.8%	2801	24.6%			2%	466
Increase											242	1.2%		
September 1923	19794		17671		9933		10422		8603					
August 1923	19552		18681		11718		12447		7163					
Decrease	242	1.2%	1010	5.4%	1785	15.2%	2025	16.3%	1440	20.1%				
Increase														

October 20, 1923

RANGE OF AVERAGE PRICES REALIZED

FOB Michigan and Wisconsin Flooring Mills in September 1923 for New Orders Booked for 13/16" x 2-1/4" Clear, No. 1 and Factory Maple Flooring, Standard Grades and Lengths, after deducting Freight

	CLEAR	NO. 1	FACTORY
GROUP 1	September	September	September
Eastern Lower Michigan Mills	$95.00 96.42 100.33 101.15	$85.64 85.80 90.80	$47.25 50.10 50.71
Average	98.23	87.41	49.35
GROUP 2			
Western Lower Michigan Mills	93.73 94.89 95.01 95.91	83.66 84.92 85.01 85.90	46.47 48.94 52.00
Average	94.89	84.87	49.14
GROUP 3			
Upper Michigan Mills	96.40 97.85 98.14 102.18	83.41 88.70 88.80 89.00	46.49 47.38 47.85 50.45
Average	98.64	87.48	48.04
GROUP 4			
Wisconsin Mills	97.17 102.36	90.00 90.85	49.11 52.91
Average	99.77	90.43	51.01
All Michigan & Wisconsin Mills Average	97.61	87.11	49.14

Includes reports from 14 Members.
No. 3 reported "No Sales".
No reports from Nos. 23,37 and 45.
Reports of Nos. 48,22 and 51 ommitted to avoid disclosing their identity.

October 19, 1923.

MISCELLANEOUS REPORTS SEPTEMBER 1923

SHIPMENTS OF EACH WOOD SEPTEMBER 1923 - 1922.

SEPTEMBER	MAPLE	BEECH	BIRCH	TOTALS	SAME MILLS
1923	9203M	260M	470M	9933M	21
1922	10997	694	610	12301	21
Decrease	1794	434	140	2368	
Per Cent	16.3%	62.5%	23%	19.3%	

****

PRODUCTION BY GRADES

	MAPLE			BEECH			BIRCH			ALL THREE		
	Clr.	No.1	Fcty.	Clr.	No.1	Fcty.	Clr.	No.1	Fcty.	Clr.	No.1	Fcty.
September 1923	43%	35%	22%	74%	15%	11%	48%	34%	18%	44%	35%	21%
Year 1922	46	37	17	57	28	15	60	30	10	47	36	17
7 Yr. Avge.	47	35	18	62	24	14	64	26	10	48	35	17

****

AVERAGE PRICES REALIZED FOR MICHIGAN & WISCONSIN MILLS

For 13/16" x 2-1/4" face Maple Flooring					
	SEPTEMBERS OF 1913, 1923, 1922 & 1920 COMPARED				
September	Clear as 50%	No. 1 as 35%	Factory as 15%	The Product	September 1913 as 100%
1913	$42.25	$37.66	$22.64	$37.70	100%
1923	97.61	87.11	49.14	86.66	230%
1922	95.34	85.18	35.66	82.83	220%
1920 Peak Year	164.98	156.09	97.12	151.69	402%

October 20, 1923.

MAPLE, BEECH AND BIRCH FLOORING ON HAND SEPTEMBER 30, 1923.

	13/16 x 1-1/2	13/16 x 2	13/16 x 2-1/4	13/16 x 3-1/4	1-1/16 All Widths	1-5/16 All Widths	3/8 All Widths	1/2 All Widths	13/16 x 2½ Up Jointed	OTHER KINDS	TOTALS	% Sold
CLEAR	1610M	1101M	3458M	377M	502M	19M	1266M	144M	46M	1104M	9627M	83
NO. 1	1190	515	3609	247	287	20	307	43	65	524	6807	99
FCTY.	248	136	632	528	1160	10	48	14	136	446	3360	87
	3048	1752	7699	1152	1949	49	1621	201	247	2076	19794	89

MAPLE, BEECH AND BIRCH UNFILLED ORDERS ON HAND SEPTEMBER 30, 1923.

	13/16 x 1-1/2	13/16 x 2	13/16 x 2-1/4	13/16 x 3-1/4	1-1/16 All Widths	1-5/16 All Widths	3/8 All Widths	1/2 All Widths	13/16 x 2½ Up Jointed	OTHER KINDS	TOTALS
CLEAR	1032M	1155M	4403M	198M	722M	6M	264M	16M	97M	115M	8008M
NO. 1	260	123	3834	766	733	-	40	8	669	298	6731
FCTY.	50	37	2061	177	194	-	-	-	247	166	2932
	1342	1315	10298	1141	1649	6	304	24	1013	579	17671

2865

Reports from All Members (21)

October 19, 1923.

MAPLE FLOORING SURPLUS STOCKS SEPTEMBER 30, 1923.

CLEAR	GROUP 1 Mills	Mft.	GROUP 2 Mills	Mft.	GROUP 3 Mills	Mft.	GROUP 4 Mills	Mft.	GROUP 5 Mills	Mft.	TOTALS Mills	Mft.
13/16x2"									1	160	1	160
13/16x2¼"			1	634							1	634
3/8"All Widths			1	195							1	195
TOTALS			2	829					1	160	3	989
NO. 1												
13/16x1½"	1	118	1	105	1	178					3	401
13/16x2"	1	135									1	135
13/16x2¼"			1	246	2	256	2	328	1	135	6	965
1-1/16"All Widths					1	180					1	180
TOTALS	2	253	2	351	4	614	2	328	1	135	11	1681
FACTORY												
1-1/16"All Widths	3	666			1	221					4	887
GRAND TOTALS	5	919	4	1180	5	835	2	328	2	295	18	3557

COMPARED WITH A YEAR AGO

Number of Surpluses	Clear	No. 1	Factory	Totals
Sept.30,1923	3	11	4	18
" " 1922	13	2	7	22
Decrease	10		3	4
Increase		9		

Items are listed as Surplus when the Stock on Hand exceeds the Unfilled Orders by about 100 M feet.

Explanation: Group 1. Eastern Lower Michigan Mills 4
2. Western Lower Michigan Mills 6
3. Upper Michigan Mills 4
4. Wisconsin Mills 4
5. Chicago, St. Paul, Tupper Lake Mills 3
Total Mills 21

October 19, 1923.

MAPLE FLOORING ON HAND SEPTEMBER 30, 1923.

	13/16 x 1-1/2"	% Sold	13/16 x 2	% Sold	13/16 x 2-1/4	% Sold	13/16 x 3-1/4	% Sold	1-1/16 All Widths	% Sold	1-5/16 All Widths	3/8 All Widths	1/2 All Widths	13/16 x 2½ Up Jointed	OTHER KINDS	TOTAL	% Sold
CLEAR	1275M	74	902M	128	2336M	173	240M	83	502M	144	19M	52CM	144M	46M	862M	6846M	109
NO. 1	1059	22	444	23	3258	103	125	562	287	255	20	257	43	65	460	6038	102
FCTY.	222	23	104	36	544	376	431	41	1160	17	10	40	14	132	396	3053	95
	2556	48	1450	89	6138	154	796	135	1949	85	49	817	201	243	1738	15937	104

MAPLE UNFILLED ORDERS ON HAND SEPTEMBER 30, 1923.

	13/16 x 1-1/2	13/16 x 2	13/16 x 2-1/4	13/16 x 3-1/4	1-1/16 All Widths	1-5/16 All Widths	3/8 All Widths	1/2 All Widths	13/16 x 2½ Up Jointed	OTHER KINDS	TOTALS
CLEAR	949M	1155M	4045M	198M	722M	6M	190M	16M	97M	90M	7468M
NO. 1	233	100	3367	703	733	-	38	8	669	291	6142
FCTY.	50	37	2059	177	194	-	-	-	247	151	2915
	1232	1292	9471	1078	1649	6	228	24	1013	532	16525

Reports from All Members (21)

October 19, 1923.

BIRCH FLOORING ON HAND SEPT. 30, 1923.

	13/16 x 1-1/2	13/16 x 2	13/16 x 2-1/4	13/16 x 3-1/4	3/8 All Widths	13/16 x 2½ Up Wid.	OTHER KINDS	TOTALS	% Sold
CLEAR	187M	84M	544M	47M	583M	-	212M	1657M	20
NO. 1	72	59	71	68	44	-	11	339	114
FCTY.	10	12	63	57	5	4M	58	203	6
	269	155	678	166	632	4	275	2199	33

BIRCH UNFILLED ORDERS ON HAND SEPT. 30, 1923.

	13/16 x 1-1/2	13/16 x 2	13/16 x 2-1/4	13/16 x 3-1/4	3/8 All Widths	OTHER KINDS	TOTALS
CLEAR	80M	-	200M	-	31M	21M	332M
NO. 1	5	5M	345	23M	2	5	385
FCTY.	-	-	2	-	-	15	17
	85	5	547	23	33	41	734

Reports from 13 MEMBERS
October 19, 1923.

BIRCH FLOORING ON HAND SEPT. 30, 1923.

	13/16 x 1-1/2	13/16 x 2	13/16 x 2-1/4	13/16 x 3-1/4	3/8 All Widths	OTHER KINDS	TOTALS	% Sold
CLEAR	148M	115M	576M	90M	163M	30M	1124M	19
NO. 1	59	12	260	40	6	33	430	87
FCTY.	16	20	25	40	3	-	104	-
	223	147	883	170	172	63	1658	25

BIRCH UNFILLED ORDERS ON HAND SEPT. 30, 1923.

	13/16 x 1-1/2	13/16 x 2	13/16 x 2-1/4	13/16 x 3-1/4	3/8 All Widths	OTHER KINDS	TOTALS
CLEAR	3M	-	156M	-	43M	4M	206M
NO. 1	22	18M	122	40M	-	2	204
FCTY.	-	-	-	-	-	-	-
	25	18	280	40	43	6	412

Reports from 15 Members
October 19, 1923.

RECORD OF RECEIPT OF SEPTEMBER 1923 REPORTS

MAPLE, BIRCH AND BEECH FLOORING

Date of Receipt 1923	Stocks and Unfilled Orders Sept. 30, 1923	Shipments September 1923	Production &Rec Orders September1923	Avg.Prices Realized Sept.1923
October 2	48	48	48	48
3	14	3-5-33	3-5	3-5
4	7-24-33-47 50-51	7-24-47-50-51	7-24-33-47 50-51	7-33-47-50-51
5	3-5-34-45	14-45	45	24-26
6	22-26	22-26-34	14-22-26-34	14-22-34
8	2-23-30-42	2-23-30-42	2-23-30-42	30-42-
9	44	44	44	44
11	37	37	37	2
17	49	49	49	49

October 19, 1923..

[fol. 2871] GOVERNMENT'S EXHIBIT No. 51-A

All Agreements and Contracts are Contingent Upon Strikes, Fires, Shortage of Cars, Accidents and Other Causes Beyond Our Control. All Quotations are for Immediate Acceptance Only, and are Subject to Prior Sale and Change Without Notice.

Reed City, Mich., Oct. 3, 1921.

J. W. Wells Lbr. Co., Menominee, Mich.

Attention Mr. Law

GENTLEMEN: We have your favor of the 30th, in regard to price of Clear being quoted by the John C. Hill Lbr. Co., and we note carefully what you say.

We are sorry any question like this came up but we presume Mr. Hill has heard of the late cut made in the Assoc. list which brought this down to $85.00 per M. We did not write him in this matter at all but he likely heard it thru some of his connections.

Now, we are frank in saying we do not like this business of putting our prices up against yours at all. We sell Mr. Hill on the basis of the Assoc. list as a rule, but we agree with you there is no reason for Clear being $85.00, at the present time. We are perfectly willing to keep up the figure you mention, namely $96.00, Twin Cities, as far as the territory over there is concerned and would be very glad, indeed, to work with you in the matter.

We have written Mr. Hill to this effect today and really think he is rather unfair in bringing us into a discussion of this kind at all. Incidentally, we might say we have had similar cases ourselves where your prices were quoted us as a basis of adjustment on prices guaranteed against decline. This guaranteeing against decline is poor business for us and we are thru doing it.

Thanking you for writing us and assuring you we want to work with you, we are

Yours very truly, William Horner. T. M. Ralstrom.

TMR.F.

[fol. 2872] GOVERNMENT'S EXHIBIT No. 51-B

Nov. 1, 1921.

Mr. Wm. Horner, Reed City, Mich.

DEAR SIR: We have your letter of the 29th ult. advising advance in prices on 1-1/16" Maple Flooring.

We are not manufacturing any of this dimension at present and have only a car or two of Clear and #1 in stock at present.

Our lists are out at $5.00 advance over the price of 13/16" and unless an advance is made on the 13/16" as well, it would not seem

advisable to change. However, if we should conclude to manufacture any more of this dimension we will base our prices at—

$100.00 for Clear.
75.00 " #1
25.00 " Factory.

Frame "A" basis.

Yours very truly, J. W. Wells Lumber Company.

CHL:MK.

[fol. 2873] GOVERNMENT'S EXHIBIT No. 51-C

All Agreements and Contracts are Contingent Upon Strikes, Fires, Shortage of Cars, Accidents and Other Causes Beyond Our Control. All Quotations are for Immediate Acceptance Only, and are Subject to Prior Sale and Change Without Notice.

Reed City, Mich., Oct. 29, 1921.

Bigelow Cooper Co., Bay City, Mich.; Strable Salt and Lbr. Co., Saginaw, Mich.; W. D. Young and Co., Bay City, Mich.; Kerry and Hanson Flooring Co., Grayling, Mich.; J. W. Wells Lbr. Co., Menominee, Mich.

GENTLEMEN: This letter is written in accordance with talk with Messrs. Dewey, Wheadon and Welsh at Chicago, yesterday.

Our understanding that prices Frame A., on 1-1/16 x 2-¼ maple flooring will now be as follows, effective immediately,

Clear $100. #1 $75.00. Factory $75.00.

Other items to be in proportion.

We would appreciate it if you would acknowledge this letter to each of the concerns listed above, and to ourselves, so that there may be a mutual understanding.

Yours very truly, William Horner. T. M. Ralstrom.

[fol. 2874] GOVERNMENT'S EXHIBIT No. 51-D

March 30, 1922.

Mr. Wm. Horner, Reed City, Mich.

Att'n Mr. Ralstrom

DEAR SIR: Mr. Wells showed me some quotations that were made, I believe to the Omaha Hardwood Lumber Co., and as our figures did not include a commission I am sending our original letter for your inspection, which please return after you have examined same.

While this shows a low price on Clear, the situation has changed

considerably during the past ten days and we now have no surplus of this grade and are glad to note the upward trend of prices.

Yours very truly, J. W. Wells Lumber Company, by —— ——, Sec'y.

CHL:MK.

[fol. 2875] GOVERNMENT'S EXHIBIT No. 51-E

April 3, 1922.

Mr. Wm. Horner, Reed City, Michigan.

Att'n Mr. Ralstrom

DEAR SIR: We have your letter of April 1st with comments on our quotation to the Omaha Hardwood Lumber Co., and it occurred to the writer that you did not quite understand the purpose of our sending a copy of this quotation to you.

Mr. Wells showed me a list of prices that had been quoted by the different manufacturers, in which we were shown as having made the lowest quotation on the Clear grade, figured by deducting $1.50 per M.

I sent you the letter to show that the price did not carry a commission, which would make Welch & Kerry's price $1.00 per M. under ours, and on the #1 Common there would be seven lower.

I merely write you this way to correct the impression that you had that we had quoted the lowest price on Clear. We assure you we will keep the matter confidential as far as the Omaha Hardwood Lumber Co. is concerned.

Yours very truly, J. W. Wells Lumber Company, —— ——, Secretary.

CHL:MK.

[fol. 2876] GOVERNMENT'S EXHIBIT No. 51-F

All agreements and contracts are contingent upon strikes, fires, shortage of cars, accidents and other causes beyond our control. All quotations are for immediate acceptance only, and are subject to prior sale and change wthout notice.

Reed City, Mich., April 1, 1922.

J. W. Wells Lbr. Co., Menominee, Mich.

Attention Mr. C. H. Law

GENTLEMEN: We have your letter of the 30th, with enclosed copy of quotation to Omaha Hardwood Lbr. Co., and thank you for writing us in the matter.

We do not want you to think we are prying into your business in any way but, as the writer told Mr. Arthur Wells when he saw

him in Chicago, the Omaha Hardwood Lbr. Co. were using the quotations you made them in an effort to bring our prices down, in fact they criticized the writer very severely for the high prices we quoted them and wanted us to give them a reduction of several dollars per M on a couple of cars we shipped them.

As Mr. Wells knows, your price on the Clear was the lowest of any quoted out there and while we realize that Clear orders are not as plentiful as they might be just now, still we do not think you will gain anything by going as low as you did on this particular quotation. We are going to ask you as a personal favor not to say anything to the Omaha Hardwood Lbr. Co. regarding this. Their letter was not originally sent out as a decoy. They were trying to show the writer that our prices were too high and he suggested to them that they write a few of the mills and find out what the average price was and the result was the list as shown Mr. Wells the other day. In addition, the Omaha people do not make a practice of doing anything like this and this is the first time they have ever shown the writer quotations from other mills and in this case they merely did it in an effort to prove their argument.

We certainly hope before long that the Association will get together in some way and put the price of #1 where it should be, in line with Clear. It is absolutely ridiculous to keep on selling #1 at $25.00 per M. below the Clear price and we are all losing money unnecessarily by doing so.

Thanking you for writing us and with best wishes, we are

Yours very truly, Grand Rapids Trust Co., Receiver William Horner, T. M. Ralstrom.

[fol. 2877] GOVERNMENT'S EXHIBIT No. 51-G

All agreements and contracts are contingent upon strikes, fires, shortage of cars, accidents and other causes beyond our control. All quotations are for immediate acceptance only, and are subject to prior sale and change without notice.

Reed City, Mich., April 5, 1922.

J. W. Wells Lbr. Co., Menominee, Mich.

Attention Mr. Law

GENTLEMEN: We have your favor of the 3d, regarding quotations to the Omaha Hardwood Lbr. Co., and note same carefully.

We are not trying to make a mountain out of a mole hill in any way but we thank you just the same for your courtesy in writing us regarding this.

The writer will see Mr. Law at the next meeting and we can talk it over further then if necessary.

Yours very truly, Grand Rapids Trust Co., Receiver. Wm. Horner.

[fol. 2878] GOVERNMENT'S EXHIBIT No. 51-H

Feb. 2, 1921.

John C. Hill Lumber Co., St. Paul, Minn.

GENTLEMEN: We are in receipt of your order #31, confirming wired order of the same date, calling for a car of Maple Flooring for Dillon, Mont.

We note you have checked the price for that delivery as $120.50, computed by adding the difference in rate over Twin Cities. This is no doubt correct but it is 25¢ less than the price that would be shown by the Association sheets. We would arrive at the price of $120.75 as follows: Dillon takes a G. H. old rate, new rate of A. J. D. We find the A. J. D. list on Clear $125.75, less consession of $5.00 would make $120.75.

As we do not want to show this sale at less than the list we will invoice to you at the latter figure and make up the difference to you later in some other way, all of which we trust will be satisfactory to you.

Yours very truly, J. W. Wells Lumber Company.

[fol. 2879] GOVERNMENT'S EXHIBIT No. 51-I

All prices are subject to prior sale of stock quoted and change without notice. Our delivered prices are based upon and subject to present rate of freight to point of delivery, the freight at the existing rate; any advance in freight rate and all governmental taxes or duties upon sales, shipments, bills of lading and invoices to be paid by the buyer in addition to price quoted. All agreements are contingent upon strikes, accidents, fires, delays to carriers, or other delays, unavoidable or beyond our control. No agreement or contract is considered binding until accepted in writing by us. Claims will not be allowed unless made within forty-eight hours of receipt of material and entire shipment is held intact.

Saint Paul, Minn., Jan. 31, 1921.

J. W. Wells Lumber Company, Menominee, Michigan.

DEAR SIRS: We wired you as per the enclosed and send order confirming.

According to our rate sheets here, Dillon takes a price of $14.75 more than the Twin Cities 105.75

$120.50

and we quoted accordingly and send order in that way.

They are in a rush for this and we hope you can therefore load it out at once.

Yours very truly, John C. Hill Lumber Company.

KST.

[fol. 2880] GOVERNMENT'S EXHIBIT No. 51-J

Feb. 18, 1921.

Mr. Geo. W. Keehn, Sec'y Maple Flooring Mfgrs.' Ass'n, Chicago, Ill.

DEAR SIR: Kindly send us two leather loose-leaf books, two sets of table of values with concession sheets and list of registered wholesalers, obliging

Yours very truly, J. W. Wells Lumber Company.

[fol. 2881] GOVERNMENT'S EXHIBIT No. 51-K

[Omitted in printing]

[fols. 2882 & 2883] GOVERNMENT'S EXHIBIT No. 51-L

March 31, 1921.

John C. Hill Lumber Co., St. Paul, Minn.

* * * * * * *

Go ahead and book all the business you possibly can for the future for our account and you may guarantee prices against decline of our list until July 1, if necessry, or we will accept the business on the basis of Association prices at time of shipment.

* * * * * * *

[fol. 2884] GOVERNMENT'S EXHIBIT No. 51-M

April 18, 1921.

Mr. Bulgrin, Marshfield, Wis.

FRIEND BULGRIN: I have your pencil note of the 16th stating you had report that our flooring, Clear 2¼", had been offered someone in Milwaukee at $88.00 delivered Milwaukee. I am glad to give you the facts in the matter as Mr. Shepek mentioned it in talking with him on phone Saturday, and I intended advising the northern people anyway so they would know how the matter stands and therefore a copy of this is going to each of them, as there is no one in the north that has co-operated any more fully in these matters than we have and sorry to say the way things have turned out we have made big losses by doing so owing to the unwarranted action taken by Lower Michigan people.

It is true that a mail quotation did get our of our office on some 2¼" Clear delivered Milwaukee at $88.50, but it was discovered the next day and I immediately personally called the parties up and explained that it was a decided error and corrected the price promptly on the phone to the Marinette basis that it should have been.

Answering your question as to whether there has been any change in prices lately, we know of none and our understanding is that everyone is using the basis made at Marinette and as we understand it you are still using this also.

Yours truly, Northwestern Coop. & Lbr. Co.

[fol. 2885] GOVERNMENT'S EXHIBIT No. 51-N

[Omitted in printing]

[fol. 2886] GOVERNMENT'S EXHIBIT No. 51-O

Gladstone, Mich., June 21, 1921.

J. W. Wells Lumber Co., Menominee, Mich.

GENTLEMEN:

* * * * * * *

He said also they are turning orders right along on Clear and No. 1 on which they are away short and sold ahead. We have no surplus of these two grades, but have a big surplus of Factory, and we are not finding it easy to get flooring orders, and are taking very little business indeed and we have been standing up for the prices [fol. 2887] although we notice the contentions I made so vigorously at the last meeting in regard to the likelihood of the present plan working out any more satisfactorily than it has the last two or three times we have tried it is developing to be true to judge from the last two or three weekly reports of sales on which you will notice a good many cuts. I think yet that this can only end in demoralization and the result is that as I stated then, some of us in the meantime have lost a lot more business that later on we may have to take less money for.

I think if I remember I counted something over 30 sales on the last weekly report ending June 11th at less than the proposed price.

We are mentioned on that report as not having reported, but our report went in all right but think it was received by Keehn a day too late to include, but on that report there were only eight sales aggregating about 42,000', but as I remember it the prices were all up to basis.

Yours truly, Northwestern Coop. & Lbr. Co.

[fol. 2888] GOVERNMENT'S EXHIBIT No. 51-P

Aug. 30, 1921.

Wilson Lumber Co., Atlanta, Ga.

GENTLEMEN: Replying to your inquiry of the 27th inst.

Maple Flooring prices are based on rates from Cadillac, Michigan, and we enclose our price list f. o. b. Cadillac.

Trusting you can favor us with orders on the basis of this list, we remain,

Yours very truly, J. W. Wells Lumber Company.

[fol. 2889] GOVERNMENT'S EXHIBIT No. 51-Q

[Omitted in printing]

[fol. 2890] GOVERNMENT'S EXHIBIT No. 51-R

Sept. 30, 1921.

West Michigan Flooring Co., Manisteee, Mich.

GENTLEMEN: We had an old order thru the John C. Hill Lumber Co. on our files calling for 2¼" Clear, on which we guaranteed prices against decline. They now ask us for shipment and claim the price has declined $5.00, stating that they could buy from yourselves and Horner on a basis of $85.00 Cadillac.

On account of the scarcity of 2¼" Clear we hardly thought it possible you would quote this price. All the manufacturers this side of the Lake are holding at $96.00 delivered Twin Cities.

This merely for your information, as it is of course desirable that Mr. Hill, who is representing us as well as yourselves, should have one price as nearly as possible.

Yours very truly, J. W. Wells Lumber Company.

CHL:MK

[fol. 2891] GOVERNMENT'S EXHIBIT No. 51-S

Oct. 12, 1921.

West Michigan Flooring Co., Manistee, Mich.

GENTLEMEN: We have your letter of the 4th inst. with reference to prices on Maple Flooring in the Northwest.

The writer talked to some of the manufacturers on this side of the Lake in Milwaukee yesterday and in line with your letter it seems to be the opinion that the Cadillac basis on flooring should be as follows:

13/16 x 2¼" Face	Clear	$85.00
" "	No. 1	55.00
" "	Factory	20.00

We therefore instructed the John C. Hill Lumber Co. that we would accept business at these prices, which would make $91.00 for Clear, $61.00 for No. 1 and $26.00 for Factory, f. o. b. Twin Cities.

Horner also stated that he would instruct them to hold steady at these prices.

We are of the opinion that this will stabilize things in that territory as there is no question but what Hill should have one price and divide the business as equitably as possible.

We trust this will be agreeable to you.

Yours very truly, J. W. Wells Lumber Company.

[fol. 2892] GOVERNMENT'S EXHIBIT No. 51-T

Manistee, Mich., Oct. 4, 1921.

J. W. Wells Lumber Co., Menominee, Mich.

GENTLEMEN: This acknowledges receipt of your letter of September 30th in which you advise having an old order through the John C. Hill Lumber Company for 2¼" Clear on which you guaranteed price against decline and that they are asking you for shipment and claiming the price has declined since, stating that they could buy from us or Horner on a basis of $85.00 Cadillac.

About six weeks ago we wrote the John C. Hill Lumber Company authorizing a $5.00 concession from the $90.00 Cadillac base to be used if necessary to meet competition. We at that time were under the impression that the mills on the other side of the lake were holding at $96.00 in the Twin Cities and we so informed the John C. Hill Lumber Company and suggested to them that it would be better not to quote a lower price on our product in the Twin Cities. We based our idea of values being obtained in the Twin Cities on the weekly reports which we were receiving. Mr. Hill wrote us in reply stating that he would comply with our request by holding to $96.00 on 2¼" Clear on orders for the Twin Cities, in fact he has carried out this idea and we have in the meantime received the $96.00 price on such orders and shipments for the Twin Cities against his account.

Our authorized concession of $5.00 however still stands good if necessary to meet the competition of other association mills. We believe you appreciate the fact that there are very few mills in the Association today who are not quoting 2¼" Clear below $90.00 Cadilac basis even though there is a scarcity of this particular width and grade.

[fol. 2893] We have always been stickers for price and all through this year we have stood pat on our Price Lists as we have issued them from time to time and which were based on the opinions of the Market Conditions Committee's Reports as to what they considered representative market values. We have lately made up our minds, however, that we have made a mistake in doing so. We have come to the conclusion that until there is some backbone injected into the organization, it will be necessary for us to follow the suit of others by meeting their competition if we are going to secure any business at all.

We should say that if the order to which you refer is for shipment to St. Paul or Minneapolis, there should be no concession from the $96.00 base at least so far as a comparison with the prices we are obtaining in that market is concerned.

Yours very truly, West Michigan Flooring Co. Per Green.

[fol. 2894] GOVERNMENT'S EXHIBIT No. 51-U

Manistee, Mich., Oct. 17, 1921.

J. W. Wells Lumber Company, Menominee, Mich.

Attention C. H. Law, Secy.

GENTLEMEN: This acknowledges receipt of your letter of October 12th which is a reply to ours of the 4th inst. with reference to prices on Maple Flooring in the Northwest. We note that you recently had a talk with some manufacturers on your side of the lake and it seems to be the opinion that the Cadillac basis on 13/16" x 2¼" face Maple Flooring should be $85.00 for Clear, $55.00 for No. 1 and $20.00 for Factory which would make the prices $91.00 for Clear, $61.00 for No. 1 and $26.00 for Factory f. o. b. Twin Cities.

While we have sold no Factory in the Twin Cities market we have been realizing $5.00 per M more for the Clear and No. 1, however we do believe that the prices to which you refer are more representative of the market taking all territories into consideration. We are advising the John C. Hill Lumber Co. that we will accept business at these prices.

Thanking you very kindly for having written us on this subject, we beg to remain

Yours very truly, West Michigan Flooring Co., Per Grove.

[fol. 2895] GOVERNMENT'S EXHIBIT No. 51-V

Oct. 6, 1921.

Northwestern Cooperage & Lumber Co., Gladstone, Mich.

GENTLEMEN: Referring to your letter of the 5th inst. with reference to a meeting of the Northern Flooring manufacturers, in Milwaukee on Tuesday next, will say that we can hardly see the necessity of this as we supposed everything was satisfactory at the conference a week ago and we have sent out our lists advising that there would be no reductions for at least thirty days.

In view of correspondence that we have had with some of the Lower Michigan mills it would appear that there is a tendency to base 2¼" Face Clear at $85.00 Cadillac, but do not believe this will make a great deal of difference as there is a strong demand for Clear.

If you conclude having the meeting in Milwaukee the writer will be unable to attend but we will be willing to cooperate with you in any reasonable way for the best interest of the industry.

Yours very truly, J. W. Wells Lumber Company.

[fol. 2896] GOVERNMENT'S EXHIBIT No. 51-W

Oct. 5, 1921.

Cummer Diggins Co., Cadillac, Mich.

GENTLEMEN: We are writing this letter in the spirit of co-operation knowing that you are as interested as we are in getting the best results on such limited amount of flooring as is moving in this territory and will therefore understand that this is not written in a spirit of criticism but simply with a view of co-operation and in explanation might say that very recently all of the northern manufacturers, namely eight or nine of them, met and after going over the matter thoroughly came to an understanding as to the flooring basis that should apply at points in the west, and which basis by the way, actual results demonstrate is being carried out and this basis is represented as follows, showing which items the list price is applied on and which items the concession noted applies.

	Clear, ours	Maple, yours	No. 1 ours	No. 1 yours
2¼".....	List	$5.00	5.00	10.50
1½".....	"	7.00	5.00	11.00
⅜ x 1½".....	"	6.00	List	6.00
	Beech			
2¼".....	15.00	15.00	10.00	15.00

This list is based on C. J. basis with the understanding that of course all other points take the same relative basis as against the full table of values and the reason we are writing you is because we have understood from what seems to be reliable sources that your prices in the Minneapolis and North West territory are less than the northern basis on the items shown (as above), in the neighborhood of $5 or $6, our basis being shown in the column headed "Ours" and yours in the one headed "Yours," and we felt it was only right to advise you what we are doing believing that you would be willing to revise your basis in line with the north because you can [fol. 2897] readily understand that otherwise the northern people will all immediately meet your basis which would mean a serious flat reduction to us all which knowing the situation as we do, we believe is entirely unnecessary and in the best interests of all concerned we would appreciate very much hearing from you frankly with your views at an early date as the northern manufacturers

plan to have regular meetings every ten days or two weeks and the next one is due early next week.

Yours truly, —— ——.

[fol. 2898] GOVERNMENT'S EXHIBIT No. 51-X

Gladstone, Mich., Oct. 5, 1921.

Foster Latimer Lumber Co., Kneeland McClurg Co., J. W. Wells Lumber Co., I. Stephenson Co., Wisconsin Land & Lumber Co., R. Connor Co., Holt Hardwood Co., Flanner Steger Co.

GENTLEMEN: We have taken the liberty of writing Cummer Diggins Co. Cadillac per copy attached which is submitted for your information and if any of you have run across these people's prices in the north or those of Cobbs & Mitchell, we would appreciate getting full information on same.

So far we have only received sales report from four concerns, namely Foster Latimer, Kneeland McClurg, I. S. Co. and Wisconsin Land & Lumber Co. and assume therefore the remaining northern concerns made no sales but in the event of no sales would it not be well to report to that effect to each other anyway.

Yours truly, The Northwestern Cooperage & Lumber Co.

[fol. 2899] GOVERNMENT'S EXHIBIT No. 51-Y

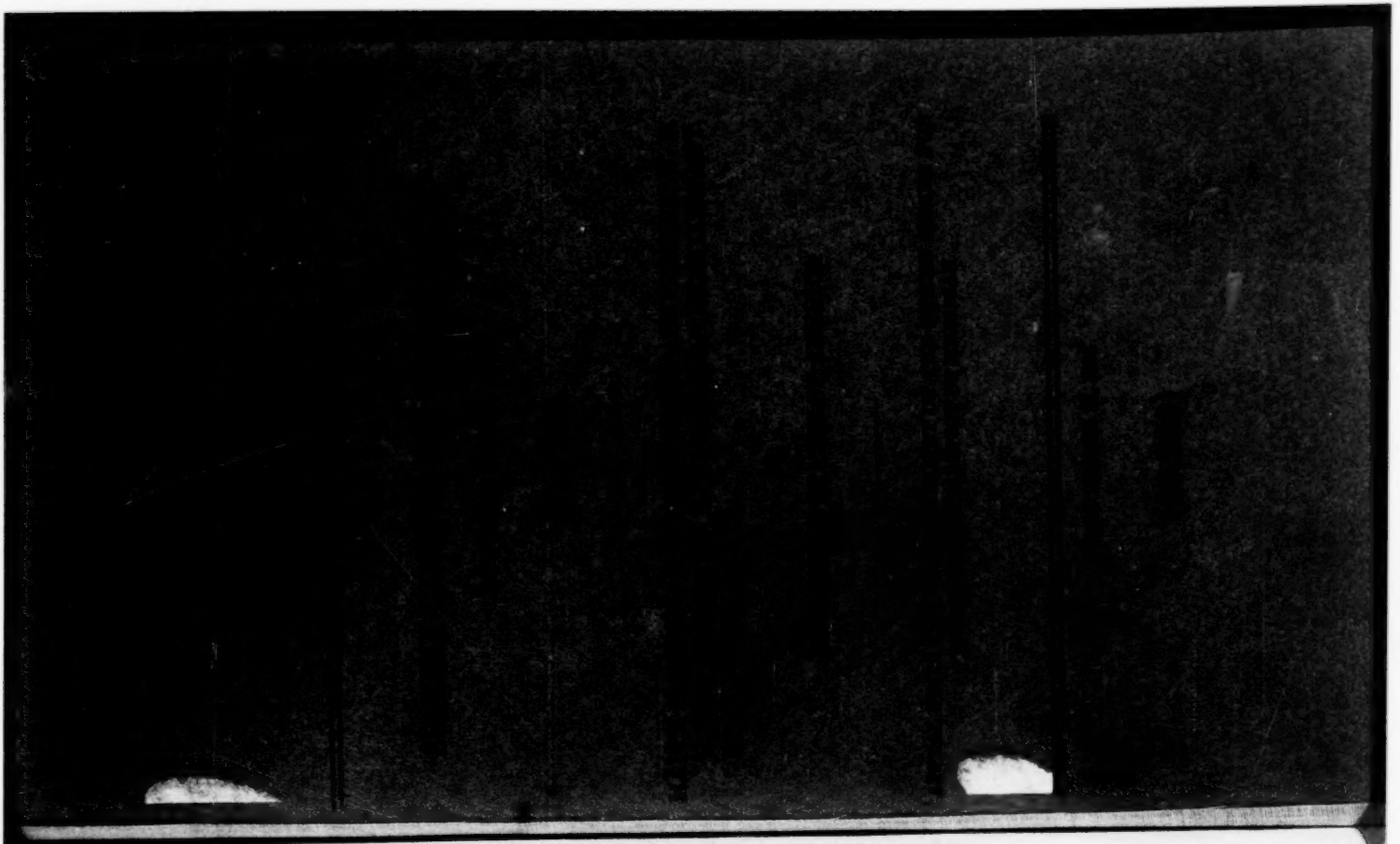
Gladstone, Mich., Oct. 5, 1921.

GENTLEMEN: In talking with Mr. Gibson of the Wisconsin Land & Lumber Co. over the phone, he thought it was quite desirable that we have another meeting of the northern flooring manufacturers very soon and as we feel the same way, you will kindly consider this letter a call for another meeting at the Hotel Pfister, Milwaukee, as early as possible in the morning, next Tuesday the 11th and this date is satisfactory to Mr. Gibson and we hope it will be to the others, and as it is very desirable indeed that we have a full attendance, we trust that you can each arrange your matters so as to be in attendance and we would appreciate reply on enclosed post card that you will attend so that we may be sure of a full attendance.

Milwaukee is again suggested in order to meet the convenience of two or three who we understand cannot get to Menominee or Wells nearly so conveniently as Milwaukee, but it may be possible to arrange to have later meeting at Menominee or perhaps rotate them somewhat. If we get replies promptly we will try and notify you again as to the probable attendance.

Yours truly, N. W. C. & L. Co.

End.



(30,230)

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1924

No. 342

MAPLE FLOORING MANUFACTURERS ASSOCIATION, W. D. YOUNG & COMPANY, MITCHELL BROTHERS COMPANY, ET AL., APPELLANTS,

vs.

THE UNITED STATES OF AMERICA

APPEAL FROM THE DISTRICT COURT OF THE UNITED STATES FOR THE WESTERN DISTRICT OF MICHIGAN

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JUDD & DETWEILER (INC.), PRINTERS, WASHINGTON, D. C., MAY 23, 1924

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Defendants' Exhibit EE—Freight rates on maple flooring	5437	839
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Defendants' Exhibit GG—Statement of F. O. B. mill selling prices obtained by members of the Maple Flooring Manufacturers Association	5448	839
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Defendants' Exhibit JJ—Statement of profit and loss, 1913-1922	5460	840
Defendants' Exhibit KK—Correspondence between G. W. Keehn and Department of Commerce	5461	840
Defendants' Exhibit LL—Survey of costs	5467	844
Defendants' Exhibit MM—Prospectus of timber offered for sale on Kaniksu National Forest (omitted in printing)	5471	844
Defendants' Exhibit NN—Average cost reports (omitted in printing)	5495	844
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Defendants' Exhibit PP—Index of average prices paid for rough maple flooring lumber	5505	844
Defendants' Exhibit QQ—Comparative report of production and manufacturing capacity of members and non-members of Maple Flooring Manufacturers Association	5506	844
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Defendants' Keehn Exhibit 8—Standard specifications for grades of Southern yellow-pine lumber, 1921 omitted in printing)	5583	845
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Defendants' Keehn Exhibit 11—Rules for measurement and inspection of hardwood lumber (omitted in printing)	5750	845
Defendants' Keehn Exhibit 12—Rules for grading oak flooring (omitted in printing)	5832	845
Defendants' Keehn Exhibit 13—Standard specifications for grades of California redwood (omitted in printing)	5836	845
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Defendants' Keehn Exhibit 15—Rules for grading maple, beech, and birch flooring (omitted in printing)	5875	845
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Defendants' Keehn Exhibit 17-A—Letter from Chas. Horn Lumber Co. to G. W. Keehn, June 27, 1922 (omitted in printing)	5882	845
Defendants' Keehn Exhibit 18—Letter from M. H. Robertson to G. W. Keehn, May 15, 1922 (omitted in printing)	5883	845
Defendants' Keehn Exhibits 19 and 19-A—Letters from G. W. Keehn to W. T. Luce, October 10 and October 4, 1918 (omitted in printing)	5884	845

	Original	Print
Defendants' Keehn Exhibit 19-B—Letter from Northern Hardwood Emergency Bureau to Maple Flooring Manufacturers Association, October 2, 1918 (omitted in printing)	5886	845
Defendants' Keehn Exhibit 20—Letter from G. W. Keehn to U. S. Housing Corporation, October 10, 1918 (omitted in printing)	5887	846
Defendants' Keehn Exhibit 21—Letter from G. W. Keehn to West Jordan Lumber Co. and others (omitted in printing)	5888	846
Defendants' Keehn Exhibit 22—Letter from Wm. A. Durgin to Maple Flooring Manufacturers Association, July 11, 1922 (omitted in printing)	5889	846
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Defendants' Robertson Exhibits 1 to 31—Reports and correspondence of M. H. Robertson, official inspector of the Maple Flooring Manufacturers Association	5917	866
Defendants' Exhibit NN-1—Trade association activities (omitted in printing)	6238	892

[fol. 2900] GOVERNMENT'S EXHIBIT No. 51-Z

Gladstone, Mich., Oct. 8, 1921.

Attention Mr. Law

GENTLEMEN: Referring to yours 6th are pleased to say we have replies from all of the others except Flanner Steger that they will be in attendance at the Milwaukee meeting Tuesday morning next and we expect to hear from Flanner that they will also attend by next Monday morning. May also say we wrote the Horner Co. and have wire stating they will be represented also. We hope you can arrange it to be present.

It should be unnecessary as you suggest to have this meeting due to the understanding had at the last meeting but it was thought well to get together again and go over the situation and see whether the understanding is being carried out especially since we have had complaint from one or two sources of greatly cut prices from somewhere that we may be able to trace out. Kindly make a special effort to attend.

Yours truly, Northwestern Coop. & Lbr. Co.

[fol. 2901] GOVERNMENT'S EXHIBIT No. 51-AA

Sales in Northwest Week Ending October 8, 1921

8,000'	13/16 x 2¼"	Clear Maple 7—18"	.....	$65.00	C. J.
10,000'	13/16 x 1½"	" "	.....	91.00	C. J.
10,000'	13/16 x 2¼"	" "	.....	96.00	C. J.

The Northwestern Cooperage & Lumber Company.

[fol. 2902] GOVERNMENT'S EXHIBIT No. 51BB

Oct. 12, 1921.

W. D. Young & Co., Bay City, Mich.

GENTLEMEN: Replying to your letter of the 10th inst.:

We believe it will be satisfactory to talk over 1-1/16" Flooring in Chicago as we would not want to go way to Bay City just for this purpose. The prices on this class of material vary considerably as the price of $62.00, which Bigelow-Cooper made Wilson some time ago indicates.

We have about 100 M ft. of this stock on hand and would like to move it but do not want to give it away, and would be willing to abide by the decision of the rest of the manufacturers in case they get together in your city in the immediate future.

The writer will be in Chicago tomorrow and also two or three

days next week. It may be possible to get together there at that time.

Yours very truly, J. W. Wells Lumber Company.

[fols. 2903 & 2904] GOVERNMENT'S EXHIBIT No. 51-CC

Bay City, Mich., Oct. 10, 1921.

J. W. Wells Lumber Co., Menominee, Mich.

GENTLEMEN: Mr. Charles T. Kerry of the firm of Kerry & Hanson Flooring Co. telephoned the writer this noon about the value of 1 1/16" Flooring, and he suggests that the manufacturers of this thickness get together and talk over the value considering the cost of Lumber, manufacturing, etc. There are only six of us in the Maple Flooring Manufacturers Association who manufacture 1 1/16" Flooring, and according to our records they are:

J. W. Wells Lumber Co.,
William Horner,
Strable Lumber & Salt Co.,
Kerry & Hanson Flooring Co.,
Bigelow-Cooper Co., and
W. D. Young & Co.

Would you come to Bay City if we should call a meeting sometime within a week or ten days? There are a lot of inquiries for 1 1/16" Flooring at the present time, and it seems foolish to sell this stock below cost.

Awaiting your reply, we remain,

Yours very truly, W. D. Young & Co. Whedon.

[fol. 2905] GOVERNMENT'S EXHIBIT No. 51-DD

Nov. 1, 1921.

Northwestern Cooperage & Lumber Co., Gladstone, Michigan.

GENTLEMEN: We note yours of the 31st ult. with reference to prices of Short Flooring in the Fox River territory, and are glad you induced Mr. De Witt to hold-off his contemplated cut until we could all get together and talk the matter over. We are also of the opinion that until Cadillac sees fit to quote the list recommended in the Northwest it would not be advisable for us to attempt it.

As far as the writer knows now he will be able to attend a meeting in Milwaukee if called within a week or ten days.

Yours very truly, J. W. Wells Lumber Company.

[fol. 2906] GOVERNMENT'S EXHIBIT No. 51-EE

Gladstone, Michigan, October 31st, 1921.

GENTLEMEN: You probably received Mr. Dewitt's advice that on account of prices from Lower Michigan that he encountered in the Fox River territory on shorts whereby he says he lost two or three carload orders, he proposed to put his price on 7 to 22″ clear 2¼″ down to $55.00 and 2 to 3½′ to $70.00.

I immediately got in touch with him and explained the unfairness of doing this without it being brought up in meeting and properly discussed so that any change could be put in effect by all at once, and I insisted at the same time that his idea of these prices is altogether wrong. He tells me he has not, however, quoted these prices and he has finally agreed not to do so until we can have a meeting and go over matters fully, and I explained to him that I thought it would not be advisable to try to have a meeting for a week or ten days at least or until such time as it had developed whether or not we could put in effect the advance to lift on clear and No. 1 with $10.00 off on factory recommended by the committee in the Chicago meeting the other day and during this interval we ought to try and find out what the Cadillac people are doing and whether or not they have raised their prices in the northwest to this basis, as if so it will certainly make it easier for us to do the same. It is therefore likely that a meeting may be arranged for in about a week or ten days, and the writer would prefer Escanaba or Menominee, but Milwaukee will be equally agreeable, so would be glad if you would each advise if we can depend upon you attending the meeting when called at Milwaukee a little later.

Yours truly, Northwestern Cooperage & Lumber Co.

[fol. 2907] GOVERNMENT'S EXHIBIT No. 51-FF

Nov. 5, 1921.

Northwestern Cooperage & Lumber Co., Gladstone, Mich.

Attention Mr. Staples

GENTLEMEN: With reference to the proposed meeting of the manufacturers of the Northwest: Believe it will be to our best advantage to work with Cadillac on this and to that end the general meeting in Chicago should meet the requirements.

It looks, however, as if the situation is going to take care of itself as prices for rough Flooring stock are advancing rapidly and Flooring orders are more plentiful. It seems logical that prices will show an improvement in the near future with or without Association assistance.

Yours very truly, J. W. Wells Lumber Company.

[fol. 2908] GOVERNMENT'S EXHIBIT No. 51-GG

Nov. 9, 1921.

Northwestern Cooperage Co., Gladstone, Mich.

GENTLEMEN: As advised over the 'phone today, we have advanced our prices on Maple Flooring as follows:

13/16 x 2¼" Face Clear—full list.
" " No. 1 $5.00 off.
" " Factory $5.00 off.

Prices for Chicago and Milwaukee are—

13/16 x 2¼" Face Clear, $92.00.
" " No. 1, $62.00.

Yours very truly, J. W. Wells Lumber Company.

[fol. 2908½] Cooperage Co.:

As advised over phone today have advanced our prices on Maple Flooring as follows:

2¼" Cl., Full List; No. one, $5.00 off; Factory, $5.00 off; Chicago & Milw. prices: Cl., $92; No. 1, $62.

[fol. 2909] GOVERNMENT'S EXHIBIT No 51-HH

Nov. 1, 1921.

W. D. Young & Co., Bay City, Mich.

GENTLEMEN: We have your letter of the 29th ult. advising advance in prices on 1-1/16" Maple Flooring.

We are not manufacturing any of this dimension at present and have only a car or two of Clear and No. 1 in stock at present.

Our lists are out at $5.00 advance over the price of 13/16" and unless an advance is made on the 13/16" as well, it would not seem advisable to change. However, if we should conclude to manufacture any more of this dimension we will base our prices at—

$100.00 for Clear;
75.00 " No. 1;
25.00 " Factory.
Frame "A" basis.

Yours very truly, J. W. Wells Lumber Company.

[fols. 2910 & 2911] GOVERNMENT'S EXHIBIT No. 51-II

Bay City, Mich., Oct. 29, 1921.

J. W. Wells Lumber Co., Menominee, Mich.

GENTLEMEN: We have sold during this past week 4,500 feet of 1 1/16 x 3¼" Factory Maple Flooring at $31.75 delivered on a "BA" rate, with other stock.

Our prices for 1 1/16" Maple Flooring, "Frame A," are now as follows:

	1 1/16 x 2"	1 1/16 x 2¼"	1 1/16 x 3¼"	
Clear Maple Flooring	$93.00	$100.00	$90.00	per M
No. 1 " "	68.00	75.00	75.00	"
Factory " "	23.00	25.00	27.00	"

Yours very truly, W. D. Young & Co.

[fol. 2912] GOVERNMENT EXHIBIT No. 51-JJ

Nov. 9, 1921.

W. D. Young & Co., Bay City, Mich.

GENTLEMEN: With reference to prices on Maple Flooring, will say that we are quoting Clear at full list, No. 1 at $5.00 off and Factory at $5.00 off; 1-1/16" Flooring $10.00 per M. additional. We have only two cars of Clear and No. 1 in this thickness and are not manufacturing any at present.

Yours very truly, J. W. Wells Lumber Company.

[fols. 2913 & 2914] GOVERNMENT'S EXHIBIT No. 51-KK

Bay City, Mich., Nov. 4, 1921.

J. W. Wells Lumber Co., Menominee, Mich.

GENTLEMEN: Your favor of the 1st was received regarding the 1-1/16" Maple Flooring. We did have some quotations out on 1-1/16" Maple Flooring at the old prices, but we turned down an order owing to the advance, and we hope you will do the same thing.

The writer was sorry that you were not in Chicago at the Market Conditions Committee Meeting on the 28th. However, we expect to have a meeting about the middle of November, and I will try and see you at that time.

Yours very truly, W. D. Young & Co. Whedon.

[fols. 2915 & 2916] GOVERNMENT'S EXHIBIT No. 51-LL

Bay City, Mich., Nov. 7, 1921.

J. W. Wells Lumber Co., Menominee, Mich.

GENTLEMEN: We have sold during the past week 8,000'—1 1/16 x 2¼" #1 Maple Flooring at $69.00 per M. D. E., which was a quotation we had out, and the order is dated Oct. 29th. It is in a mixed carload and we had to protect it. Every one of our new quotations are based on the new prices and this is the last quotation we will have to protect. We are quoting as follows Frame A basis:

	Clear	#1	Factory	
1 1/16 x 2" Face Maple Flooring	$93.00	$68.00	$23.00	per M
" x 2¼" " " "	100.00	75.00	25.00	"
" x 3¼" " " "	90.00	75.00	27.00	"

Yours very truly, W. D. Young & Co. Whedon.

[fol. 2917] GOVERNMENT'S EXHIBIT No. 51-MM

Nov. 28, 1921.

W. D. Young & Co., Bay City, Mich.

GENTLEMEN: We made no sales of 1 1/16" Maple Flooring since our last report.

We are quoting same "Frame A" basis as follows:

1 1/16 x 2¼" Face Clear	@	$100.00
" " #1	"	75.00
" " Factory	"	30.00

Yours very truly, J. W. Wells Lumber Company.

[fol. 2918] GOVERNMENT'S EXHIBIT No. 51-NN

Nov. 28, 1921.

Wm. Horner, Reed City, Mich.

DEAR SIR: We made no sales of 1 1/16" Maple Flooring since our last report.

We are quoting same "Frame A" basis as follows:

1 1/16 x 2¼" Face Clear	@	$100.00
" " #1	"	75.00
" " Factory	"	30.00

Yours very truly, J. W. Wells Lumber Company.

[fol. 2919] GOVERNMENT'S EXHIBIT No. 51-OO

Nov. 28, 1921.

The Bigelow-Cooper Co., Bay City, Mich.

GENTLEMEN: We made no sales of 1 1/16" Maple Flooring since our last report.

We are quoting same "Frame A" basis as follows:

1 1/16 x 2¼"	Face Clear	@	$100.00
"	" #1	"	75.00
"	" Factory	"	30.00

Yours very truly, J. W. Wells Lumber Company.

[fol. 2920] GOVERNMENT'S EXHIBIT No. 51-PP

Dec. 1, 1921.

Mr. Wm. Horner, Reed City, Mich.

DEAR SIR: As per your circular letter of the 29th ult. regarding export shipments of Maple Flooring, we understood that export sales were to be reported as well as any other shipments.

We have not quoted prices recently but are instructing our representatives that prices will be as follows, f. o. b. cars seaboard:

13/16 x 3¼" Prime	@	$85.00
1 1/16 x 3¼" Prime	"	95.00

Yours very truly, J. W. Wells Lumber Company.

[fol. 2921] GOVERNMENT'S EXHIBIT No. 51-QQ

All Agreements and Contracts are Contingent Upon Strikes, Fires, Shortage of Cars, Accidents and Other Causes Beyond Our Control. All Quotations are for Immediate Acceptance Only, and are Subject to Prior Sale and Change Without Notice.

Reed City, Mich., Nov. 29, 1921.

W. D. Young & Co., Strable Lbr. & Salt Co., Kerry & Hanson Flg. Co., Bigelow-Cooper Co., J. W. Wells Lbr. Co.

GENTLEMEN: In sending out the weekly report of the 5/4 sales for the last two weeks we have also made mention of the fact we have made no export sales.

Our understanding was that each mill would report their export sales weekly, the same as the 5/4 sales. We note this is not being done by the other mills.

This morning we have a cablegram from our English representa-

tive in which he states the other mills are quoting the same prices as we are, namely the figures outlined in our report to you a week ago. They state, however, that on 5/4 flooring the prices of the other mills are considerably lower.

Just to let us know what you are doing, will you not advise us what you are doing on export sales and also whether you intend to report them or not?

Thanking you, we are

Yours very truly, William Horner. T. M. Ralstron.

TMR. F.

[fol. 2922] GOVERNMENT'S EXHIBIT No. 51-RR

Dec. 2, 1921.

The Northwestern Cooperage & Lumber Co., Gladstone, Michigan.

GENTLEMEN: Replying to your letter of the 30th ult.:

Sales made between the dates you mention were included in our Nov. 26 report. We are quoting to all points full list on Clear and #1, $5 off on Factory, and 1 1/16" $10 additional.

Yours very truly, J. W. Wells Lumber Company.

CHL:MK.

[fol. 2923] GOVERNMENT'S EXHIBIT No. 51-SS

Gladstone, Mich., November 30, 1921.

J. W. Wells Lumber Company, Menominee, Michigan.

GENTLEMEN: We do not believe we have had any sales report from you for the weeks ending the 19th and 26th, and would be glad to have this, and as understood, in cases where no sales are made, it would be enlightening to have reports to that effect just the same.

Yours truly, Northwestern Coop. & Lbr. Co.

S-N.

[fol. 2924] GOVERNMENT'S EXHIBIT No. 51-TT

Dec. 14, 1921.

Northwestern Cooperage & Lbr. Co., Gladstone, Mich.

GENTLEMEN: Replying to yours of the 13th inst.:

The items on our Dec. 10 sales report listed at $2.00 or $3.00 under the present list were based on former quotations and were a compromise with an old customer. We neglected to so state same on our list.

What was the occasion of our friend Gibson's letter to you on your last report?

Yours very truly, J. W. Wells Lumber Company.

CHL:MK.

[fol. 2925] GOVERNMENT'S EXHIBIT No. 51-UU

Gladstone, Mich., Dec. 13, 1921.

J. W. Wells Lumber Co., Menominee, Mich.

GENTLEMEN: Your sales report for week ending December 10th showing the three 2¼" A items, less than understood basis do you care to give us any explanation of same? We ask with a view that there may be natural reasons for it that would clear up any misunderstanding on the part of parties getting the report which they may regard as simply a cut price. This is written with the idea of co-operation and not criticism and while there is little or no business available now, we do feel unless outsiders are coming on the market with lower prices, jeopardizing our trade that we all ought to hold firmly for reasonable time yet at least.

Have a note today from Foster Latimer stating they think the Cadillac people are making lower prices on 1½" and 2¼" factory. We have not come in contact with this ourselves nor heard of any other lower quotations.

Yours truly, Northwestern Coop. & Lbr. Co.

S/B.

[fol. 2926] GOVERNMENT'S EXHIBIT No. 51-VV

June 7, 1923.

John C. Hill, Lumber Co., St. Paul, Minn.

GENTLEMEN: Replying to your letter of the 5th inst. in regard to prices on 2¼" Face Maple Flooring,—and we are aware that most of the Wisconsin companies are quoting $5.00 over the list, which would be $110.50 for Clear, $100.50 for #1 delivered Minnesota points.

* * * * * * *

Yours very truly, J. W. Wells Lumber Company.

CHL:MK.

[fol. 2927] GOVERNMENT'S EXHIBIT No. 51-WW

[Omitted in printing]

[fol. 2928] GOVERNMENT'S EXHIBIT No. 52

October 20th, 1916.

John Schroeder Lumber Co., Milwaukee, Wisconsin.

GENTLEMEN: Replying to yours of the 19th, we are sending you a supply of the daily report blanks, but if it would be more convenient to you to make a report of your shipments at the end of the

month instead of making daily reports, it will be just as satisfactory to us.

As your reports are not audited any more, it is not necessary for us to have daily reports, so a report at the end of the month, giving the total number of feet shipped of Maple, Beech and Birch Flooring separately, would answer our purpose just as well.

You need not make the report of Current Net Values obtained each month, unless you wish to do so for your own records, because your shipments are altogether local and do not become a part of our average prices F. O. B. car shipments. It means a good deal of work for you, and unless you want the information for your own records, we do not really need it ourselves, because we have no other member in Milwaukee to compare your prices with. It is different in Minneapolis and St. Paul, where we have two members who like to keep track of the relative prices they are getting in their local trade.

However make your reports the way you would like to, as I am simply making these suggestions to save you office work which you may be doing more on our account than for your own records.

Yours very truly, Geo. W. Keehn, Secretary.

[fol. 2929] GOVERNMENT'S EXHIBIT No. 52-A

Maple Flooring Manufacturers' Association, Chicago

February Twenty-ninth, 1916.

January Statistics

To members.

GENTLEMEN: The regular meeting of the Market Conditions Committee was not held this month because Mr. Thomas and Mr. Whedon are away on vacations, Mr. Kerry is very ill with pneumonia, and Dr. Earle could not leave Hermansville, and consequently a sufficient representation of the Committee was not available to make it seem desirable to call a meeting.

The flooring situation, as reflected in our January reports, is more than favorable in every particular. It is a case of "Where every prospect pleases".

Compared with January 1915, the statistics of corresponding membership are as follows:

Stocks February 1 are 5,174 M (12.5%) less than a year ago.
Unfilled Orders are 9,644 M (75.2%) more than a year ago.
Shipments are 3,823 (53.7%) more than last January.
Production is 1,896 M (20.4%) more than last January.
New Business Booked is 3,090 M (36.2%) more than last January.

Stocks decreased this January 520 M, as against an increase last January of 2,185 M.

Maple 2¼" Face

Clear 2¼" face Maple is 230% sold, the highest point on record on February 1st in the history of the Association. The following table compares the percentages sold of each grade on February 1st of each year with the net values obtained by Group E mills during the month of January of the same year:

	Clear		No. 1		Factory		All three
Feb. 1	% sold	Values	% sold	Values	% sold	Values	grades
1916	230%	$41.35	86%	$34.87	74%	$19.37	126%
1915	74	40.01	46	35.34	42	20.41	57
1914	145	42.39	148	37.81	53	22.19	123
1913	164	40.22	136	33.68	86	19.43	133
1912	121	36.79	69	31.83	21	17.49	70

On January 1st Clear 2¼" face was 266% sold, and were it not for the fact that Maple Flooring seems to be immune from the natural laws of supply and demand and cause and effect, January prices should have been at least $2.00 to $3.00 higher.

[fol. 2930] Current Net Values

Current Net Values in January show advances over December (using Group E mills as the basis of comparison) of $1,58 on Clear, 50 cents on No. 1 and 35 cents on Factory. According to Exchanges of Quotations that are coming in we look to see February prices show a further improvement.

From information derived from February Exchanges of Quotations, January reports of Current Net Values, and the strength of our statistical position, it would seem that no greater concession should be made in order to make sales than $3.00 off on Clear, $3.00 off on No. 1 and $5.00 off on Factory, Table of Delivered Values May 21, 1913, Cadillac basis.

The members who are sending in carbon copies of their quotations consider this method of exchanging information in regard to the market as of great assistance and value to them in handling their sales. May we not ask your cooperation in this feature of the Association work? You will find it of equal benefit to you. Information and records of quotations and sales are considered indispensable by Stock Exchanges and Boards of Trades.

Babson's has this to say about mercantile conditions and the March outlook:

"Commodity prices which now stand at the highest level ever known are perhaps the best measure of the enormous demand for goods. * * *

Certain commodities, including building materials, are quite likely to advance further. New construction continues to bear out our expectations for a great building boom this spring. The value of permits issued in January was the greatest for the month since the memorable boom in 1909. Lumber shipments are half again as large as they were a year ago, and growing activity in all lines of building

material should continue. A large volume of new building is one of the greatest stimulants to general business activity." * * *

* * * * * * *

At the next meeting of the Market Conditions Committee a new Table of Values will be compiled, based on the present market value of maple lumber, plus the cost of manufacturing and selling flooring, plus a profit of 10% on sales. This calculation will undoubtedly show that full list prices must be obtained if the manufacturers are to get an average net profit of 10% or 12% on sales of flooring.

Respectfully, George W. Keehn, Secretary.

[fol. 2931] GOVERNMENT'S EXHIBIT No. 52-B

Maple Flooring Manufacturers Association, Chicago

June Twenty-second, 1916.

Market Conditions Committee Report, May Statistics

To Members.

GENTLEMEN: The meeting of your Market Conditions Committee held in Chicago yesterday was well attended, all but two members being present, and after going over the May statistics which were mailed you a few days ago, the Committee wishes to report as follows:

A comparison of the statistics of corresponding membership with May 1915 shows that:

Stocks on June 1st are 2,705 M (7.3%) less than a year ago.

Unfilled Orders are 11,538 M more than a year ago.

A wonderful gain of 85.5%.

Shipments are 1,385 M (11.5%) more than last May.

Production is 473 M (4.2%) less than last May.

New Business Booked is 2,272 M (21%) more than last May.

Stocks on Hand on June 1st, 34,267 M, are at the low point of the year and show a decrease of 4,331 M from the high point 38,598 M on April 1st.

Unfilled Orders continue of good volume and are within 609 M of the hight point of the year, 25,643 M on May 1st.

The May Shipments, 13,418 M, are the best month's business, and the May Production, 10,909 M, is the lowest of any month so far in 1916; New Business Booked, 13,071 M, is within 793 M of the month of March, which holds the record so far in 1916.

May 1916 compares with April 1916 and May 1915 compares with April 1915 as follows:

	May-April, 1916		May-April, 1915	
Stocks	Decrease	3,091 M	Decrease	1,602 M
Unfilled Orders	"	609 "	"	928 "
Shipments	Increase	811 "	"	144 "
Production	Decrease	68 "	Increase	607 "
New Business Booked	Increase	142 "	Decrease	1,329 "

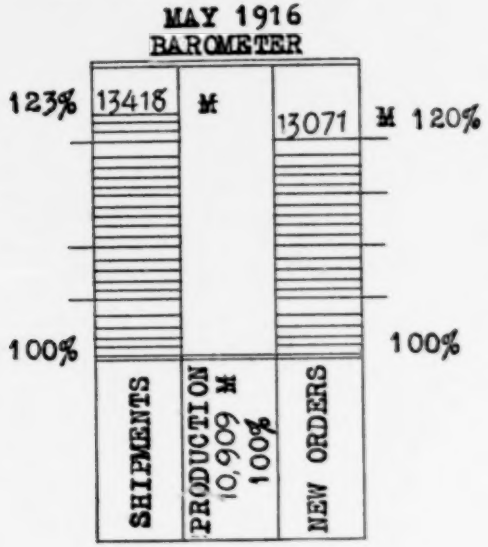
* * * * * * *

[fol. 2932] Surpluses

Compared with a year ago surpluses are 9 less in Clear, 11 less in No. 1 and 11 less in Factory, making 31 less in all three grades, while compared with a month ago there are 2 less surpluses in Clear, 2 less in No. 1 and no change in Factory, making 4 less in all three grades. As all the members have not yet reported the ordinary and maximum capacity of their warehouses at this date, we are enclosing you another blank form which we trust you will fill out and return promptly to the Secretary so this data can be completed.

Production

The relations of Production with Shipments and New Business Booked were exceedingly favorable last month, and calling Production the base or 100%, we find the Shipments represent 122% and the New Orders 120% of the Production, compared with 115% and 118% respectively in April.



[fol. 2933] Current Net Values

The 19 members who reported their Current Net Values for the month of May show average gains of 59 cents in Clear, 17 cents in No. 1, but strange to say Factory is down 39 cents in spite of the improvement in stock conditions of that grade. This comparison is with values realized in April by Group E Mills. Compared with May 1915 we find Clear is up $3.90, No. 1 is up $1.20, and Factory is up 81 cents, making a gain of $2.49 on the entire product on the basis of 50% Clear, 35% No. 1 and 15% Factory.

Based upon the reports referred to of Current Net Values obtained last month, the Committee finds the Net Values represented concessions (including commissions) of $4.00 on Clear, $4.00 on No. 1, and $6.00 on Factory from the Table of Delivered Values of May 15, 1916.

Minimum Price Plan

The Special Committee is indeed happy to report that Mr. I. N. Bushong of the Northwestern Cooperage & Lumber Company attended the meeting, and signed the Minimum Price Plan Agreement in behalf of his company. The Minimum Price Plan Agreement is, therefore, consummated, and will take effect July 1st, 1916, as telegraphed yesterday. The duration of the agreement is from July 1, 1916, to November 1, 1917. As the time between now and July 1st is quite short, and as members may have quotations out which they may not hear from before July 1st, it is understood that any bona fide outstanding quotations may be protected up to July 10th.

The Minimum Price Plan Agreement will be printed for filing with the Federal Trade Commission, and enough copies will be printed to send one to each party to the agreement, with an explanatory letter giving complete information in detail in order to avoid any misunderstandings as to the exact meaning of the agreement.

The adoption of the Minimum Price Plan is a great step forward in the work of our Association, and the method of basing selling prices, as outlined in our petition to the Federal Trade Commission, and in the agreement itself, will place the Maple Flooring industry in a position to be fair to itself and at the same time fair to the public.

Respectfully submitted, Morris E. Thomas, Chairman; Dr. George W. Earle, George C. Wilce, B. P. Whedon, W. E. Cox, George Strable, A. C. Wells, I. N. Bushong, of Market Conditions Committee.

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[fol. 2934] GOVERNMENT'S EXHIBIT No. 52-C

Maple Flooring Manufacturers' Association, Chicago

September 14th, 1916.

To members.

GENTLEMEN: We give below copy of letter from No. 24, and of the letter from Bigelow-Cooper Co., to which No. 24 refers.

If you quoted on the business mentioned by Bigelow-Cooper Co., will you please send me a copy of your quotation.

Yours very truly, George W. Keehn, Secretary.

Copy of Letter from No. 24 to us, dated September 12th:

Enclosed please find copy of letter received from Bigelow-Cooper Co. this morning, which explains itself. Would like very much for you to send out to all members of the Association, and find out whether any of them have quoted on this inquiry If so, to please send you copy of their quotation.

Copy of Bigelow-Cooper Co. letter to Mr. Kerry, dated September 9th:

We received the following letter from our New England salesman, which we thought would interest you:

"I was very much surprised this morning in trying to secure an order from Blacker & Shepard Co. for a carload of 13/16 x 2¼" No. 1 Maple flooring, that I was the only one quoting on new basis of prices. He had six quotations, four of which were received this morning, and two yesterday. The highest quotation other than mine was $41.00, and the lowest was $40.00 and from a Canadian concern with whom he had previously done business, and to whom he has sent the order. I did not get the names of any of the concerns bidding, but it surprised me to think that not one of them was over $41.00, whereas our quotation was $42.50."

The writer does not know of six concerns quoting in Boston Territory who are outside of the Association. It would look as though all your good members are not sticking. We are continuing, however, to ask the prices.

Yours very truly, (Signed) Bigelow-Cooper Co. R. Cooper.

[fol. 2935] GOVERNMENT'S EXHIBIT No. 52-D

Sept. 16, 1916.

Mr. George W. Keehn, Secretary Maple Flooring Manufacturers' Ass'n, Chicago, Ill.

DEAR SIR: Answering your favor of Sept. 14th in regard to prices mentioned by the Bigelow-Cooper Co.—we have not since Sept. 1st offered our Flooring in Boston territory at less than $42.50 net.

Yours very truly, East Jordan Lumber Co.

JJP-NCH.

[fol. 2936] GOVERNMENT'S EXHIBIT No. 52-E

Maple Flooring Manufacturers Association, Chicago

December 7, 1917.

War Tax of 3% on Freight Charges

To members.

GENTLEMEN: At the last meeting of the Market Conditions Committee the question was discussed as to who should pay the war tax on freight charges when delivered prices are quoted by the shipper without any provision being made in his quotation that any advance in freight rates or any government war taxes are to be paid by the purchaser in addition to the delivered price.

At the suggestion of the Committee, the question was referred to our attorneys, Newman, Poppenhusen & Stern, who rendered the following written opinion under date of the 6th:

"We have your inquiry for an opinion on the question whether consignor or consignee is liable for the tax imposed on freight shipments by Section 500 of the War Revenue Act, approved by the President October 3, 1917.

Section 501 of the Act provides:

"That the taxes imposed by Section 500 shall be paid by the person, corporation, partnership or association paying for the services or facilities rendered."

In the absence of any other provision in the Act, we take this to mean that the tax payment is a burden imposed upon whoever is liable for the payment of freight charges, either consignor or consignee, and does not mean that the tax is imposed upon the party who may, for convenience, actually pay the freight, whether shipped prepaid or collect. If the price quoted for the sale of lumber products to Indianapolis firms is F. O. B. Chicago, the consignee is obligated for freight charges and must pay the tax; if the price quoted includes delivery charges to Indianapolis, the consignor is obligated for the freight charges and must pay the tax. If quotations and contracts are stamped as indicated:

(1) "Our prices are based on and subject to freight allowance of — cents per one hundred pounds, which is the present rate to point of delivery, any additional charges, duties and taxes to be paid by consignee in addition."

or are stamped:

(2) "This quotation is based on our current price list F. O. B. cars —— (here insert place from which shipment is made), to which, for your convenience and information, has been added the

estimated freight to point named at freight rate existing at this date, you pay in addition and we do not assume as a part of this proposal:

(a) Any advance in the freight rate over present existing rate as estimated herein;

(b) Any government tax which may be assessed on freight charges."

[fol. 2937] If the sale is made F. O. B. the place of shipment, the consignee must pay the tax, regardless of whether, as a matter of convenience, the shipper prepays at the request or for the convenience of the consignee, and likewise if the sale is F. O. B. the consignee's place of business or delivery point, the consignor must pay the tax, regardless of whether, as a matter of convenience, the shipper sends the lumber products collect and the freight charges are actually paid by the consignee."

It is desirable that the custom of the members of the Association be uniform in respect to this war tax and unless some better method is suggested of getting uniformity, suppose we have rubber stamps made for the use of the members to stamp on their quotations and invoices. It seems to me the stamp could read something like this:

"Our prices are based upon and subject to the present rate of freight to point of delivery;
Any advance in the freight rate, or any additional charges, duties or taxes to be paid by consignee."

As our delivered prices are based upon Cadillac, it would not work out to mention the rate of freight in cents per 100 pounds, because the local rate of freight from points other than Cadillac, to the point of delivery would not be according to our basis used in arriving at delivered prices.

Yours very truly, George W. Keehn, Secretary.

[fol. 2938] GOVERNMENT'S EXHIBIT No. 52-F

Maple Flooring Manufacturers' Association, Chicago

Memorandum of Semi-annual Meeting, July 20, 1917

To members.

GENTLEMEN: The Semi-Annual Meeting of the Maple Flooring Manufacturers' Association was held in Suite 209, Hotel La Salle, Chicago, on Friday, July 20, 1917, at 10:00 A. M.

In the absence of the President, Dr. Earle, the meeting was called to order by the Vice-President, Mr. Mitchell, who acted as Chairman.

The following members of the Association were present:

No. 1, 2, 3, 4, 5, 6, 12, 22, 29, 30, 33, 38, 43, 44, 46 and 48—Total 16

The following members were absent:

No. 14, 15, 24, 26, 34, 37 and 42—Total 7

" 23

* * * * * * *

The report of the Market Conditions Committee was submitted in substance as follows:

At the meeting yesterday of the Market Conditions Committee all but three members of the Committee were present, namely, Dr. Earle, who is absent on a trip to the Pacific Coast, and Mr. Kerry and Mr. Gillouly, who were unable to attend.

While June was a dull month in the flooring industry, as indicated by the Barometer, there are many bright spots compared with June 1916, among them Stocks on Hand with a decrease of 22½%, Unfilled Orders with an increase of 26%, Production with a decrease of nearly 8% and Average Values, with an increase of 29%. Shipments, however, show a decrease of 15%, and New Business Booked shows the large decrease of 54½%, which is attributable to the heavy falling off in building operations requiring our Flooring, particularly in the Clear grade.

Stock conditions, as a whole, compared with July 1, 1916, make a splendid showing with Clear up 17 Points, No. 1 up 190 Points, Factory up 422 Points and all three grades up 126 Points in the Maple 2-¼" Face.

Compared with a month ago, Maple 2-¼" Face is down 39 Points in Clear, up 8 Points in No. 1, down 39 Points in Factory, and down 24 Points in all three grades. The recession of 39 Points in Factory has no real significance as with 577% sold on July 1 its position is as strong from a practical standpoint as with 616 Points sold on June 1. The position of all grades has strengthened materially since the beginning of the second quarter of 1917, as Clear has moved up from 194% to 218%, No. 1 from 224% to 319%, Factory from 213% to 577%, and all three grades from 208% to 285%, representing [fol. 2939] gains respectively of 24 Points, 95 Points, 364 Points and 77 Points, since April 1st, the beginning of the Second quarter.

In the following table May and June 1917 are Compared:

	Stocks	Orders	Shpmts.	Prodn.	N. B. B.	Members.
June 1.....	22,489 M	33,419 M	12,391 M	9,591 M	9,551 M	May, 23
July 1.....	22,195 "	29,527 "	10,507 "	9,978 "	6,123 "	June, 23
Incr.	.....	.....	.....	387 M	.....	
Decrs. ...	294 M	3,892 M	1,884 M	.....	3,428 M	

The Spreads recommended by the Market Conditions Committee in its last report were adopted by a vote almost unanimous, only one

member voting in the negative on the recommendation of Differential on Birch Flooring in the Clear and No. 1 grades.

The revision of the Rate Book has been completed and the fillers are being reprinted on stronger paper and will be supplied to the members for their Rate Books within a few days. Provision has been made for the listing of new towns so that members can keep their Rate Books up to date.

Test Run.—The Committee is deeply indebted to one of the members of the Association for the results of a Test Run which was completed early this month and an analysis of which is attached.

The rough lumber used was Lower Michigan Maple about 200 M feet, consisting of 71% No. 1 Common and 29% No. 2 Common, and we have applied as the market value of this stock the prices obtained on two recent sales of similar stock, namely, 1,100 M feet at $30.00 and $25.00, and 400 M feet at $33.00 and $28.00. These sales were made on the open market and we learn from reliable sources that the prices mentioned are authentic.

In arriving at the value of the flooring product we have applied the present M. P. P. basis, and the results are far from satisfactory if we assume that the flooring manufacturer is entitled to any profit at all. Aside from any question of profit it shows an actual loss of 19¢ in one case and $3.97 in the other case.

Our Survey of Costs is largely composed of data covering the year 1916, and as labor and other manufacturing costs have greatly increased during 1917, it was suggested that hereafter quarterly Surveys of Costs be obtained, so that more reliable conclusions can be formed regarding current conditions. The Committee, therefore, recommends that the Secretary obtain from as many members as possible a quarterly Survey of Manufacturing and Marketing Costs, beginning July 1, and that similar information, embracing the first and second quarters of 1917, also be obtained, if possible.

While the advance in flooring values since last year looks good on paper, the manufacturers of flooring should not be mislead, but should remember that as a matter of fact the advances in flooring have by no means kept pace with the advances in the raw material and in the costs of production. If rough Maple lumber advanced $10.00 it calls for an advance of $12.50 on flooring, and if the advance is considered $12.00 it calls for an advance of $15.00 on flooring, assuming that the average waste in the manufacture of flooring is 20%.

[fol. 2940] Test Run July, 1917

Lower Michigan Maple Lumber Used ..... 205,697'

71% No. 1 Common.
29 " " 2 Common.

100%

Flooring Product 163,504

	13/16"	2¼" face	Other faces
Clear	63.1%	45.4%	17.7%
No. 1	24.1 "	16.9 "	7.2 "
Factory	12.8 "	9.1 "	3.7 "
	100. %	71.4%	28.6 "

Waste 42.193
Waste 20.5%

Analysis of Results

Lumber	@ $30.00 & $25.00	@ $33.00 & $28.00
Cost of 1000′ Lumber	$28.22	$31.55
Lumber cost of 795′ Flooring	28.55	31.55
" " " 1000′ "	35.91	39.69
Average Manufacturing and Marketing Costs: . $12.33 Less wood, etc. 1.13	11.20	11.20
Cost of 1000′ Flooring Sold	47.11	50.89
Add one-ninth for 10% profit on sales	5.23	5.65
	52.34	56.54
Selling Value of Flooring Product MPP Basis 7-1-17	46.92	46.92
Loss on basis of 10% profit on sales	5.42	9.62

[fol. 2941] GOVERNMENT'S EXHIBIT No. 52-G

A Semi-Annual review of the first half of 1917, prepared by Mr. Thomas, as Chairman of the Committee, was then read by the Secretary and on motion was received, and it was ordered that a copy be sent to each member of the Association.

As new business the Committee recommends the consideration at this meeting of the extension of the duration of the Minimum Price Plan from November 1, 1917 to January 1, 1919, to run concurrent with the duration of the Allotment Articles.

It was explained that in order to extend the duration of the Minimum Price Plan, that the affirmative vote of every member of the Association would be necessary.

The following resolution was thereupon offered:

Resolved that the Minimum Price Plan be, and is hereby extended from November 1, 1917 to January 1, 1919.

The following twelve members voted in favor of the adoption of the resolution: Nos. 1, 2, 6, 12, 22, 29, 30, 33, 43, 44, 46, and 48.

As seven members were absent, and as four of the members present wished further time for consideration, the Secretary was instructed to communicate with them (the eleven members) and get by mail their formal votes on the resolution by August 10th to 15th.

* * * * * * *

Five numbers of MFMA Service (our Monthly Bulletin) have been issued, and the August number is now in preparation. It will deal with a timely topic—the building of new factories and similar buildings needed to take care of the expansion in business resulting from the war, and the use of No. 1 as well as Factory will be recommended because of the oversold condition in Factory, and the difficulty of obtaining it if the demand continues to increase.

[fol. 2942] It has been thought for some time that the Association should publish a booklet in which should be incorporated complete information pertaining to Maple, Beech and Birch Flooring, so that architects, contractors, lumber dealers and the public generally, can find in one book everything in the way of information that is now contained in the six booklets we have published together with such additional information as the Committee may decide should be embodied in the book. A booklet of this kind with the contents properly arranged, classified and indexed, for ready reference, and with illustrations of the many types of buildings in all sections of the country in which our flooring is in use, would be of great value to everyone interested in any way in the use of our product.

The Committee wishes to obtain from the members as much material as possible to use in the new book and will appreciate it if you will send to the Secretary copies of any flooring literature of your own which you have recently published. The Committee would also like photographs of buildings of all kinds for which you have furnished flooring and which have been erected during the past year. If you have no photographs of such buildings, will you please obtain them for us through your selling representatives or customers, and the Committee will be glad to pay all expenses incurred whether or not the photographs are used in making cuts for te booklet. It is very desirable to have many different types of buildings in widely scattered localities, to show that the use of Maple, Beech and Birch Flooring is country wide. "Do Your Bit."

The Secretary stated that Mr. Robertson had prepared at the request of the Committee, a report on his work as Field Representative. Mr. Robertson then presented and read his report and on motion it was accepted and the Secretary was instructed to send copies to the membership. The members present expressed their hearty approval of Mr. Robertson's work.

The Committee further reported that arrangements had been made with Mr. Robertson to continue his work as Field Representative

in the territory not already covered, so that all the members of the Association would share in the benefits of his work.

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[fol. 2943] After luncheon was served trade conditions were discussed, and the opinion was expressed that the volume of flooring business during the Second half of 1917 is likely to be far below the Second half of 1916, and that in view of the outlook that the continuance of the M. P. P. and radical curtailment as individual manufacturers, in the production of flooring offer the only solution—

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[fol. 2944] GOVERNMENT'S EXHIBIT No. 52-H

Maple Flooring Manufacturers' Association, Chicago

Semi-annual Report Market Conditions Committee, July 20, 1917

To members:

GENTLEMEN: The statistical reports prepared by Mr. Keehn for the first half of the year give all the available data of that character. Whether such reports are regarded as merely a comprehensive review and record of a past period or whether they have an additional value as a guide for the future, depends largely upon the method of their analysis and interpretation. When the significance of each of the various factors of the statistical data is determined and the influence of other factors, such as outside competition, building activity, manufacturing costs, buying seasons and the character of the demand, is properly estimated, we have acquired the Eyes of Business, can see ahead with greater clearness and can plan for the future with greater confidence of success.

As an aid in the analysis of statistics a barometer has appeared in our monthly reports during the past year to show a graphic comparison of conditions with the corresponding month of the previous year. The barometer gives a birdseye view of conditions but does not estimate the comparative value of its various factors. However, before discussing this feature, an explanation of the construction of the barometer, how and why it is thus made, may be informative and increase its value.

During January and February we had 25 members, during March, 24 and during April, May and June, 23. The barometer is adjusted to these changing conditions in the following manner.

The first shaft is the Measure and you may have noted that it is always the same height. It is an arbitrary yardstick.

The relative heights of the other shafts are determined by the percentage of increase or decrease of the various factors based on the reports of the same members for corresponding periods. Consequently the June, 1916 business of the two members who have

dropped out since the first of this year was not considered in making the barometer for June 1917.

The barometer each month reflects a comparison under like statistical conditions with the same month of the previous year.

[fol. 2945] Returning now to the comparative values of the various factors of the barometer:

The factors are:

Stocks on Hand.
Unfilled Orders.
Shipments.
Production.
New Business.
Average Values.

Inasmuch as the value of any factor may change with the changes in surrounding conditions, it is impossible to formulate any arbitrary or fixed rules for determining market conditions. The monthly combination of factors is kaleidoscopic, never twice the same. Consequently the significance of the various factors of the barometer must be estimated by judgment based on experience.

This may be illustrated by the barometer for June. Based on the half year it shows slightly less than the average "Stocks on Hand", the lowest "Production" and the highest "Average Values" of the period. These are important factors and if considered by themselves would seem to fore-shadow good results for July. But the other statistical factors show that relatively "Unfilled Orders" fell 26 points in June and that "New Business" and "Shipments" are the lowest in six months. This gives us comparative results based on corresponding periods last year.

To show the trend of current conditions a comparison of May and June this year indicates that during June:

Stocks on Hand decreased 1 Point.
Unfilled Orders " 11 "
Shipments " 15 "
Production increased 4 "
New Business decreased 36 "
Average Values increased 3 "

The reduced volume of New Business in June may be due to earlier booking in anticipation of advancing prices but the falling off in Shipments should be seriously considered. And it should also be noted that the first of this month records the smallest volume of Unfilled Orders shown this year.

It is obvious that right here the non-statistical factors demand attention. These are:

1. Building Activity.
2. Character of Demand.
3. Manufacturing Costs.
4. Outside Competition.
5. Buying Seasons.

We know (1) that there is a material decrease in building activity that requires hardwood flooring, (2) that the demand for Clear is relatively less than for No. 1 and Factory, (3) that the manufactur-

ing cost of flooring was never before so high as it is now and that costs are increasing, (4) that outside competition is active and aggressive and (5) that July is normally a quiet month for new business and is more likely to be so under present conditions.

[fol. 2946] The foregoing brief analysis of conditions the first of this month affords a basis for the conclusion that the volume of Shipments and New Business for July will be less than normal, but that the special demand for No. 1 and Factory may support some advance in prices of those grades. It is also evident that at present the demand cannot be increased by price concessions. Also that prices are not likely to be reduced on account of high manufacturing costs and easy warehouse conditions. The present manufacturing plan should be to reduce the output of Clear flooring and increase the output of No. 1 and Factory.

This is not a Semi-Annual Report in conventional form. It is rather a report and explanation of methods and your committee has taken the liberty of offering it with the hope that it may suggest ways of analyzing our statistical reports from month to month so that they may be more valuable to you as a basis for estimating future conditions.

Respectfully submitted, Morris E. Thomas, Chairman; E. Harvey Wilce, B. P. Whedon, William E. Cox, George Strable, C. H. Law, J. D. Staple, of Market Conditions Committee.

[fol. 2947] GOVERNMENT'S EXHIBIT No. 52-I

January 19, 1918.

John Schroeder Lumber Co., Milwaukee, Wisconsin.

GENTLEMEN: The annual meeting of the Association held yesterday was well attended in spite of weather conditions, eighteen members being represented. We are very sorry you could not be here to have heard and taken part in the discussion of the subjects considered at the meeting.

A full account of the proceedings of the meeting will be sent you early next week, probably Tuesday or Wednessday, as Monday is a "Garfield Holiday" on account of being a heatless day in office buildings; in the meantime, we are sending you the Annual Statistics and the Barometer for the year 1917.

Each member of the Market Conditions Committee who attended their meeting on the 17th made an estimate of the probable volume of flooring shipments during the year 1917, and the average of all the estimates was 69,375 M. If this proves to be the case, it is only too evident what the curtailment in Production must be as a matter of individual policy, if the manufacturers of flooring wish to harmonize supply with demand. If the present rate of Production is continued in spite of the diminishing demand for flooring, the total Stocks on Hand by April 1st will be a painful surprise to the Association.

Yours very truly, George W. Keehn, Secretary.

GOVERNMENT'S EXHIBIT No. 52-J

Warehouse Capacity

	June, 1916		January, 1918	
	Ordinary	Maximum	Ordinary	Maximum
1. T. Wilce Company	4,000 M	5,000 M	6,500 M	7,500 M
2. W. D. Young & Co.	3,000	3,500	2,500	3,000
3. Mitchell Bros. Co.	3,000	4,000	4,000	5,000
4. Wisconsin Land & Lbr. Co.	2,000	2,500	1,500	2,000
5. Cobbs & Mitchell, Inc.	3,500	4,000	4,000	4,500
6. Thomas Forman Co.	2,000	2,700	2,000	2,700
14. Cummer-Diggins Co.	750	1,500	1,000	2,000
15. Wwight Lumber Co.	750	1,000	750	1,250
22. Osgood & Blodgett Mfg. Co.	500	600	300	450
24. Kerry & Hanson Flg. Co.	1,000	2,250	2,000	3,000
26. East Jordan Lbr. Co.	3,000	3,500	1,500	2,500
29. Welsh & Kerry Co.	700	1,000	800	1,000
30. Nichols & Cox Lbr. Co.	900	1,200	800	1,000
33. Strable Lumber & Salt Co.	2,500	3,000	4,500	5,000
34. Foster-Latimer Lbr. Co.	900	1,200	1,000	1,200
37. West Michigan Flg. Co.	1,300	1,700	1,500	2,000
38. R. Connor Co.	1,000	1,250	1,000	1,250
42. J. W. Wells Lbr. Co.	1,500	2,000	2,000	2,500
43. Hanson-Ward Veneer Co.	2,500	2,500	1,500	2,500
44. Northwestern Coop. & Lbr. Co.	3,000	3,750	2,000	2,500
46. G. H. Tennant Co.	400	700	800	1,000
	38,200	48,850	41,950	53,850
48. North Branch Flg. Co.	....	....	1,500	1,500
49. The Bigelow-Cooper Co.	....	....	2,000	4,000
			45,450	59,350

[fols. 2949 & 2950] GOVERNMENT'S EXHIBIT No. 52-K

Feb. 15.

Mr. Geo. W. Keehn, Rector Bldg., Chicago, Ill.

DEAR SIR: In renewing our membership, beginning March 1st, in the Maple flooring bureau, we will continue in same under the condition that it is to be continued along the lines as heretofore, namely, for the purpose of regulation in grading and classification of Maple Flooring, statistics and other general information, and al-o promotion of the sale of Maple flooring, and that it is not to be a combination, conspiracy, trust, pool, agreement or contract intended to restrain or prevent competition in the supply or price of Maple flooring, or which shall in any manner control the price of same, fix the price thereof, limit or fix the amount or quantity thereof to be manufactured, or fix any standard or figure by which its price to the public shall be in any manner controlled or established. In other words that the rule and method of said bureau are not to conflict with the National laws or State laws of Wisconsin.

Yours truly, John Schroeder Lumber Co.

[fol. 2951] GOVERNMENT'S EXHIBIT No. 52-L

Maple Flooring Manufacturers Association, Chicago

October 14, 1918.

To our members.

GENTLEMEN: The Allotment Contract and the MPP both expire by limitation on December 31st and as the question of their renewal will no doubt be discussed at the next general meeting, to be held on the 24th, we are submitting to you for your consideration in the meantime the following outline as offering a fair and equitable basis or foundation for the renewal of the two contracts, in case it is the desire of the members of the Association to renew them:

1. Duration of Allotment Articles

Three years from January 1, 1919, to January 1, 1922.

The present Allotment Contract and previous Allotment Contracts were for three years and it would seem desirable to follow this precedent.

2. Basis of New Allotments

60% of Allotments plus 40% of Shipments during the calendar years 1916, 1917 and 1918, reduced to annual averages and then reduced to a percentage basis. (A separate mathematical calculation will be required in the case of The Bigelow-Cooper Co. (No. 49) who joined the Association on November 1, 1917; also in respect to

Strable Lumber & Salt Co. (No. 33) to whom was transferred, on January 1, 1918, 30% of the Allotted Percentage of Bliss & Van Auken Lumber Co. (No. 12). These calculations can be easily worked out in a fair and equitable way.)

Members who reduced their output of flooring during the past three years benefited the industry as a whole. This fact is properly recognized by taking 60% of Allotments and 40% of Shipments, thereby giving the old Allotments a 50% higher value as a factor in the new Allotments than is given the Shipments. This should be considered a fair and just equalization of all conditions and circumstances existing during the three year period ending with this year.

3. General Fund

The payment into the General Fund to be $4.00 per M feet instead of $3.00 per M feet.

The maximum margin of profit sought under the Allotment Articles and the MPP in the manufacture and sale of flooring is 10% on selling values FOB mills. When the present Allotment Contract was renewed, as at January 1, 1916, the average value of the product of 13/16" x 2¼" face Maple Flooring FOB Group E Mills was $34.77 and consequently the $3.00 payment into the General Fund represented about 8½%. The average selling value in August of this year was $53.59 and flooring conditions will be much better protected if the General Fund payment is made $4.00, or 7½% of average selling values, instead of $3.00 which is only about 5½% of present selling values.

With a $4.00 payment on Under-Shipments members will be encouraged to operate on a lower basis of production than if they received only $3.00 on Under-Shipments; and on the other hand over-production will be discouraged if members pay in $4.00 instead [fol. 2952] of $3.00 on Over-Shipments and the joint effect under a $4.00 payment working in both directions must result in greater benefit to the industry than under a $3.00 payment.

4. Sales and purchases of flooring among members of the Association to be reported one-half by the Seller and one-half by the Buyer. This would result in a more liberal exchange of business among members of the Association and the Seller would be in a position to make more favorable prices to his fellow member than if the entire amount of the shipment is reported by the Seller. Members whose conditions may compel them to manufacture more flooring than is readily absorbed by their own trade, will be glad to find an outlet by selling to other members of the Association, reporting one-half of the quantity and paying in an equivalent of only $2.00 on the entire shipment instead of $4.00; on the other hand, members whose conditions are different will not need to force their manufacturing operations in order to supply their normal trade if they can purchase from other members on a basis which will leave them a margin after reporting one-half of the quantity and paying in an equivalent of $2.00 on the entire quantity so purchased instead of manufacturing the flooring themselves.

Any system that wlil tend to promote a liberal exchange of business among the members should be fostered because it will result in greatly reducing the aggregate stocks carried and avoid the many needless and excessive duplications of the same items in every flooring warehouse; in other words, members would freely draw upon each others stocks, individual stocks carried could be reduced to a minimum and the total Stocks on Hand would soon work down to a level consistent with the demand.

In this connection uniform shape, matching, etc., would be very desirable.

Inasmuch as the Seller and the Buyer would each report one-half of the quantity so sold and purchased, our statistics would be kept accurate and in balance and would always show the total actual consumption of flooring.

5. The 75% clause and all other essential features of the present Allotment Articles to be retained.

6. The MPP to be rewritten to include all modifications adopted to date and its duration to run concurrent with the Allotment Articles.

It would be my thought not to incorporate the Allotment Articles and the MPP in one document, but to have the MPP supplemental to the Allotment Contract as at present, so in case the Federal Trade Commission should advise the cancellation of the MPP it can be done without disturbing the Allotment Contract or vice versa.

I wish to say that the proposed basis of the new Allotments is laid down as a broad principle without regard to or knowing how it may work out in any individual case.

Respectfully submitted, George W. Keehn, Secretary.

Next quarterly meetings: Committees, Wednesday, October 23d; Association, Thursday, October 24th.

[fols. 2953 & 2954] GOVERNMENT'S EXHIBIT No. 52-M

May 19, 1919.

John Schroeder Lumber Co., Milwaukee, Wis.

GENTLEMEN: Replying to yours of the 14th requesting us to cancel your membership in the Association:

If it will be agreeable to you, we would like to have you continue your membership until Just 1st at least, in order that our statistics for the semi-annual period ending June 30th, will include your statistics and, therefore, be complete for the first half of 1919.

I should have explained to you more fully the other day that because the Association's volume of flooring shipments was so small during the first quarter of 1919, amounting to only 3½ millions in January, 4½ millions in February and about 9 millions in March with the new members in, 10c per M on the shipments would not, of

course, provide sufficient revenue to cover the expenses in connection with the statistical reports, Rate Book, etc. However, April shipments show a considerable improvement, and we hope that times are going to be better for the flooring industry and that we shall soon be back to our normal volume of business and normal rate of dues.

When the Articles of Association expired on December 31st, their duration was extended to July 1st, and as all memberships will expire on July 1st, we will appreciate it very much indeed if you will continue with us until then, and if the work of the Association goes on, you could decide then whether or not to continue your membership after July 1st.

It also seems to me that it would be an advantage to you to continue your membership in the Association because if you wish to purchase any flooring, our members will be in a position to make you more favorable prices if you are a member of the Association than if you are not a member.

Awaiting your reply and with best regards and good wishes, I am,

Yours very truly, Geo. W. Keehn, Secretary.

[fol. 2955] GOVERNMENT'S EXHIBIT No. 52-N

We have found the use of the stamp and sticker described very productive of favorable results and the annoying correspondence over violations of discount terms has been almost eliminated thereby.

What is needed most and that which is the incentive of our letter to you is, co-operation of other shippers and we believe that this subject is worthy of much more than just your casual consideration.

Do you know what the cash discounts on your accounts amount- to last year and the proportion of which were not valid, the latter representing what you carelessly gave away and which in realty was an actual loss with no resulting compensation?

The excuse for violation of discount terms is almost invariably, "The other manufacturers allow it?" Are you one of the other fellows?

Ask your auditor about this subject and if our statements are true.

Yours truly, Wisconsin Land & Lumber Co.

WBE. EJ.

This stamp is placed on all quotations:

Terms of sale.—60 days net, or subject to discount if paid as follows:

2% if paid within 15 days from date of invoice.

1% if paid after 15 days and within 30 days from date of invoice.

If delivered prices are quoted freight charges must be deducted before computing discount.

Delivered prices are based upon and subject to present rate of freight to point of delivery; the freight at the existing rate being included for your convenience; any advance in freight rate, and all other charges, duties and taxes to be paid, in addition, by consignee.

This sticker is attached on all invoices:

Terms of Sale

60 days net, or subject to discount, if paid as follows:
2% if paid within 15 days from date of invoice.
1% if paid after 15 days and within 30 days from date of invoice.
No discount will be allowed which does not conform with these terms.
On delivered invoices freight must be deducted before computing discount. War tax to be paid by consignee.

NOTE.—Discount is equivalent to a liberal interest allowance for unexpired time and above terms must be observed if the discount privilege is to be utilized. If a delivered shipment and car has not arrived within the desired discount period, remittance should be made after deducting estimated freight. Discount will be allowed only on such amount as may be remitted within the respective discount periods. Any unpaid balance remitted after 30 days must be net cash and will not be subject to discount.

Few realize that 2% discount at 30 days amounts to 24% interest and other violations in ratio, all being unthinkable in astute business practice.

[fol. 2956] Hermansville, Mich., March 5, 1920.

To members of Northern Hemlock and Hardwood Association and Maple Flooring Manufacturers Association.

GENTLEMEN: The discount privilege has been a flagrantly abused one and we know of no other industry that has been passive under the glaring monetary losses incurred and the vexatious correspondence resulting, then the lumber trade.

Discount in interest for prepayment on unexpired free time and is purely a banking proposition. Why then should violations be permitted any more than a bank might be expected to waive interest on a loan? It is unthinkable in astute business practice.

2% discount shiftlessly allowed after lapse of discount period, for instance on 1,000 ft. of FAS Birch means that the customer has been permitted of his own free will to cut the price $4.00 per M feet, and on Hemlock lumber about $1,000 per M feet.

For a long period we have been persuing a firm policy in an endeavor to correct this great evil of our industry, as far as our own interests are involved.

Find attached hereto a sticker also a stamp impression as to terms of sale. The stamp we use on all quotations and this is followed

consistently and diligently with the sticker placed on all invoices.

The stamps may be obtained of any rubber stamp manufacturer and the sticker was turned out for us by the H. G. Razall Mfg. Co. of Milwaukee, Wis.

[fol. 2957] GOVERNMENT'S EXHIBIT No. 52-O

Feb. 25th, 1920.

G. W. Keehn, Sec'y, Chicago, Ill.

DEAR SIR: The sales report of Feb. 24th is acknowledged and is interesting.

In analyzing prices, we have always considered basicly the f. o. b. loading point price as the best guide for comparison in market value digest.

As applying to our desire, we would prefer that all prices to be reduced to loading point basis and each item grouped to show readily the varying prices of each item.

Find enclosed our sketch made today in deduction from your report of such items as we are interested in as covered by the report and which will make clear our explanation.

Please believe we are not criticizing your method of report, which is consistent with the group reports of the past.

However, so many members do not analyze much of thier own accord and the closer to a kindergarten method a report can be made the more efficient it is on the average.

There may be much better methods of form than we have suggested, and ours is merely an off hand sketch to obtain the desire explained.

Yours truly, Wisconsin Land & Lumber Co., Sales Dept.

WBE. EJ.

[fol. 2958] GOVERNMENT'S EXHIBIT No. 52-P

[Omitted in printing]

[fol. 2959] GOVERNMENT'S EXHIBIT No. 52-Q

Maple Flooring Manufacturers Association, 1045 Stock Exchange Bldg., Chicago

Telephone Franklin 3960

April 26, 1920.

To the Board of Trustees.

GENTLEMEN: At the meeting of the Market Conditions Committee held on the 22nd, the case of the Government against the so called Open Competition Plan of the American Hardwood Manufacturers Association, and also known as the Memphis case, was dis-

cussed and Dr. Earle and the writer were appointed a committee to consult with Attorney Jacob Newman regarding what course our Association should pursue in view of the decision of the Federal Judge at Memphis.

We enclose copies of a letter from Mr. Newman and of my letter to the members of the Market Conditions Committee who attended their meeting on the 22nd, and as these letters outline the situation fully we need not go into further details in this letter to you.

We are writing to Dr. Earle as President of the Association, asking him whether or not he deems it advisable to have a meeting of the Board of Trustees and will advise you promptly upon receipt of his reply.

Would it be your thought to send copies of Mr. Newman's letter to the other members of the Association or wait until a meeting is held of the Board of Trustees in case Dr. Earle considers it best to call a meeting?

Yours very truly, George W. Keehn, Secretary.

Enc.

[fol. 2960] GOVERNMENT'S EXHIBIT No. 52-R

April 26, 1920.

George W. Keehn, Esq., Secretary Maple Flooring Manufacturers' Association, Chicago, Illinois.

MY DEAR SIR:

Subject: Maple Flooring Manufacturers' Association

You have asked us for our opinion with respect to what is the proper course for the Association to pursue in view of the injunction recently obtained by the Government in the Federal Court at Memphis, Tennessee, against the so-called Open Competition Plan of the American Hardwood Manufacturers Association, and in reply we beg to say:

1. We have examined the position taken by the Government in the Memphis litigation and after carefully considering the matter we have reached the conclusion that inasmuch as an injunction has been issued and is now in force, all things considered, it would be the proper thing for your Association to obey the spirit of the injunction until the Supreme Court of the United States has settled the fundamental question involved.

2. We believe the Supreme Court of the United States will hold that Associations like your have the right to gather and distribute among their members the history of past and completed transactions such as Shipments, Production, New Business Booked, Stocks and Unfilled Orders on Hand and the prices actually obtained in bona fide sales.

3. The injunction in the Memphis case ordered the parties in that litigation—

"Not to take any further steps whatsoever in compiling or distributing thru the said F. R. Gadd, 'manager of statitsics' or otherwise, at Memphis, in this district, or elsewhere, the next issue of the monthly stock reports, monthly production reports and weekly sales reports of the said so-called Open Competition Plan, or any other issues of any such or similar reports."

The foregoing injunction prohibits the doing of many of the very things which you have been doing and which we believe are lawful, because you are simply making known to the members of your Association the history of past and completed transactions, and not what the members intend to do or may do in the future. All this is merely historical and involves no agreement respecting production prices or sales.

Furnishing such historical data to the members of the Association will undoubtedly give them an intelligent conception of the state of the market and the conditions of the trade, but they have the legal right, in our judgment, to such knowledge and information. If such knowledge and information tends to intelligent competition and a reasonable steadying of prices, that fact in itself does not, in our judgment, violate the Federal Anti-Trust laws. The supreme Court of the United States has repeatedly said that a reasonable restraint of trade does not violate the Federal law.

In giving such historical data to its members, the Association is only doing what hundreds of other Associations, like stock exchanges, boards of trade and similar institutions, have been doing for many years, and in truth is doing simply what the Government itself has been doing for farmers, cotton planters and others.

4. In view of the foregoing situation, our judgment is that your Association should suspend such of its activities as might be construed as coming within the prohibition of the Memphis injunction until the Supreme Court of the United States has decided the questions involved. Our information is that the Memphis case is to be prosecuted with vigor and will have an early hearing.

Very truly yours, Newman, Poppenhusen, Stern & Johnston,
(Signed) by Newman.

JN:MEB.

[fol. 2961] GOVERNMENT'S EXHIBIT No. 52-S

[Omitted in printing]

[fol. 2962] GOVERNMENT'S EXHIBIT No. 52-T

January 7, 1921.

Weekly Sales Reports

To members.

GENTLEMEN: In order that all the members may be fully posted regarding the state of the market as reflected by current sales, and in accordance with the action taken at the meeting yesterday, all the members of the Association are to make Weekly Reports of all their sales of Maple, Beech and Birch Flooring. In case you have made no sales during the week, be sure and send in your report just the same with the notation "No Sales."

We enclose blank form for your report for the week ending January 8th.

If possible, please always make out these reports and mail them to us at the close of business Saturday of each week, so you will always receive our report on Tuesday or Wednesday of the following week.

Yours very truly, George W. Keehn, Secretary.

[fol. 2963] GOVERNMENT'S EXHIBIT No. 52-U

February 26, 1921.

To members.

GENTLEMEN: In accordance with the action taken at yesterday's meeting our weekly reports of sales commencing this week will show under each group the number of each member belonging to that group who has not reported, if any, the same as our weekly reports now indicate in the case of members reporting "No Sales," so if there is any week in which you make no sales please be sure to send in your report with the notation "No Sales."

Our report for the week ending today will not be compiled until Wednesday or possibly Thursday in order to give every member an opportunity to send in his report to us. We enclose another supply of blank forms.

Very truly yours, George W. Keehn, Secretary.

ECS:L.

[fol. 2964] GOVERNMENT'S EXHIBIT No. 52-V

March 2, 1921.

To members.

GENTLEMEN: Your Market Conditions Committee expects to hold a meeting the day before the next general meeting sometime after the middle of March and they would like to have more complete information on manufacturing and marketing costs, as only a few of the members have sent us their Survey of Costs for the last quarter of 1920.

You can appreciate the importance of our Survey of Costs being kept up-to-date and that the more reports we receive from the members the better will our compilation of average cost prove representative of conditions in the industry as a whole. We are enclosing blank forms to those members who have not yet sent in their Survey of Costs.

The Committee would like to receive from the members information on any recent sales of Maple, Beech or Birch flooring lumber to be used in connection with our compilation of flooring costs. They would also like to have the results of some test runs as the test run figures which we have been using are those which have been made a number of years ago and we should have something more recent. If you have made any test runs recently or during 1920, we would be glad to have the details and will, of course, hold same strictly confidential. We would like to have the quantity in feet of each grade of rough lumber used and the quantity in feet of each grade, thickness, and face of flooring produced. We can reduce these quantities to percentages unless you wish to do so for your own information.

We would like to have any information or figures you can give us not later than about the 18th of March if possible. Thanking you in advance for the favor,

Very truly yours, George W. Keehn, Secretary.

ECS:L.

Sorry not able to give on Mfg. Costs for past 3 mo. as we have not been operating during that time.

[fol. 2965] GOVERNMENT'S EXHIBIT No. 52-W

May 26, 1921.

Weekly Sales Reports

To members.

GENTLEMEN: Only three of the members who attended the general meeting on the 20th and who promised then to make the weekly reports of sales did not make their reports for the week ending May

21st. No doubt they are under the impression that the new Plan under which these reports are to be made by every member of the Association would begin with the week ending May 28th, instead of with the week ending May 21st.

While the East Jordan Lumber Company was not represented at the meeting on the 20th, we wrote them on this subject on the 21st. They have been making their reports regularly so we think their report for last week is probably delayed in the mail. If we receive it later we will include it in next week's report.

Very truly yours, George W. Keehn, Secretary.

[fol. 2966] GOVERNMENT'S EXHIBIT No. 52-X

Chicago, July 1, 1921.

General Meeting, July 8, 1921

To members.

GENTLEMEN: In accordance with instructions received this morning from Dr. Earle as President of the Association, a general meeting of the Maple Flooring Manufacturers Association is hereby called to be held at Hotel La Salle (Suite 209) Chicago, Friday, July 8th at 11:00 A. M., Chicago Time.

It is earnestly hoped that every member of the Association will be represented at this meeting as business of much interest and of great importance is to come before the meeting.

* * * * * * *

Please remember to bring with you to the meeting a complete set of *our* Weekly Sales Reports beginning with the week ending May 28th, so you will have them to refer to when market conditions as reflected in the Weekly Sales Reports are discussed.

Our compilation of the Weekly Sales Reports for the week ending July 2nd will be held here until the meeting on the 8th instead of being mailed out on Tuesday the 5th as if we mail them to you on the 5th some of you might not receive them in time to bring them with you to the meeting.

If possible please mail us your reports for the month of June including Stocks and Unfilled Orders on Hand July 1st so we shall receive them on the 7th and so we can prepare a reasonably close estimate of the outcome of the June business.

Other matters of interest will be presented in reports of:

The Market Conditions Committee.
The Grades Committee.
The Advertising Committee.

The Trade Relations Committee may also have a report to make regarding our list of Wholesalers and Commission Men.

Very truly yours, George W. Keehn, Secretary.

Flooring Data July 1st to 6th or 7th, Inclusive

Shipments .... M Feet.
Production .... M "
New Business .... M "

From No. —.

[fol. 2967] GOVERNMENT'S EXHIBIT No. 52-Y

August 6, 1921.

J. W. Wells Lbr. Co., Menominee, Michigan.

GENTLEMEN: The last general meeting adjourned subject to the call of the Chairman with the understanding that the meeting would be held as early in August as possible depending upon when our statistics for the month of July would be in shape to submit to the meeting:

We have not yet received your reports for July, including Stocks and Unfilled Orders on Hand August 1st, and as it is not only desirable but very important that a meeting be held as soon as possible, we hope you will send us your reports by return mail so we can make up our reports and write to Dr. Earle to fix the date for the general meeting so that the flooring situation and trade conditions can be discussed and considered by the Association as a whole.

Hoping to receive your reports by the 9th or the 10th at the latest, we are

Very truly yours, George W. Keehn, Secretary.

[fol. 2968] GOVERNMENT'S EXHIBIT No. 52-Z

September 17, 1921.

To members.

GENTLEMEN: Since writing you yesterday we have received instructions from Dr. Earle as president of the Association, to call a general meeting of the Association, to be held Friday, September 23rd, at 10:30 A. M., Chicago Time.

The meeting will be held in Suite 209, Hotel La Salle, and we cannot too strongly urge upon every member of the Association the very great importance of being represented at this meeting.

The Specal Committee will meet the day before and will have a report to submit to the general meeting.

Kindly advise by return mail whether or not you will attend the general meeting on the 23rd.

Yours very truly, George W. Keehn, Secretary.

[fol. 2969] GOVERNMENT'S EXHIBIT No. 52-AA

October 11, 1921.

Audit of Weekly Sales Reports

To members.

GENTLEMEN: Statements have been compiled showing the changes resulting from the audits of the members' Weekly Sales Reports, and while these changes may not now be of any material consequence, we thought we would send you our report of the changes to show that this work has been done in accordance with the instructions of the Association at the General Meeting held in May.

We are inclined to the opinion that the mistakes found in the members' reports were simply clerical errors, as mistakes were made both ways; that is, some sales were reported at lower prices than were actually obtained, and vice versa, so we feel that the mistakes that occurred were not made with intent to deceive or misrepresent the facts, but were simply due to clerical errors, misunderstandings, selecting the wrong index letters or looking at the wrong frames in the Rate Book.

The Weekly Sales Reports of the following members have not yet been audited and consequently their reports are not referred to in these statements:

Wilce Flooring Company.
Osgood & Blodgett Mfg. Co.
North Branch Flooring Co.
Oval Wood Dish Corporation.

We have been somewhat in doubt about sending this report to the members but we feel that the members whose reports have been audited are entitled to know the results of the audit and to know that the work has been done as instructed by the Association.

Yours very truly, George W. Keehn, Secretary.

[fol. 2970] GOVERNMENT'S EXHIBIT No. 52-BB

October 17, 1921.

J. W. Wells Lbr. Co., Menominee, Michigan.

GENTLEMEN: Since the general meeting on September 23rd we have had some correspondence with the Northwestern Cooperage & Lumber Co., and also saw Mr. Bushong when he was in Chicago a few days ago, and they have authorized us to say that they will join with the other members who signed the proposed revised Articles of Association on September 23rd, on the same basis as the other signatures were given.

This automatically carries with it the signature of the Wisconsin Land & Lumber Co., and as Mr. Ralston was in Chicago on Septem-

ber 30th and signed up for William Horner, we now need the signatures of only four other members, namely Bigelow-Cooper Co., Nichols & Cox Lumber Co., Holt Hardwood Co. and Flanner-Steger Land & Lumber Co.

Upon hearing this morning from the Northwestern Cooperage & Lumber Co. we telegraphed the four members referred to and are to see Nichols & Cox on Wednesday, Bigelow-Cooper on Thursday, and we expect to see the Holt Hardwood Co. Saturday or early next week and hope to see Mr. Flanner a few days later.

Yours very truly, George W. Keehn, Secretary.

[fol. 2971] GOVERNMENT'S EXHIBIT No. 52-CC

Nov. 2, 1921.

Mr. Geo. W. Keehn, Sec'y Maple Flooring Mfrs' Ass'n, Chicago, Ill.

DEAR SIR: We have your letter of Nov. 1 in reference to sending in our sales reports.

Before indicating our willingness to do this we wish you would please let us know what shape the allotment plan is in and whether it is going to be binding.

Yours very truly, J. W. Wells Lumber Company.

ACW:MK.

[fol. 2972] GOVERNMENT EXHIBIT No. 52-DD

November 1, 1921.

J. W. Wells Lumber Co., Menominee, Michigan.

GENTLEMEN: We hope you will send us your missing Weekly Sales Reports within a few days so we can include them in our report for the week ending November 5th. The other members who have not been reporting lately have promised to turn over a new leaf and we trust you will join with them and do the same.

We feel confident that the information contained in the Weekly Sales Reports will be useful and beneficial to you as well as to the other members in handling sales, as it is far better to know what the market actually is than to be working in the dark.

Very truly yours, Geo. W. Keehn, Secretary.

[fol. 2973] GOVERNMENT'S EXHIBIT No. 52-EE

[Omitted in printing]

[fol. 2974] GOVERNMENT'S EXHIBIT No. 52-FF

November 4, 1921.

J. W. Wells Lumber Company, Menominee, Michigan.

GENTLEMEN: Replying to yours of the 2nd it is hard to tell just now what shape the allotment plan is in, as it was generally understood that unless all the members mentioned in the schedule in our letter of September 16th would sign up without making any changes in the allotted ratios, that the signatures of the members who signed up would not be binding upon them.

It is, of course, a question whether or not the members who expressed their willingness to reinstate the allotment plan would go on without Nichols & Cox Lumber Company, Holt Hardwood Company, and Flanner-Steger Land & Lumber Company, who are still on the fence. Some of them said they would and others said they would not, so I presume the matter will have to rest until the next general meeting of the Association.

Now in regard to sending your Weekly Sales Reports: We think you are depriving yourselves of much valuable information regarding prices obtained and the volume of sales each week, etc. The New Business Booked during the week ending October 29th amounted to about 3,500,000, although four other members besides yourselves did not report.

Very truly yours, Geo. W. Keehn, Secretary.

[fol. 2975] GOVERNMENT'S EXHIBIT No. 52-GG

[Omitted in printing]

[fol. 2976] GOVERNMENT'S EXHIBIT No. 52-HH

December 13, 1921.

To members.

GENTLEMEN: We have a letter from Dr. Earle, as President of the Association, recommending that a general meeting of the Association be held next week, so a general meeting is hereby called to be held at the Hotel La Salle, (Suite 209) Chicago, Thursday, December 22nd, at 10:30 A. M. Sharp.

The Advertising Committee will hold a meeting on the day previous to map out the advertising campaign and will have a report to make to the general meeting.

Trade conditions at this time are of special interest, and it is earnestly hoped that every member of the Association will be repre-

sented at the meeting so that the flooring situation in general and the business outlook for next spring, and other subjects of importance to the industry can be fully discussed and considered.

Kindly let us know by return mail, whether or not you will attend the meeting.

Very truly yours, George W. Keehn, Secretary.

[fol. 2977] GOVERNMENT'S EXHIBIT No. 52-II

January 20, 1922.

To members.

GENTLEMEN: Referring to the proposed new Articles of Association mentioned in the minutes of the last meeting, we wish to advise you that the draft was completed today and we expect to have copies of it the first of next week to send to you for any revisions or suggestions you may wish to make before it is finally printed. Much thought has been given to the subject and we hope the results will be acceptable to you.

Very truly yours, George W. Keehn, Secretary.

[fol. 2978] GOVERNMENT'S EXHIBIT No. 52-JJ

January 20, 1922.

"Memphis Case"

To members.

GENTLEMEN: You will be interested in reading the following copy of a Bulletin regarding the Supreme Court's Decision in the so-called Memphis Case which was recently issued by the National Lumber Manufacturers Association and which was sent to us by the National Retail Lumber Dealers Association:

"The Attorney General is reported to have made the statement contained in the following quoted from the Federal Trade Information Service.

Continued investigation by the Government into the apparent discrepancy between producing and consuming costs of clothing, fuel and similar articles of necessity was announced by Attorney General Daugherty on Tuesday. Arrangements have been made, the Attorney General said, for meetings between the Department of Justice and representatives of trade associations to discuss the Government's plans for the enforcement of the Sherman law against open price methods. These conferences are to begin soon.

No Fear of Prosecution.—Legitimate business, the Attorney General said, need have no fear of Government prosecution or other action as a result of a national investigation into prices and trade practices.

The Department of Justice holds the view that it is not unlawful per se for open associations or similar organizations to gather statistics or other data. It only is unlawful to collect and compile essential trade and industrial information, he said, when it is used for unlawful purposes. In the collection and interchange of important trade information, he said, business organizations must keep within the four points enumerated by the Department of Justice for the guidance of business interests. Otherwise, a plain violation of the Anti-Trust laws results and Government prosecution is warranted.

Practices Prohibited.—What the trade associations cannot do under the law, according to the Attorney General, may be summed up as follows:

They cannot fix prices.
They cannot apportion territory for sales purposes.
They cannot limit production.
They cannot control competition.

The Attorney General refused to discuss the inquiry into retail prices. He declared that the investigation is being pushed in all parts of the country, that satisfactory progress is being made and that a report might be expected within the next two weeks. He refused to divulge any facts ascertained by the Government agents as to profiteering or the likelihood of legal action."

Information from Another Source

Another report from Washington has the following to say: "The Attorney General is inclined to view the decision in the Memphis case as a sweeping edict against trade associations, while Hoover is convinced that such associations have a real economic function to perform and should be encouraged. Meantime, the Dept. of Justice has put out questionnaires and is making investigation all over the country. The impasse between Daugherty and Hoover may be broken, but we look for ultimate permissive legislation by congress."

You will note that Attorney General Daugherty's opinion and interpretation of the Supreme Court's Decision is practically the same in all essential details as Mr. Newman's opinion and interpretation of the decision in his written opinion, copy of which was sent you a few days ago.

Very truly yours, George W. Keehn, Secretary.

[fol. 2979] GOVERNMENT'S EXHIBIT No. 52-KK

February 18, 1922.

To members.

GENTLEMEN: This is to remind you of the general meeting of the Association to be held at the Congress Hotel (Rooms 1124-1128

on the second floor) Chicago, Friday, February 24th at 10:30 a. m. sharp.

We mailed you the December Reports on the 15th and mailed you yesterday the Annual Reports for the calendar year 1921. Please remember to bring them with you to the meeting so you will have them to refer to.

Five of the members have not yet sent in their reports for January, but we hope to receive them by the 20th and if so we will have our reports for January made out in time for the meeting.

Please bring with you the flooring data as outlined in the blank form below so we can see how the business is running this month.

Hoping to see you at the meeting, we are

Very truly yours, George W. Keehn, Secretary.

Flooring Data, February 1st-22nd or 23rd, incl.

Shipments	....	Ft.
Production	....	"
New Business	....	"

No. —.

[fol. 2980] GOVERNMENT'S EXHIBIT No. 52-LL

March 4, 1922.

General Meeting March 9th

To members.

GENTLEMEN: Referring to our letter of February 25th please be sure and come to the general meeting of the Association to be held at the Congress Hotel, (Rooms 1124-1128 Second Floor), on Thursday, March 9th, at 10:30 a. m. sharp.

The business to come before the meeting is to take definite action regarding the adoption of the proposed new Articles of Association, and also to take action on the other matters mentioned in the call of February 8th for the general meeting of February 24th, which meeting could not be held on account of the storm and which was adjourned to March 9th by the ten members who managed to get to Chicago.

If you have not already done so we hope you will send us, by return mail, your statistical reports for the month of February so that we can compile and submit to the meeting as much data as possible regarding the February business. It will also be of interest to know how March business is running, so kindly bring with you to the meeting the flooring data as per blank form below.

It is imperative that every member of the Association be represented at this meeting and if any of you find that it will be impossible for you to be here, please send a written proxy to some other member of the Association to act for you so that definite results can be accomplished at the meeting.

Very truly yours, George W. Keehn, Secretary.

Flooring Data, March 1st to 7th or 8th, Incl.

Shipments .... M Feet.
Production .... M "
New Business .... M "

From No. —.

[fol. 2981] GOVERNMENT'S EXHIBIT No. 52-MM

March 23, 1922.

Reminder

To members.

GENTLEMEN: This is to remind you of the general meeting of the Association to be held at the Congress Hotel, Rooms 1124-1128 (Second Floor) Wednesday, March 29th, at 10:30 a. m. sharp.

It is earnestly hoped that every member of the Association will be represented at this meeting so that definite action can be taken regarding the proposed new Articles of Association.

We have word from Mr. Ralston that the Receiver for William Horner has decided to continue their membership in the Association so I have arranged to be in Grand Rapids Saturday morning the 25th to get their signature to the new Articles of Association conditional, of course, upon getting the signatures of the other members who have not yet signed up.

It will be interesting to know how the flooring business has been going in March so please fill out and bring with you to the meeting the data as outlined in the blank form below.

Very truly yours, George W. Keehn, Secretary.

* * * * * * *

[fol. 2982] GOVERNMENT'S EXHIBIT No. 52-NN

April 1, 1922.

To members.

GENTLEMEN: Referring to the New Articles of Association, please let us know the number of matchers you have installed for the manufacture of Maple, Beech and Birch Flooring so we can make a record of same opposite your signature to the new Articles of Association.

We have considerable data regarding the number of matchers in each plant, but most of the data is old and we wish to have our record accurate and up to date.

Very truly yours, George W. Keehn, Secretary.

[fol. 2983] GOVERNMENT'S EXHIBIT No. 52-OO

April 10, 1922.

To members.

GENTLEMEN: We are pleased to inform you that the East Jordan Lumber Company have signed the new Articles of Association.

This completes the list with the exception of the John Schroeder Lumber Company who have decided to discontinue the manufacture of flooring. And also with the exception of the Wilce Flooring Company and the Wisconsin Land & Lumber Company, regarding whom we have nothing new to report since the last meeting.

However, we expect both of them to attend the general meeting on the 20th or that we shall hear more definitely from them by that time.

Yours very truly, George W. Keehn, Secretary.

[fol. 2984] GOVERNMENT'S EXHIBIT No. 52-PP

June 15, 1922.

To members.

GENTLEMEN: Referring to the Weekly Sales Reports for the week ending the 17th:

If you will make out and mail us this report at the close of business on Saturday the 17th we will receive it Monday the 19th and we will make out our report for that week and have it ready for you at the general meeting on the 21st.

Hoping you will do this, we are

Very truly yours, George W. Keehn, Secretary.

[fol. 2985] GOVERNMENT'S EXHIBIT No. 52-II

June 24, 1922.

To members.

GENTLEMEN: 1. For the information of the members of the Association the Committee on Cost Surveys has made a careful analysis and survey of the Average Cost of Manufacturing and Marketing Maple, Beech and Birch Flooring.

2. The Survey was made in accordance with Article XIV, "Determining Average Cost", of the Articles of Association and the results of the Survey are given in the enclosed schedules, which, for brevity, are called "Average Cost Chart" and Differentials."

3. For the further information of the members, so-called "Delivered Cost Charts" have been compiled. These Charts include the Average Cost of Freight to destination of shipment; in other words, the Average Cost of Freight is added to the Average Cost of the

flooring FOB cars at flooring mills to illustrate what the Delivered Cost would be at destination.

4. Copies of the foregoing under date of May 31, 1922, are enclosed herewith.

5. We are also enclosing statement "Survey of Costs" for first quarter of 1922 and an analysis of the "Three Test Runs of 1921" which are also dated as of May 31, 1922.

6. Under the new Articles of Association the new Rate Book will be made up as follows, and will contain only the following matter when completed:

(a) Title page.
As per enclosed copy.
(b) Key to Freight Rates and Index Letters.
As per enclosed copy.
(c) Average Freight Rates and Index of Towns.
Being the equivalent approximately of the freight rates from Cadillac, Michigan.
Remarks: The freight rates are all being revised to give effect to the reduction ordered by the Interstate Commerce Commission to take effect July 1st.
(d) Average Cost Chart.
Showing approximate relative Average Cost of the different grades and faces of 13/16" Maple Flooring F. O. B. cars at flooring mills.
(e) Differentials from Average Cost of 13/16" Maple Flooring.
(f) Delivered Cost Charts—13/16" Maple Flooring.
(g) Average Cost Chart 3/8" Maple, Beech and Birch Flooring.
(h) Delivered Cost Charts 3/8" Maple, Beech and Birch Flooring.

Very truly yours, George W. Keehn, Secretary.

[fol. 2986] GOVERNMENT'S EXHIBIT No. 52-RR

[Omitted in printing]

[fol. 2987] GOVERNMENT'S EXHIBIT No. 52-SS

Maple Flooring Manufacturers Association, 1045 Stock Exchange Bldg., Chicago

Telephone Franklin 4960

Weekly Sales Report

July 13, 1922.

To members.

GENTLEMEN: If you will mail us at the close of business on the 15th or not later than on Monday, the 17th, your weekly sales report for the week ending July 15th, we will make up our report for that

week and have it ready for the general meeting on Wednesday morning, the 19th.

Hoping you will be able to do this so that you will have information up to date, regarding the market, we are,

Yours very truly, George W. Keehn, Secretary.

[fol. 2988] GOVERNMENT'S EXHIBIT No. 52-TT

Cadillac, Michigan, August 15, 1922—P. M.

Mr. Geo. W. Keehn, 1045 Stock Exchange Bldg., Chicago, Illinois.

DEAR SIR: Will you kindly supply us with some official sales stickers like the one attached hereto. Kindly address the package to "Sales Department".

Very truly yours, Cobbs & Mitchell, Inc., Sales Department.

Dict.
Garvin-Mc.

Official Terms of Sale Effective October 1, 1918

Terms: 60 days net or 2% discount for cash in 15 days, or 1% discount for cash in 30 days from date of invoice after deducting freight. War tax to be paid by consignee.

If the car has not arrived, the discount may be deducted on 90% of the invoice less estimated freight, for cash within proper discount period, the balance with original paid freight bill to be remitted net within 5 days after arrival of car. No cash discount will be allowed after 30 days from date of shipment.

Aug. 17, 1922.
Not in use or furnished now by Assn.

[fol. 2989] GOVERNMENT'S EXHIBIT No. 52-UU

September 30, 1922.

To members.

GENTLEMEN: Referring to our Reports of Sales made during the weeks ending September 16th and 23rd:

No. 44 advises that they made a mistake in reporting the sale of 17 M feet No. 1 Beech at $64.25 and that it should have read in their report $84.25.

No. 2 advises us that the 10 M feet Clear and 10 M feet No. 1 Maple was a shipping order and should not have been reported as a sale made during that week, as the sale was made in January.

Please make these corrections on your copies of our reports.

Yours very truly, George W. Keehn, Secretary.

[fol. 2990] GOVERNMENT'S EXHIBIT No. 52-VV

July 28, 1922.

To members.

GENTLEMEN: At the last general meeting of the Association, it was suggested that if the quantities of Stocks of, and Unfilled Orders for, regular standard grades and lengths were entered separately on the report covering the different grades, thicknesses and faces, and if the odds and ends like surplus shorts, extra shorts, etc., were entered in the column "Other Kinds", that we would have an accurate showing of the actual conditions existing at the end of each month, respecting Stocks of, and Unfilled Orders for, standard grades and lengths.

For example and as an illustration, the reports of Stocks of 13/16 x 2¼" face Clear Maple Flooring would include only the Stocks of regular standard lengths of that grade and face and the Unfilled Orders for that item would include only the Unfilled Orders for regular standard lengths of that grade and face. Then under "Other Kinds" in next to the last columns, the Stocks of, and Unfilled Orders for, surplus shorts, extra shorts, etc., would be entered. The same method to be followed of course, in reference to all other items of Stocks and Unfilled Orders, so that in all cases and Stocks of, and Unfilled Orders for, regular standard grades and lengths would be comparable.

Will you please make up your reports for July 31st in accordance with the above suggestion?

Yours very truly, George W. Keehn, Secretary.

[fol. 2991] GOVERNMENT'S EXHIBIT No. 52-WW

August 4, 1922.

Survey of Costs

To members.

GENTLEMEN: At the last general meeting of the Association, I was instructed to write to the Members who have not yet sent in their Survey of Manufacturing and Marketing Costs during the second quarter of 1922 and to request and urge them to send in their Surveys as soon as possible, so that our averages will portray typical conditions in the industry.

Several of the Members who were present at the last meeting said they had already compiled their Surveys, but did not feel that it is incumbent upon six or seven Members to do all this work for the benefit and information of the other Members and that they were of the opinion that the other Members should do their part and make this report, as provided for in the new Articles of Association.

You will also recall that our attorney, Mr. Newman has strongly

urged at several of our meetings that all the Members should make this report and that if some of them could not make it with exact accuracy, that they should do the best they could in computing their Manufacturing and Marketing Costs.

The following Members made this report some time ago—three of the reports were received early in July and the other one since the meeting was held:

Holt Hardwood Company, Oconto, Wisconsin.
East Jordan Lumber Company, East Jordan, Michigan.
Northwestern Cooperage & Lumber Co., Galdstone, Michigan.
North Branch Flooring Company, Chicago, Illinois.

Hoping to hear from you early next week, so we can have the Surveys tabulated and the averages compiled in time for the general meeting on the 16th, we are

Yours very truly, George W. Keehn, Secretary.

[fol. 2992] GOVERNMENT'S EXHIBIT No. 52-XX

October 17, 1922.

General Meeting October 24, 1922

To members:

GENTLEMEN: The next general meeting of the Maple Flooring Manufacturers' Association will be held at the Congress Hotel, Chicago, (Rooms 1120-1124) Tuesday, October 24th, at 10:30 A. M. Sharp.

At the last meeting held on August 16th, the question of the Average Cost to the manufacturer of furnishing small quantities of Maple, Beech and Birch flooring for L. C. L. shipment was discussed and was referred to the Committee on Cost Surveys for such recommendations as the Committee may wish to make, so this matter will be open for discussion at this meeting, as unfinished business.

At this writing, only a few members have sent in their reports of their Manufacturing and Marketing Costs during the third quarter of 1922, but it is hoped that other members who can do so will make this report by the end of this week so that the Committee on Cost Surveys will have sufficient information upon which to base a report that will represent average conditions in the industry during the past three months. If you know of any recent sales of rough Maple flooring lumber, please let us have the information as it will be useful to the Committee in computing the average cost of Maple flooring F. O. B. flooring plants.

The Advertising Committee will also have a report to make regarding its work which has been carried on diligently and along the lines reported by the Committee at previous meetings of the Association.

It has now been two months since there has been a "gathering of the clan" and it is hoped that every member of the Association will be represented at the meeting so that trade conditions and the relations of supply and demand for flooring can be discussed and considered.

Will you please mail us on Friday the 20th, your flooring data as per blank form below so we can compile same on Monday the 23rd, and have it ready when the meeting convenes on the 24th?

We expect to have our statistical reports for the month of September made out and in the mail for you on the 19th or 20th, so that you will have an opportunity to look them over in advance of the meeting, and see how the September business turned out.

Kindly let us know whether or not you will be present and how many from your company will attend the meeting and luncheon.

Yours very truly, George W. Keehn, Secretary.

Flooring Data October 1-20th, Incl.

Shipments ..... M
Production ..... M
New Orders ..... M

Stock Conditions of 13/16 x 2¼" Face Maple Flooring

On October 20	Clear	No. 1	Factory	Totals
Stocks on Hand..	..... M	..... M	..... M	..... M
Unfilled Orders ...	..... "	..... "	..... "	..... "

[fol. 2993] GOVERNMENT'S EXHIBIT No. 52-YY

October 30, 1922.

"Do It Now"

To members.

GENTLEMEN: We hope all of you will make special efforts to send us this week all of your reports for the month of October, so we can make out our reports and mail them to you by the middle of next week. This will give you time to look over our reports and be fully posted on the flooring situation in advance of the next general meeting which is to be held on November 15th.

The earlier in the month you get the information contained in our statistical reports for the previous month, the more valuable the informaton is to you.

It would be a grand and glorious thing if every member will do this and send us all his reports on or before the 5th of the month, in accord with Article XV of the Articles of Association.

Yours very truly, George W. Keehn, Secretary.

[fol. 2994] GOVERNMENT'S EXHIBIT No. 52-ZZ

November 23, 1922.

November Business

To members.

GENTLEMEN: In response to our letter of the 10th, 15 members have sent in their flooring data for the first 11 or 13 days of November, and we find the data compare with their October statistics as follows:

November Shipments about 9% more than in October
" Production " 1% " " " "
" New Orleans " 1% " " " "

The 15 members reporting represent of the entire membership:

74% of the October Shipments.
72% " " " Production.
71% " " " New Orders.

Statistics of 15 members regarding Stock Conditions of 13/16 x 2¼" face Maple Flooring on November 11th or 13th show up as follows:

	Stocks on hand	Unfilled orders	Oversold	% sold	% sold Nov. 1st, all members
Clear	2,084 M	4,667 M	2,583 M	224%	308%
No. 1	783	4,089	3,306	522	513
Factory	921	2,101	1,180	228	211
All 3	3,788	10,857	7,069	287	324

Very truly yours, George W. Keehn, Secretary.

[fol. 2995] GOVERNMENT'S EXHIBIT No. 52-AAA

December 26, 1922.

Tariff—Canadian Flooring

To members.

GENTLEMEN: We received the following telegram from the Tariff Commission Washington, D. C.:

"Please wire commission number of plants in your association and latest total figures on capital investment number of Employes Annual output and value stop what percent of aggregate output of country represented in your association stop what percent aggregate output is shipped to Canada."

to which we replied as follows:

"Number of plants in our association twenty three stop output this year about one hundred fifty Million feet not including exports stop have no statistics regarding total value but estimate it at approximately ten and one half or eleven million dollars not including exports stop our membership represents about seventy percent or aggregate output of country stop other data you request not at hand but will obtain same soon as possible."

* * * * * * *

[fol. 2996] GOVERNMENT'S EXHIBIT No. 52-BBB

December 28, 1922.

Test Runs

To members.

GENTLEMEN: At the general meeting of the Association on the 19th, it was suggested that new data be obtained based upon recent Test Runs in order that the Average Cost of Maple, Beech and Birch flooring under existing conditions can be ascertained. Conditions are constantly changing and it is important that our Cost data be strictly up to date.

Eight of the members who attended the meeting kindly offered to supply such data and give use the results of any late Test Runs or of their recent flooring operations, and said that if such data was not now available, they would make Test Runs as soon as possible and give us the results of same or of their flooring operations.

In order that our Average Costs will reflect typical conditions, only Test Runs which were made or are to be made from commercially sawed lumber are to be reported and the data which the members are requested to supply are to embrace only the following:

1. The exact quantity in feet of each grade of rough lumber used in the Test Run.
2. The exact quantity in feet of each grade, thickness and face of flooring produced from this lumber.

We will figure out all the percentages and will consolidate all the Test Runs and flooring operations as one Run or operation and thus have a composite picture for you to look at.

It is just as incumbent upon all the members to supply the data as it is upon the eight volunteers, so we sincerely hope that all of you who can possibly do so, will cooperate in this important feature of Association work. We are enclosing blank forms in duplicate for your convenient use. All information furnished will be held strictly confidential in respect to the individual Test Runs or operations and the identity of the member reporting will not be divulged and only the total quantities and average percentages of the grades of rough lumber used and flooring produced after all the Test Runs and floor-

ing operations have been consolidated and considered as one will be made known to the membership.

Thanking you in behalf of the Committee on Cost Surveys and wishing you a Happy New Year, I am

Sincerely yours, George W. Keehn, Secretary.

Annual meeting January 24, 1923, Congress Hotel, Chicago.

[fols. 2997 & 2998] GOVERNMENT'S EXHIBIT No. 52-CCC

[Omitted in printing]

[fol. 2999] GOVERNMENT'S EXHIBIT No. 52-DDD

Maple Flooring Manufacturers Association

Officers, Trustees, and Committees, Year 1923

Officers

President ..... B. P. Whedon.
Vice-President ..... M. E. Thomas.
Treasurer ..... A. C. Well.
Secretary ..... George W. Keehn.

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Grades Committee

W. L. Saunders, Chairman

W. L. De Witt, John J. Porter,
W. H. Greene, Fred R. Welsh.
H. I. Latimer,

Statistical Committee to Cooperate with Department of Commerce and Department of Justice

The President, Vice-President, Treasurer and Secretary of the Association.

Committee on Canadian Flooring Tariff

Charles A. Bigelow, Chairman, Frank M. Hodges and the President and Secretary of the Association.

The President of the Association is ex-officio member of all Committees.

February 13, 1923.

[fol. 3000] GOVERNMENT'S EXHIBIT No. 52-EEE

Maple Flooring Manufacturers Association, 1045 Stock Exchange Bldg., Chicago

February 19, 1923.

February Business

To members.

GENTLEMEN: We have received flooring data from 14 members of the Association covering the first 13 days of February, from which it is estimated that if the business during the remainder of February averages about the same as the first 13 days and if the trade experiences of the other 8 members are about the same, that the February business will turn out about as follows:

Shipments about 26% less than in January.
Production about 21% less than in January.
New Orders about 41% less than in January.

The stock conditions of 13/16 x 2¼" face Maple flooring on February 13th of the same 14 members indicate as follows:

On Feb. 13	Stocks on hand	Unfilled orders	Oversold	% sold, 14 members	% sold February 1, all members
Clear	2,158 M	8,502 M	6,344 M	394%	411%
No. 1	1,424	6,812	5,388	478	407
Fcty.	1,099	3,118	2,019	284	389
	4,681	18,432	13,751	394	405

Yours very truly, George W. Keehn, Secretary.

[fol. 3001] GOVERNMENT'S EXHIBIT No. 52-FFF

February 21, 1923.

Test Runs

Committee on cost surveys.

GENTLEMEN: Referring to the attached letter to members regarding Test Runs:

In the five new Test Runs sent us, the following quantities of rough lumber were used—all commercially sawed stock:

No. 1 Common	704 M	52%
No. 2 Common	410 "	30 "
No. 3 Common A	55 "	4 "
No. 3 Common	181 "	14 "
	1350 M	100%

What would you consider the cost of the No. 3 Common delivered F. O. B. flooring mills, based upon recent sales of that grade on the open market?

Flooring produced was as follows:

Clear	385 M	39%
No. 1	423 "	43 "
Factory	171 "	18 "
	979 "	100%
Waste	371 "	27.5 "

We are hoping to receive more Test Runs or statements of flooring operations so we can include same with these five Test Runs and get a larger volume of output to use in connection with our Average Cost Surveys. It is also our thought to add to all the new Test Runs the three Test Runs of 1921, made by the North Branch Flooring Company, Chicago, in which 1539 M feet of rough lumber was used. If we add these three Test Runs to the five new Test Runs already received and also include any other new Test Runs we may receive from now on, it will give us quite a volume of output to use as the basis in compiling our Average Costs.

Yours very truly, George W. Keehn, Secretary.

[fol. 3002] GOVERNMENT'S EXHIBIT No. 52-GGG

February 21, 1923.

Test Runs

To members.

GENTLEMEN: Referring to our letter of December 28th about Test Runs, we are sorry to say that we have not received as many Test

Runs as we should have in order to indicate average results and typical flooring operations.

At this writing, the following members have sent in Test Runs, all of which were made from commercially sawed lumber:

Member	Quantity of rough lumber used
Kerry & Hanson Flooring Co.	601 M
East Jordan Lumber Co.	47 "
Flanner-Steger Land & Lumber Co.	505 "
Grand Rapids Trust Company, Receiver for Wm. Horner, Newberry Plant	111 "
Kneeland-Bigelow Company	86
	1350 M

I. Stephenson Company, Trustees, also sent in a Test Run in which 1219 M feet of rough lumber was used, but as the stock was unedged, the Test Run is not available to merge with the other Test Runs.

Foster-Latimer Lumber Company wrote that they were running only Maple of their own manufacture and as it is not edged or trimmed, they would not be able to show the exact quantity in feet of each grade of rough lumber used.

The Northwestern Cooperage & Lumber Company wrote that they cannot furnish a Test Run because the way they cut and pile their lumber, it is not possible for them to get at the facts closely enough to be of service to us.

We have been hoping that we would get more data either from Test Runs or flooring perations so that we would get more representative results and so that our Average Cost Chart would represent a larger volume of output.

The Committee on Cost Surveys will be grateful to any other members who can and will supply the following data as stated in our letter of December 28th:

1. The exact quantity in feet of each grade of rough lumber used in the Test Run.

2. The exact quantity in feet of each grade, thickness and face of flooring produced from this lumber.

After we hear from more of the members, it is the intention to consolidate all the Test Runs of flooring operations as one Test Run and see how the results compare with the three Test Runs of 1921 which we are now using as the basis of our Average Cost compilations.

Yours very truly, George W. Keelin, Secretary.

[fol. 3003] GOVERNMENT'S EXHIBIT No. 53

[Omitted in printing]

Gov

Reported Quantity of Maple Lumbe

Calendar year	United States				Michigan				A
	Number of mills	Quantity, M feet, b. m.	Total value at mill	Average value per M	No. of mills	Quantity, M feet, b. m.	Per cent	Total value at mill	
1909	10,858	1,106,604	$17,447,814	$15.77	961	543,214	49.1	$8,664,263	
1912	8,092	1,020,864	.....	15.56	602	453,110	44.4	.....	(
1913	5,060	901,487	.....	.....	402	402,585	44.7	.....	
1916	4,131	(2)809,341	.....	18.24	271	365,456	45.2	.....	
1917	3,994	(3)802,089	.....	23.16	249	349,688	43.6	.....	
1918	3,659	(4)696,986	.....	29.05	178	287,231	41.2	.....	
1919	4,583	857,489	.....	35.56	255	321,409	37.5	.....	
1920	4,131	(5)768,345	(6)38,540,481	50.16	212	279,911	36.4	(6)15,127,664	
1921	2,800	609,852	.....	30.34	142	226,586	37.1	.....	
1922	2,999	639,781	.....	33.52	148	281,033	43.9	.....	

(1) Mill run values.
(2) Computed production 975,000 M feet.
(3) Computed production 860,000 M feet.
(4) Computed production 815,000 M feet.
(5) " " 875,000 M feet.
(6) Total values from manuscript table for Bulletin 1119.
(7) Manuscript and tables not complete. Figures not yet published.

GOVERNMENT'S EXHIBIT No. 57

ple Lumber Produced, With Values for Specified Years, and States

		Wisconsin					
lue ill	Average value per M feet	No. of mills	Quantity, M feet, b. m.	Per cent	Total value at mill	Average value per M feet	Authority
263	$15.95	651	109,925	9.9	$1,485,087	$13.51	Lumber, Lath & Shingles 1909 Census, Dept. of Comr.
...	(1)15.46	510	118,765	11.6	.....	(1)15.16	" " " 1912 " " " "
...	.....	359	127,965	14.2	.....	.....	Production of Lumber 1913—Bull. 232, Dept. of Agr.
...	18.90	278	146,480	18.1	.....	16.15	Production of Lumber, Lath & Shingles, 1916—Bull. 673, Dept. of Agr.
...	24.11	264	154,570	19.3	.....	21.10	" " " " " " 1917 " 768, " " "
...	29.93	256	141,151	20.3	.....	26.97	" " " " " " 1918 " 845, " " "
...	35.97	300	177,125	20.7	.....	33.10	Lumber, Lath & Shingles 1919 Census, Dept. of Comm.
664	54.04	264	188,252	24.5	(6)9,368,403	49.77	Lumber Cut of the United States 1870-1920, Bull. 1119, Dept. of Agr.
...	31.41	153	132,685	21.8	.....	28.65	The Lumber Industry, 1921, Bureau of Census, Dept. of Comm.
...	34.54	204	126,773	19.8	.....	30.39	Production of Lumber, Lath & Shingles 1922[7]. Tentative figures only.

[fol. 3004] GOVERNMENT'S EXHIBIT No. 53-A

[Omitted in printing]

[fol. 3005] GOVERNMENT'S EXHIBIT No. 54

[Omitted in printing]

[fols. 3006-3068] GOVERNMENT'S EXHIBIT No. 56

[Omitted in printing]

[fols. 3069-3129] GOVERNMENT'S EXHIBIT No. 56-A

[Omitted in printing]

[fols. 3130-3163] GOVERNMENT'S EXHIBIT No. 56-B

[Omitted in printing]

[fols. 3164-3207] GOVERNMENT'S EXHIBIT No. 56-C

[Omitted in printing]

[fols. 3208-3252] GOVERNMENT'S EXHIBIT No. 56-D

[Omitted in printing]

[fols. 3253-3300] GOVERNMENT'S EXHIBIT No. 56-E

[Omitted in printing]

[fols. 3301-3323] GOVERNMENT'S EXHIBIT No. 56-F

[Omitted in printing]

[fols. 3324-3389] GOVERNMENT'S EXHIBIT No. 56-G

[Omitted in printing]

[fols. 3390-3448] GOVERNMENT'S EXHIBIT No. 56-H

[Omitted in printing]

Here follows GOVERNMENT'S EXHIBIT No. 57, marked side folio page 3449.)

[fol. 3450] The total amount of Maple lumber used by factories in the State of Michigan during the year 1920 was 286,363,000 feet, of which 232,425,000 was grown within the State. Of the amount so used 178,477,000 feet was consumed in Planing Mills Products; 63,339,000 feet in Motor Vehicles; 9,756,000 feet in furniture; 133,000 feet in Sash, Doors and Blinds and General Millwork; 2,486,000 feet in Musical Instruments; 5,075,000 feet in handles; approximately 2,000,000 feet in Sporting and Athletic goods; 1,324,000 feet in Agricultural Implements; approximately 5,000,000 feet in Carriages and Wagons; 2,000,000 feet in Professional and Scientific Instruments; the balance being scattered among various industries in small amounts.

From the above figures it can be seen that Planing Mill Products consume approximately 66% of the Maple lumber used in the State of Michigan in 1920. Mr. Brush stated in his Deposition taken in Washington, D. C. that 90% is a very conservative estimate of the percentage of Planing Mill Products represented by flooring. This being true, it will be seen that of the 178,477,000 feet of Maple lumber used in Planing Mill Products in the State of Michigan during 1920, 160,630,000 feet was converted into flooring. Allowing 20% for waste and this figure of 20% appears to be a fair average attained in the various test runs made by the Association, 128,504,000 feet of finished flooring was produced in Michigan during 1920.

The Association Annual Barometer Report for 1920 shows a total Association production for the year 1920 of 131,894,000 feet including Beech and Birch flooring. The report above referred to shows the production for the year of each individual member whose figures are shown in the report. Taking these individual figures it discloses that the Michigan members of the Association produced 116,680,000 feet or 88% of the total Association production approximately.

In the Deposition of George W. Keehn taken at Chicago, Ill., October 22, 1923, appears a statement that 10% represents the amount of Beech and Birch flooring produced by the Association. Therefore reducing the Association production for 1920 of 131,894,000 feet by 10% gives the Maple flooring produced by the Association in 1920 at 118,705,000 feet of which the Michigan members produced 105,012,000 feet.

[fol. 3451] It will be seen, therefore, from the above figures that the percentage relation of the Michigan members of the Association to the total Maple flooring produced in the State of Michigan during 1920 of 128,504,000 feet, is approximately 80%. In arriving at the total Maple Flooring produced by the Michigan members during 1920, their total of 116,680,000 feet has been reduced to take care of Birch and Beech flooring manufactured.

From the Association 1920 Barometer Report it is learned that four Wisconsin members produced in 1920 11,114,000 feet all classes of flooring. Deducting 10% for Beech and Birch flooring would leave approximately 10,003,000 feet of Maple flooring pro-

duced by these four members. No report of production is shown for the Holt Hardwood Company, a member.

Planing Mill Products are classified by the Forestry Service as follows: Ceiling; Finish; Flooring; Mouldings; Partitions; Sheathing; Shiplap; Siding; Weather Boarding; Decking.

I have made a study of the production figures appearing in the various Annual Barometer Reports issued by the Association for the years 1915 to 1922 inclusive with reference to the members production in the States of Michigan and Wisconsin and outside those two States.

The Annual Barometer Report for 1915 gives the total Association production as 134,869,000 feet. Reducing this amount by 10% for Beech and Birch flooring manufactured during that year leaves a Maple flooring production of 121,382,000 feet.

Twenty Michigan members produced a total during 1915 of 115,002,000 feet. Reducing this amount by 10% for Beech and Birch flooring manufactured leaves a Maple flooring production of 103,502,000 feet or approximately 85% of the total Association production of Maple flooring.

Three Wisconsin members produced a total during 1915 of 9,287,000 feet. Reducing this amount by 10% for Beech and Birch flooring manufactured leaves a Maple flooring production of 8,358,000 feet or approximately .07% of the total Association production of Maple flooring.

Three members of the Association outside the States of Michigan and Wisconsin produced a total during 1915 of 10,880,000 feet. Reducing this amount by 10% for Beech and Birch flooring manufactured leaves a Maple flooring production of 9,792,000 feet by these three members or approximately .08% of the total Association production of Maple flooring.

[fol. 3452] The Annual Barometer Report for 1916 gives the Association production as 139,785,000 feet. Reducing this amount by 10% for Beech and Birch flooring manufactured leaves a Maple flooring production of 125,806,000 feet.

Twenty Michigan members produced during 1916 a total of 117,549,000 feet. Reducing this amount 10% for Beech and Birch flooring manufactured leaves a Maple flooring production of 105,794,000 feet or approximately 84% of the total Association production of Maple flooring.

Three Wisconsin members produced during 1916 a total of 9,330,000 feet. Reducing this amount by 10% for Beech and Birch flooring manufactured leaves a Maple flooring production of 8,397,000 feet or approximately .07% of the total Association production of Maple flooring.

Three members of the Association outside of the States of Michigan and Wisconsin produced during 1916 a total of 11,508,000 feet. Reducing this amount by 10% for Beech and Birch flooring manufactured leaves a Maple flooring production of 10,357,000 feet or approximately .09% of the total Association production of Maple flooring.

The Association Annual Barometer for 1917 gives a total production as 123,488,000 feet. Reducing this amount 10% for Beech and Birch flooring manufactured leaves a Maple flooring production of 111,039,000 feet.

Twenty Michigan members during 1917 produced a total of 105,734,000 feet. Reducing this amount by 10% for Beech and Birch flooring manufactured leaves a Maple flooring production of 95,160,000 feet or approximately 86% of the total Association production of Maple flooring.

Three Wisconsin members produced during 1917 a total of 7,806,000 feet. Reducing this amount by 10% for Beech and Birch flooring manufactured leaves a Maple flooring production of 7,025,000 feet or approximately .07% of the total Association production of Maple flooring. One Wisconsin Member did not report his production.

Four members of the Association outside the States of Michigan and Wisconsin produced during 1917 a total of 8,251,000 feet. Reducing this amount by 10% for Beech and Birch flooring manufactured leaves a Maple flooring production of 7,426,000 feet or approximately .07% of the total Association production of Maple flooring.

The Association Annual Barometer Report for 1918 gives the total production as 71,453,000 feet. Reducing this amount by 10% [fol. 3453] for Beech and Birch flooring manufactured leaves a Maple flooring production of 64,308,000 feet.

Seventeen Michigan members produced a total of 65,344,000 feet. Reducing this amount by 10% for Beech and Birch flooring manufactured leaves a Maple flooring production of 58,810,000 feet or approximately 91% of the total Association production of Maple flooring.

Three Wisconsin members produced during 1918 a total of 3,897,000 feet. Reducing this amount by 10% for Beech and Birch flooring manufactured leaves a Maple flooring production of 3,507,000 feet or approximately .06% of the total Association production of Maple flooring.

Four members outside the States of Michigan and Wisconsin produced during 1918 a total of 2,212,000 feet. Reducing this amount by 10% for Beech and Birch flooring manufactured leaves a Maple flooring production of 1,991,000 feet or aproximately .03% of the total Association production of Maple flooring.

The Association Annual Barometer Report for 1919 gives a total production as 128,276,000 feet. Reducing this amount by 10% for Beech and Birch flooring manufactured leaves a Maple flooring production of 115,448,000 feet.

Seventeen Michigan members during 1919 produced a total of 104,552,000 feet. Reducing this amount by 10% for Beech and Birch flooring manufactured leaves a Maple flooring production of 94,097,000 feet or approximately 82% of the total Association production of Maple flooring.

Seven Wisconsin members during 1919 produced a total of 19,918,000 feet. Reducing this amount by 10% for Beech and Birch

flooring manufactured leaves a Maple flooring production of 17,926,000 feet or approximately 15% of the total Association production of Maple flooring.

Four members outside of the States of Michigan and Wisconsin produced during 1919 a total of 3,806,000 feet. Reducing this amount by 10% for Beech and Birch flooring manufactured leaves a Maple flooring production of 3,425,000 feet or approximately .03% of the total Association production of Maple flooring.

The Asscian Annual Barometer Report for 1920 gives a total production of 131,894,000 feet. Reducing this amount by 10% for Beech and Birch flooring manufactured leaves a Maple flooring production of 118,705,000 feet.

Sixteen Michigan members produced during 1920 a total of 116,680,000 feet. Reducing this amount by 10% for Beech and Birch flooring manufactured leaves a Maple flooring production of 105,012,000 feet or approximately 89% of the total Association production of Maple flooring.

[fol. 3454] Four Wisconsin members during 1920 produced a total of 8,443,000 feet. Reducing this amount by 10% for Beech and Birch flooring manufactured leaves a Maple flooring production of 7,599,000 feet or approximately .07% of the total Association production of Maple flooring.

Four members outside the States of Michigan and Wisconsin produced during 1920 a total of 5,749,000 feet. Reducing this amount by 10% leaves a Maple flooring production of 5,174,000 feet or approximately .04% of the total Association production of Maple flooring.

The Association Annual Barometer Report for 1921 gives a total production of 101,861,000 feet. Reducing this amount by 10% for Beech and Birch flooring manufactured leaves a Maple flooring production of 91,675,000 feet.

Fifteen Michigan members produced during 1921 a total of 91,265,000 feet. Reducing this amount by 10% for Beech and Birch flooring manufactured leaves a Maple flooring production of 82,139,000 feet or approximately 90% of the total Association of Maple flooring.

Four Wisconsin members produced during 1921 a total of 7,515,000 feet. Reducing this amount by 10% for Beech and Birch flooring manufactured leaves a Maple flooring production of 6,764,000 feet or approximately .07% of the total Association production of Maple flooring.

Three members outside the States of Michigan and Wisconsin produced during 1921 a total of 3,081,000 feet. Reducing this amount by 10% for Beech and Birch flooring manufactured leaves a Maple flooring production of 2,773,000 feet or approximately .03% of the total Association production of Maple flooring.

The Association Annual Barometer Report for 1922 gives a total production of 148,313,000 feet. Reducing this amount by 10% for Beech and Birch flooring manufactured leaves a Maple flooring production of 133,482,000 feet.

Fifteen Michigan members produced in 1922 a total of 125,697,000 feet. Reducing this amount by 10% for Beech and Birch flooring manufactured leaves a Maple flooring production of 113,127,000 feet or approximately 85% of the total Association production of, Maple flooring.

Four Wisconsin members produced during 1922 a total of 16,618,-000 feet. Reducing this amount by 10% for Beech and Birch flooring manufactured leaves a Maple flooring production of 14,956,000 feet or approximately 11% of the total Association production of Maple flooring.

Three members outside the States of Michigan and Wisconsin pro-[fol. 3455] duced during 1922 a total of 5,998,000 feet. Reducing this amount by 10% for Beech and Birch flooring manufactured leaves a Maple flooring production of 5,399,000 feet or approximately .04% of the total Association of Maple flooring.

From the above study it can be readily seen that approximatly 86% of the total Association production of Maple flooring is centered in the State of Michigan. The Maple Lumber production statistics gathered by the Bureau of the Census and the U. S. Forestry Service shows that Michigan produces most feetage of that commodity. The Association production figures would tend to support a theory that the Maple Flooring Industry naturally centers near its greatest source of available supply, which is the State of Michigan.

[fols. 3456 & 3457] GOVERNMENT'S EXHIBIT No. 58

Bay City, Mich., Feb. 4, 1922.

Kerry & Hanson Flooring Co., Grayling, Mich.

GENTLEMEN: We would like to ask confidentially if Sam E. Barr still represents you in New York. I remember your Mr. Welsh and the writer had a talk about his representing you there. We have an inquiry covering almost all items in Maple Flooring from him, and we don't wish to quote him if he is representing you, and we thought it might be a tip to you. Please advise us by return mail.

Yours very truly, W. D. Young & Co. Whedon.

BPW/KAW.

[fol. 3458] GOVERNMENT'S EXHIBIT No. 58-A

Feb. 7, 1922.

W. D. Young & Co., Bay City, Mich.

Attention Mr. Whedon

GENTLEMEN: We are in receipt of yours of the 4th and in reply to same would advise that Mr. Sam E. Barr still represents us in New York City, in fact has exclusive agency at that point.

Apparently the New York market is too unsettled for us to do much, if any, business there, as our prices never seem to be in line. Also some of the flooring mills apparently figure that this is a good dumping ground and whenever business is transacted, figure to take from $3.00 to $10.00 less than they can get elsewhere. We do not feel like doing this.

We thank you for having taken the matter up with us and it will be perfectly satisfactory for you to quote Mr. Barr, if you so desire.

Yours very truly, Kerry & Hanson Flg. Co.

FRW/G.

[fol. 3459] GOVERNMENT'S EXHIBIT No. 59

January 31, 1923.

Flanner Steger Land & Lumber Co., Blackwell, Wisconsin.

GENTLEMEN: As stated to your Mr. Flanner in Chicago last week, we are purchasing flooring from time to time. We are anticipating a purchase of some 2¼" Clear Maple Flooring and 2¼" Factory Maple Flooring. If you would care to quote us on these items f. o. b. Chicago in any quantity up to 100,000 feet, we would be very glad to go into the matter.

The writer was very glad to see Mr. Flanner at the meeting last week and wishes to take this opportunity to encourage your regular representation at these meetings. We can say from actual experience, that the personal contact and association with the other members has become very valuable to us and we have been able to capitalize this to a remarkable degree.

With best wishes, we remain,

Yours truly, North Branch Flooring Company. —— ——,
Sec'y & Treas.

CB/AO.

[fol. 3460] GOVERNMENT'S EXHIBIT No. 59-A

Contracts and agreements are not binding when circumstances and conditions arise that are beyond the control of this company.

Blackwell, Forest County, Wis., Feb. 5, 1923.

North Branch Flooring Co., 2415 Barry Ave., Chicago, Ill.

Attention of Chas. S. Brand

GENTLEMEN: We wish to acknowledge your letter of January 31. On returning from the flooring meeting, the writer found that a number of orders for Clear flooring had been booked and since this we have had several others coming in which take care of our product

for the time being. Consequently, we are not in a position to quote at this time on the stock you inquire for. We certainly appreciate your writing, however, and trust that we may yet fill some of your requirements.

We are quite in accord with what you have to say regarding the value of attending the Flooring Association meetings. It is the expectation of Mr. Frank Flanner and myself that someone from this company will be at these meetings.

You may be interested to know that we have purchased recently, 300 M' of flooring stock at $55.00 and $35.00, delivered Blackwell, and another half million at the same prices f. o. b. manufacturing point.

With kindest regards, we are

Very truly yours, Flanner Steger Land & Lumber Co., by P. D. Flanner, Sec'y & Treas.

PDF:LH.

[fol. 3461] GOVERNMENT'S EXHIBIT No. 60

March 19, 1921.

Geo. W. Keehn, Sec., Chicago, Ill.

DEAR SIR: What is the matter with the Maple Flooring situation? We find the last two weeks' report, cuts made by No. 3 and No. 5 of $10.00 per M and over, and the quotations reaching our market we found yesterday lists from Wisconsin Land & Lumber Company, Stephenson and Naill & McClurg in this market quoting—

For Clear Maple			$98.00
1½ # 1	"		73.00
2¼ # 1	"		81.00
1½ Fac.	"		35.00
2¼ "	"		46.00

If there has been a new list established it would seem to us that we all ought to be advised, as our quotations at the standard price are being turned down daily

Yours truly, Osgood & Blodgett Mfg. Co.

FSB/B.

[fol. 3462] GOVERNMENT'S EXHIBIT No. 60-A

August 23, 1921.

Oval Wood Dish Corporation, Mr. Frank M. Hodges, Manager Department Lumber Sales, Tupper Lake, New York.

GENTLEMEN: We have recorded in our minutes of the general meeting of the Association held on the 19th, that you were admitted to membership in the Association. We will date your membership

as at August 1st, so that you will have the benefit of the July Statistics and also the exchange of the information contained in the Weekly Sales Reports beginning with the report ending August 27th.

We are enclosing the following:

1. Minutes of Meeting of August 19, 1921.
2. Copy of letter to members dated August 20th, regarding the consensus of opinion as to the current market value of flooring.
3. Rate Book containing Tables of Values Based Upon Average Cost and index to towns showing the delivered values based upon the rate of freight from Cadillac, Mich. Cadillac is our basing point as it is practically the geographical center of the production and distribution of flooring and the rates of freight in a general way from Cadillac would be about the average rate of freight from all the Association flooring mills.
4. Statistical reports for the month of July, including Stocks and Unfilled Orders on Hand on August 1st.
5. Blank forms for the Weekly Sales Reports, so you can report to us any sales you made during the week ending August 27th. These reports are reciprocal and are exchanged only among the members who made this report. These reports are audited from time to time to verify their accuracy and completeness.

We are writing today to Mr. M. H. Robertson of East Jordan, Mich., who is our Official Inspector and Field Representative, requesting him to visit your plant as soon as possible and assist you in standardizing your flooring product in accordance with Associa-
[fol. 3463] tion standards and grades.

In this connection we wish to state that sometime ago uniform matching was adopted by the Association so that flooring from all Association mills will fit together. Steel gauges were made and one gauge sent to each mill, so we are sending you, by parcel post, one of the gauges, also a blue-print. The 13/16″ flooring is 1/32″ scant of 13/16″, but the 1/32″ scant is taken from the under side of the flooring, leaving the wearing surface the same as formerly.

We are very glad to have your cooperation as a member of the Association, and should you desire any further explanation, please write us.

For convenience in keeping our records we assign a number to each member of the Association, so we have assigned No. 51 to you as your Association number.

Yours very truly, —— ——, Secretary.

[fol. 3464] GOVERNMENT'S EXHIBIT No. 60-B

September 26, 1921.

Oval Wood Dish Corporation, Mr. Frank M. Hodges, Manager Lumber Sales, Tupper Lake, New York.

GENTLEMEN: In view of the unsatisfactory results of the general meeting on the 23rd, I presume you are wondering what kind of

an Association you have joined, but we feel hopeful that things will soon work themselves out.

Now in regard to the allotted percentages of the other members of the Association: we think we should explain to you that their allotted percentages were based upon their shipments of Maple, Beech and Birch flooring during the 3½ year period, from January 1, 1916, to July 1, 1916, and all the members were, of course, treated exactly alike, and, as a matter of fact, each member automatically fixed his own allotment by the volume of his shipments during the 3½ years, and for that reason we feel that any claims that the members may make that their allotted percentages are not fair, are not well founded, inasmuch as the same basis was used for all of them. The shipments during the 3½ years were reduced to annual averages and are shown in our circular letter addressed to members and dated September 16th.

At the first meeting Mr. Hodges attended he spoke of wishing to pay the expenses of Mr. Robertson on his trip to your plant to look over your grading and to assist you in standardizing your product, so I thought I would let you know that we paid Mr. Robertson $171.94 for that trip. He paid his travelling expenses and $15.00 per day for his time and services while on his trips.

It is the custom of the Association to pay the travelling expenses of members attending general meetings and Committee meetings, so we wrote you a few days ago asking what your expenses were attending the meeting on the 23rd, so kindly let us know and we will forward check.

We have no way at the present time of knowing what your share of the Association expenses should be because you have no allotted percentage or volume of shipments upon which to base your share of the expenses, but that can be arrived at sometime later on. In the past when no allotted percentages were in effect and when no Special Fund was provided for in former Articles of Association, [fol. 3465] each member paid into the Association an initiation fee based upon the number of matchers installed for the manufacture of Maple, Beech and Birch flooring, so we would suggest that, if it will be entirely agreeable to you to do so, you could send us a check for $200.00, or at the rate of $100.00 per matcher, as you have two matchers. We are not making this as a request because the old form of initiation fee is not provided for in our present or proposed revised Articles of Association, but thought we would mention it as a way of handling the present situation and leave it to you to do as you please.

With best regards,

Yours very truly, —— ——, Secretary.

[fol. 3466] GOVERNMENT'S EXHIBIT No. 60-C

September 9, 1921.

The Oval Wood Dish Corp., Mr. Frank M. Hodges, Manager Lumber Sales, Tupper Lake, N. Y.

GENTLEMEN: We have your flooring reports for the month of August, but before entering them in our statistical records we thought we would inquire if the 24,214 feet Clear sold at $65.00, delivered on $5.00 freight, was the regular standard grade and lengths of 13/16 x 2¼" face Clear Maple flooring.

The average value based upon average cost of $90.00 F. O. B. Cadillac, Mich., and the delivered value at $5.00 for freight, would take the index letters BE, as you will note by referring to the Rate Book we sent you.

Whatever price you obtained is all right, of course, so our only object in writing you is to find out whether the grade, etc., are correct, as stated in your report, namely 13/16 x 2¼" Clear Maple flooring, standard grade and lengths.

Yours very truly, —— ——, Secretary.

[fol. 3467] GOVERNMENT'S EXHIBIT No. 60-D

All quotations are for immediate acceptance and subject to prior sale. All agreements as to deliveries are contingent upon delays caused by strikes, fires, accidents, delays of carriers or other causes beyond our control. All quotations made and all orders accepted on basis of present freight rates. Federal tax on freight bills to be paid by purchaser.

Tupper Lake, N. Y., September 12, 1921.

Mr. George W. Keehn, Sec'y, 1045 Stock Exchange Bldg., Chicago, Ill.

DEAR SIR:

Your letter of September 9th is received.

The item of 24,214′ of Flooring reported as Clear at $65.00 should be No. 1, and the price was figured as $60.00 f. o. b. mill and $5.00 freight.

We are enclosing weekly report for September 3rd; and also one for September 10th. The former should have been sent you a week ago, but was overlooked.

Please send us some more of the weekly report blanks and we will try and get them out promptly.

With kindest regard, we are,

Very truly yours, Oval Wood Dish Corporation.

MCC.
Encls. (2).

[fol. 3468] GOVERNMENT'S EXHIBIT No. 60-E

December 3, 1921.

Strable Lumber & Salt Co., Saginaw, Mich.

GENTLEMEN: One of the members of your Market Conditions Committee, writing about our latest weekly Record of Completed Transactions, states that it is very gratifying to note the number of members who are now reporting regularly. They feel confident that the members who do not report, evidently discontinuing their reports because other members neglected to report, now fail to realize the importance of the valuable information contained in our weekly reports and that all but three of our members are reporting.

We believe our weekly Sales Reports to the members have a number of good features. Aside from their indication of the current trend of the market, the demand for each grade, face and thickness in each wood, the total volume alone of weekly bookings in each group and the total of all groups, is enlightening.

You probably had an unusually large volume of flooring orders for the week ended November 16th, and assumed that the experiences of the other members were similar, but could any member have known (or estimated) without the existence of our Weekly Sales Reports that the total New Business Booked of 19 members for the week ended Nov. 19th was very close to five millions? Without these reports they could have knowledge only of an increased demand for Maple, Beech and Birch Flooring, but the real extent of this demand as affecting the different grades and sizes for the entire industry, would not be known until weeks later upon the compilation of our November statistical reports.

It has occurred to us that you would feel that you could not afford to be without this reciprocal exchange of information when you learn that all but three of our members have indicated that they want this information by taking a minute or two of their time to daily record all sales as made on the blank forms provided and mailing them to us at the close of each week. And we would like to have our reports show our member's sales 100% reported, and we can do this if you and the other two missing members we are writing today will kindly send us your report of sales for week ended today. May we count on your cooperation?

Yours very truly, George W. Keehn, Secretary.

ECS.

[fol. 3469] GOVERNMENT'S EXHIBIT No. 60-F

April 26, 1922.

Oval Wood Dish Corp., Mr. F. M. Hodges, Lumber Sales Dept., Tupper Lake, N. Y.

GENTLEMEN: In accordance with Article XIII of the new Articles of Association there is due from you as your payment into the Mem-

bership Fee Fund the sum of $400.00 on the 2 matchers you have installed for the manufacture of Maple, Beech and Birch Flooring being at the rate of $200.00 per matcher.

Inasmuch as you paid into the old Association on October 10, 1921, the sum of $200.00 as a Membership Fee, we are applying that payment on the $400.00 so please send us a check for $200.00 to cover the balance due and make the check payable to Maple Flooring Manufacturers Association.

Very truly yours, —— ——, Secretary.

[fol. 3470] GOVERNMENT'S EXHIBIT No. 60-G

April 27, 1922.

Dr. Geo. W. Earle, Hermansville, Mich.

DEAR DR. EARLE: In accordance with the new Articles of Association we are sending out bills today for the Expense Fund and Advertising Fund Assessments for the first quarter of 1922, and although you have not yet signed the new Articles, all the members are hopeful that you will continue your membership in the Association because your cooperation has been of such great benefit to the industry during the past thirty years or more and is needed more than ever at this time.

It is my thought to make up a Financial Statement about May 1st and to consider the business of the old Association terminated as at that date. What do you think about it as President of the old Association so-called? The old Articles themselves do not expire until July 1, 1922, and it has taken some time to get the so-called new Association under way.

* * * * * * *

[fol. 3471] GOVERNMENT'S EXHIBIT No. 60-H

[Omitted in printing]

[fol. 3472] GOVERNMENT'S EXHIBIT No. 60-I

[Omitted in printing]

[fols. 3473 & 3474] GOVERNMENT'S EXHIBIT No. 60-J

[Omitted in printing]

[fol. 3475] GOVERNMENT'S EXHIBIT No. 60-K

[Omitted in printing]

[fol. 3476] GOVERNMENT'S EXHIBIT No. 60-L

[Omitted in printing]

[fol. 3477] GOVERNMENT'S EXHIBIT No. 60-M

[Omitted in printing]

[fol. 3478] GOVERNMENT'S EXHIBIT No. 60-N

[Omitted in printing]

[fol. 3479] GOVERNMENT'S EXHIBIT No. 60-O

January 12, 1923.

Dr. George W. Earle, Hermansville, Michigan.

DEAR DR. EARLE: At the last meeting of the Association the Trustees who were present expressed the earnest wish and hope that you would attend the Annual Meeting of the Association to be held on the 24th, so that they could discuss with you the status of the membership in the Association of your Company. Will it be possible for you to be here on the 24th? If not, the Trustees suggested that I call upon you before then and go over the situation in a general way and report back to the Trustees and to the Association at the Annual Meeting.

In your letter of September 2nd you spoke about the Assessment as Rated, from which we infer that you mean the Membership Fee Fund. If you mean your share of the Horner obligation, you will note by the Financial Report of July 15th, that your share of the Reserve to carry the Horner unpaid notes and accounts is figured in exactly the same way as the shares of the other members in the Reserve; namely, in the proportions that the Old Special Fund Deposits bear to the total amount of the Old Special Fund Deposits, which is the only way this Reserve could be figured and handled. But if you refer to the Membership Fee Fund in which you are rated as having 7 matchers, if you think that 7 matchers do not accurately represent your manufacturing capacity in proportion to the number of matchers of the other members, we shall be glad to adjust same by reducing the number of your matchers to 6 or even 5.

We take it for granted that it is your wish to pay your share of the expenses of the Association the same as the other members are doing, inasmuch as you have been and are receiving the same benefits as the other members in the exchange of statistical information, Rate Book work and in the Advertising, etc. Your Expense and Advertising Assessments for the first quarter of 1922 were paid, but we never heard from you in reference to the assessment for the second quarter of 1922, amounting to $915.81, bill for which was rendered you in July. Other bills since then were made out but have been held in abeyance, as we hoped and expected that you would be at some of our recent meetings, but we have now concluded to send them to you as a matter of form so that everything can be threshed out

at one time with the Trustees if, as we hope, you can attend the meeting on the 24th.

If in the meantime you think it would be worth while to discuss these various matters with me, I shall be glad to make a trip to Hermansville to see you, if agreeable to you, at any time convenient to you.

With best regards, and hoping you are in good health, I am,

Very truly yours, —— ——, Secretary.

Encl.

[fol. 3480] GOVERNMENT'S EXHIBIT No. 60-P

February 3, 1923.

Flanner-Steger Land & Lumber Company, Blackwell, Forest County, Wisconsin.

GENTLEMEN: We are sorry you did not send us your weekly sales report for last week. We received reports from 20 members, so only one member besides yourselves did not report.

It was the biggest week's business we have ever had, as the total sales amounted over seven and one-half millions and took ten pages to list all the sales. It contains information that would be of interest to you, and if you would like to have a copy, we shall be glad to send it to you upon receipt of your report of your sales for last week.

Yours very truly, —— ——, Secretary.

[fol. 3481] GOVERNMENT'S EXHIBIT No. 61

Maple Flooring Manufacturers Association, 1045 Stock Exchange Bldg., Chicago

January 27, 1923.

January Business

To members.

GENTLEMEN: At the annual meeting on the 24th, we had flooring data from 14 members of the Association, covering the first 22 days of January from which it was estimated that if the business during the remainder of January averages about the same as the first 22 days and if the trade experiences of the other members were about the same, that the January business would turn out about as follows:

Shipments about 8% less
Production about 9% less } than in December.
Now Orders about 35% more

Their stock conditions of 13/16 x 2-¼" face Maple flooring on January 22nd indicated as follows:

On Jan. 22	Stocks	Unfilled orders	Oversold	% sold 14 members	% sold January 1, all members
Clear	2,358 M	6,490 M	4,132 M	275%	259%
No. 1	1,746	5,097	3,351	292	321
Fcty.	944	2,718	1,774	288	270
	5,048	14,305	9,257	283	280

Since the meeting, we have received these data from two other members and on the basis of the 16 members reporting, it looks as if the January Shipments will be about 4% less than in December, Production about 7% less than in December and new orders about 44% more than in December.

The Stock Conditions of 13/16 x 2-¼" face Maple flooring on January 22nd of the 16 members indicate as follows:

On Jan. 22	Stocks	Unfilled orders	Oversold	% sold 16 members	% sold January 1, all members
Clear	3,132 M	8,032 M	4,900 M	256%	259%
No. 1	2,646	5,712	3,066	216	321
Fcty.	1,419	3,348	1,929	236	270
	7,197	17,092	9,895	237	280

Yours very truly, George W. Keehn, Secretary.

[fol. 3482] GOVERNMENT'S EXHIBIT No. 61-A

Maple Flooring Manufacturers Association, 1045 Stock Exchange Bldg., Chicago

February 19, 1923.

February Business

To members.

GENTLEMEN: We have received flooring data from 14 members of the Association covering the first 13 days of February, from which it is estimated that if the business during the remainder of February averages about the same as the first 13 days and if the trade experiences of the other 8 members are about the same, that the February business will turn out about as follows:

Shipments about 26% less
Production about 21% less } than in January.
New Orders about 41% less

The stock conditions of 13/16 x 2-¼" face Maple flooring on February 13th of the same 14 members indicate as follows:

On Feb. 13	Stocks	Unfilled orders	Oversold	% sold 14 members	% sold February 1, all members
Clear	2,158 M	8,502 M	6,344 M	394%	411%
No. 1	1,424	6,812	5,388	478	407
Fcty.	1,099	3,118	2,019	284	389
	4,681	18,432	13,751	394	405

Yours very truly, George W. Keehn, Secretary.

[fol. 3483] GOVERNMENT'S EXHIBIT No. 62

To members. August 15, 1917.

GENTLEMEN: The vote on the Resolution to extend the MPP from November 1, 1917 to January 1, 1919, now stands, 21 "Yes" and none "No" with two members, the Wisconsin Land & Lumber Co. and Kerry & Hanson Flooring Co. still to hear from.

We are expecting to receive the missing votes any time now and we trust they will be in the affirmative and thus make it unanimous. We infer that Dr. Earle has not yet returned home from his trip to the Pacific Coast, but we hope to hear from him and also Mr. Kerry within a few days.

Yours very truly, George W. Keehn, Scretary.

[fol. 3484] GOVERNMENT'S EXHIBIT No. 62-A

January 25th, 1921.

Geo. W. Keehn, Secretary Maple Flooring Mfgrs. Assn., 1045 Stock Exchange Bldg., Chicago, Ill.

DEAR SIR: Responding to your letter of January 21st, we believe the following concerns as our special representatives will answer present requirements:

* * * * * * *

We understand that it is our privilege to add to this list or make such other changes as may be to our best interests.

Yours very truly, Strable Lumber & Salt Company.

MHM/G.

[fol. 3485] GOVERNMENT EXHIBIT No. 62-B

February 12, 1921.

Market Conditions Committee.

GENTLEMEN: The chairman of your Committee has instructed us to call a meeting to be held in the rooms of the Association Friday, February 25th, at 9:30 A. M. sharp.

It is hoped that every member of the committee will be present at the meeting and will bring along the flooring data provided for in the form given below, so we shall have some information available regarding conditions this month up to the 24th.

Very truly yours, George W. Keehn, Secretary.

Flooring Data February 1st to 23rd or 24th

Shipments .... M ft.
Production .... M ft.
New Business .... M ft.
No. —.

[fol. 3486] GOVERNMENT'S EXHIBIT No. 62-C

Feb. 12th, 1921.

Geo. M. Keehn, Secretary Maple Flooring Manufacturers Association, 1045 Stock Exchange Bldg., Chicago, Ill.

DEAR SIR: We wish to register as our special representative the Capital City Lumber Company at Hartford, Conn. We have been negotiating with them for a long time and the prospects are good of their being able to handle some of our product.

Yours truly, Strable Lumber & Salt Company.

MHM*MF.

[fol. 3487] GOVERNMENT'S EXHIBIT No. 62-D

May 13, 1921.

To members.

GENTLEMEN: It is likely that a general meeting will be held at the Hotel La Salle, Chicago, Friday, May 20th, but we shall know definitely by Monday. We thought we would write you today so that you can hold the date open until you hear from us again the first of next week.

We have not yet received the April reports from two of the members, but we are expecting to get them by Monday so that our reports shall be ready in case the meeting is called for the 20th.

Very truly yours, George W. Keehn, Secretary.

[fol. 3488] GOVERNMENT'S EXHIBIT No. 62-E

Chicago, Ill., July 1, 1921.

The Bigelow Cooper Company, Mr. C. A. Bigelow, President, Bay City, Michigan.

GENTLEMEN: Yours of the 16th was received during the writer's absence from Chicago.

We are very sorry indeed that you have advised Mr. Dewey not to attend any further meetings of our Association. We are issuing a call today for a general meeting to be held on the 8th and we respectfully request and earnestly urge that you change your instructions to Mr. Dewey and have him attend this meeting. Mr. Dewey's participation in the work of the Association has always been very helpful and while it is difficult in view of present conditions, legal and otherwise, to obtain as good results as we would like to obtain, at the same time the best way to improve conditions in a cooperative way is to work together to the fullest possible extent. If first one member and then another decides not to attend meetings the affairs of the industry will drift from bad to worse and conditions will become more deplorable than they are now. There never was a time in the history of the flooring business when cooperation was more needed than at the present time.

By-the-way, I read with much interest in "Lumber" and in the "American Lumberman" your views on the lumber tariff. We think your arguments are logical and sound, particularly in respect to Hardwood flooring and we can see no reason why our Government should not impose the same rate of duty on Canadian Hardwood flooring as the Canadian Government imposes on our flooring.

Yours very truly, (Signed) Geo. W. Keehn, Secretary.

[fol. 3489] GOVERNMENT'S EXHIBIT No. 62-F

[Omitted in printing]

[fol. 3490] GOVERNMENT'S EXHIBIT No. 62-G

204DE F 51.
B Chicago Ill., 1145A, Sept. 17, 1921.

Strable Lbr. and Salt Co., Saginaw, Mich.:

Will you please be sure and mail us today the balance of your August flooring reports so we can have our reports ready in time for the meetings next week all the other members have already sent us their August reports and we cannot complete our reports until we get yours.

1216P. George W. Keehn.

[fol. 3491] GOVERNMENT'S EXHIBIT No. 62-H

[Omitted in printing]

[fol. 3492] GOVERNMENT'S EXHIBIT No. 62-I

[Omitted in printing]

[fol. 3493] GOVERNMENT'S EXHIBIT No. 62-J

November 12, 1921.

To members.

GENTLEMEN: In response to the request in the last report of the Market Conditions Committee, Dr. Earle, as President of the Association, instructs me to call a general meeting of the Association to be held at the Hotel La Salle (Suite 209) Chicago, Thursday, November 17th, at 10:30 A. M. Sharp.

Every member of the Association is earnestly urged to attend this meeting so that trade conditions and other matters of great importance to the industry can be fully discussed and considered.

Please bring with you to the meeting the flooring data as requested on the blank form below, so that information can be compiled regarding the business during the first half of November.

Kindly let us know return mail, whether or not your company will be represented at the meeting.

Very truly yours, George W. Keehn, Secretary.

[fol. 3494] GOVERNMENT'S EXHIBIT No. 62-K

[Omitted in printing]

[fol. 3495] GOVERNMENT'S EXHIBIT No. 62-L

[Omitted in printing]

[fol. 3496] GOVERNMENT'S EXHIBIT No. 62-M

May 27, 1922.

I. Stephenson Company, Trustees, Wells, Michigan.

Attention of Mr. P. S. Clark

GENTLEMEN: Replying to yours of the 25th:

We are glad to send you the details of the "Three Test Runs of 1921" referred to at the general meeting of the Association on the 17th.

The actual waste was 19.2%, but it was spoken of as 20% for greater convenience in figuring. The average manufacturing and

marketing costs during the first quarter of 1922 were $17.99 per 1 M feet of flooring produced.

We are going to make up a new statement, using the pencil figures in the enclosed memorandum and send it to the Members with the Average Cost Charts, etc., when we receive them from the printer. If the 14.7% of 2¼" Factory is figured at $25.00 instead of $30.00, F. O. B. Flooring Mill, it would show an even break.

The North Branch Flooring Company was very particular in keeping track of the rough lumber used and the flooring produced, and we feel certain that the details as reported to us are accurate in every particular.

The next time I am at Wells, I shall be very glad indeed to see your Factory Statements. I am wondering if it would be agreeable to you to let us have the forms, omitting all figures pertaining to your own results with the view of suggesting to the Committee on Cost Surveys, that the Committee recommend the form to the other Members of the Association to use in keeping their records of Costs. If this were done, it would give us a standard uniform system of ascertaining manufacturing and marketing costs and the results of our Surveys would be more reliable and would afford more accurate comparisons.

Thanking you for your letter, we are

Yours very truly, George W. Keehn, Secretary.

[fol. 3497] GOVERNMENT'S EXHIBIT No. 62-N

[Omitted in printing]

[fol. 3498] GOVERNMENT'S EXHIBIT No. 63

Maple Flooring Manufacturers Association, 1045 Stock Exchange Bldg., Chicago

Telephone Franklin 4960

February 21, 1923.

Test Runs

Committee on Cost Surveys.

GENTLEMEN: Referring to the attached letter to members regarding Test Runs:

In the five new Test Runs sent us, the following quantities of rough lumber were used—all commercially sawed stock:

No. 1 Common	704 M	52%
No. 2 Common	410 "	30 "
No. 3 Common A	55 "	4 "
No. 3 Common	181 "	14 "
	1,350 M	100%

What would you consider the cost of the No. 3 Common delivered F. O. B. flooring mills, based upon recent sales of that grade on the open market?

Flooring produced was as follows:

Clear	385 M	39%
No. 1	423 "	43 "
Factory	171 "	18 "
	979 M	100%
Waste	371 "	27.5 "

We are hoping to receive more Test Runs or statements of flooring operations so we can include same with these five Test Runs and get a larger volume of output to use in connection with our Average Cost Surveys. It is also our thought to add to all the New Test Runs the three Test Runs of 1921, made by the North Branch Flooring Company, Chicago, in which 1539 M feet of rough lumber was used. If we add these three Test Runs to the five new Test Runs already received and also include any other new Test Runs we may receive from now on, it will give us quite a volume of output to use as the basis in compiling our Average Costs.

Yours very truly, George W. Keehn, Secretary.

[fol. 3499] GOVERNMENT'S EXHIBIT No. 63-A

Maple Flooring Manufacturers Association, 1045 Stock Exchange Bldg., Chicago

February 21, 1923.

Test Runs

To members.

GENTLEMEN: Referring to our letter of December 28th about Test Runs, we are sorry to say that we have not received as many Test Runs as we should have in order to indicate average results and typical flooring operations.

At this writing, the following members have sent in Test Runs, all of which were made from commercially sawed lumber:

Member	Quantity of rough lumber used
Kerry & Hanson Flooring Co.	601 M
East Jordan Lumber Co.	47 "
Flanner-Steger Land & Lumber Co.	505 "
Grand Rapids Trust Company, Receiver for Wm. Horner, Newberry Plant	111 "
Kneeland-Bigelow Company	86
	1,350 M

I. Stephenson Company, Trustees, also sent in a Test Run in which 1219 M feet of rough lumber was used, but as the stock was unedged, the Test Run is not available to merge with the other Test Runs.

Foster-Latimer Lumber Company wrote that they were running only Maple of their own manufacture and as it is not edged or trimmed, they would not be able to show the exact quantity in feet of each grade of rough lumber used.

The Northwestern Cooperage & Lumber Company wrote that they cannot furnish a Test Run because the way they cut and pile their lumber, it is not possible for them to get at the facts closely enough to be of service to us.

We have been hoping that we would get more data either from Test Runs or flooring operations so that we would get more representative results and so that our Average Cost Chart would represent a larger volume of output.

The Committee on Cost Surveys will be grateful to any other members who can and will supply the following data as stated in our letter of December 28th:

1. The exact quantity in feet of each grade of rough lumber used in the Test Run.

2. The exact quantity in feet of each grade, thickness and face of flooring produced from this lumber.

After we hear from more of the members, it is the intention to consolidate all the Test Runs of flooring operations as one Test Run and see how the results compare with the three Test Runs of 1921 which we are now using as the basis of our Average Cost compilations.

Yours very truly, George W. Keehn, Secretary.

[fol. 3500] GOVERNMENT'S EXHIBIT No. 63-B

Maple Flooring Manufacturers Association, 1045 Stock Exchange Bldg., Chicago

Test Runs and Survey of Costs

To members. March 10, 1923.

GENTLEMEN: Referring to our letter of December 28th and more particularly to our letter of February 21st, we wish to inform you that since writing you on February 21st, we have received another Test Run, namely: from Mitchell Brothers Company, making in all, six new Test Runs.

As stated in the last paragraph of our letter of February 21st, we have consolidated these six Test Runs with the three Test Runs of 1921, made by the North Branch Flooring Company, so we now have as a basis of our Average Cost compilations, nine Test Runs,

which considered as one Test Run, we believe, represent and typify average flooring operations, as the rough lumber used consisted of Lower Michigan, Upper Michigan and Wisconsin stock.

For your further information, we have made a new compilation of Average Costs and are enclosing statement of same, entitled: "Average Cost Based Upon Composite Result of Nine Test Runs", in which you will find the details of the compilation.

Yours very truly, George W. Keehn, Secretary.

GOVERNMENT'S EXHIBIT No. 63-C

Average Cost Based upon Composite Result of Nine Test Runs

Rough Lumber Used

1,672 M ft.	No. 1 Common	53.%
1,043 " "	No. 2 Common	33. "
240 " "	No. 3 Common A	8. "
181 " "	No. 3 Common	6. "
3,136 M ft.		100.%

Present Average Cost of Rough Flooring Lumber F. O. B. Cars Flooring Mills

53.%	No. 1 Common	@ $61.00	32.33
33. "	No. 2 Common	" 41.00	13.53
8. "	No. 3 Com. A	" 30.00	2.40
6. "	No. 3 Common	" 22.00	1.32
100%			

1,000 ft. Lumber Costs	49.58
770 " Flooring Costs	49.58
1,000 " Flooring Costs	64.39
Manufacturing and Marketing Cost Last Quarter 1922—Average	18.13
	82.52

Flooring Product

Clear	1,133 M ft.	47.%
No. 1	860 " "	36. "
Factory	399 " "	16. "
Other Product	26 " "	1. "
	2,418 M ft.	100.%
Waste	718 " "	23. "
Lumber used	3,136 M ft.	

Approximate Relative Average Costs of Flooring Product F. O. B. Cars at Flooring Mills as Per Last Survey of Costs 2-15-23

Clear:

13/16 x 1½"	2.6%	@ $90.	2.34
2 "	2.2	95.	2.09
2¼"	37.3	100.	37.30
3¼"	2.2	85.	1.87
4 "	.5	85.	.43
Jtd. 3½"	.2	90.	.18
⅜" All Faces	1.9	65.	1.23
	46.9%		45.44

Average Cost Based upon Composite Result of Nine Test Runs—*Continued*

Present Average Cost of Rough Flooring Lumber F. O. B. Cars Flooring Mills

53. %	No. 1 Common	@ $64.	$33.92
33. "	No. 2 Common	" 44.	14.52
8. "	No. 3 Com. A	" 32.	2.56
6. "	No. 3 Common	" 24.	1.44
100. %			
1,000 ft. Lumber Costs			52.44
770 " Flooring Costs			52.44
1,000 " Flooring Costs			68.10
Manufacturing and Marketing Cost Last Quarter 1922—Average			18.13
			86.23
Add 5% for Contingencies			4.31
Average Cost F. O. B. Flooring Plant of 1,000 ft. of Flooring Sold			90.54

Approximate Relative Average Costs of Flooring Product F. O. B. Cars at Flooring Mills

Clear:				
13/16 x 1½"	2.6%	@ $100.	$2.60
x 2 "	2.2	100.	2.20
2¼"	37.3	105.	39.17
3¼"	2.2	90.	1.98
4 "	.5	90.	.45
Jtd. 3½"	.2	95.	.19
⅜" All Faces	1.9	70.	1.33
	46.9%		47.92
No. 1:			
13/16 x 1½"	1.5%	@ $85.	1.28
2 "	1.9	90.	1.71
2¼"	28.6	95.	27.17
3¼"	1.9	85.	1.61
4 "	.4	85.	.34
Jtd. 3½"	.2	90.	.18
⅜" All Faces	1.1	50.	.55
	35.6		32.84

Factory:			
13/16 x 1½"	.7%	$35.	.25
2 "	.7	45.	.31
2¼"	13.5	50.	6.75
3¼"	1.1	55.	.61
4 "	.2	55.	.11
Jtd. 3½"	.1	60.	.06
⅜" All Faces	.1	25.	.03
	16.4		8.12
Other Product	1.1	65.	.72
Totals	100. %		89.60

Flooring Product—Grades and Faces

Grades	13/16 x 1½"	2"	2¼"	3¼"	4"	Jtd. 3½"	3/8", all faces	Totals
Clear	2.6%	2.2%	37.3%	2.2%	.5%	.2%	1.9%	46.9%
No. 1	1.5 "	1.9 "	28.6 "	1.9 "	.4 "	.2 "	1.1 "	35.6 "
Fcty.	.7 "	.7 "	13.5 "	1.1 "	.2 "	.1 "	.1 "	16.4 "
Other Product	.....	.....	.....	.....	....	....	.....	1.1 "
Totals	4.8%	4.8%	79.4%	5.2%	1.1%	.5%	3.1%	100. %

March 24, 1923.

[fol. 3503] GOVERNMENT'S EXHIBIT No. 63-E

Maple Flooring Manufacturers Association, 1045 Stock Exchange Bldg., Chicago

August 2, 1923.

To members.

GENTLEMEN: In accordance with the action taken by the Association at the general meeting on July 19, the following changes have been made in the statistical reports and other activities of the Association. These changes have been made upon the advice of the Association's Counsel in order to eliminate certain features which are specially objected to by the Department of Justice in its Petition asking for the dissolution of our Association.

1. The following data which have heretofore been furnished to the members of the Association for their information, have been eliminated from the Rate Book and the compilation, distribution and use for any purpose whatever, of the said data described below are wholly abandoned and discontinued.

(a) The so-called Delivered Cost Charts.

(b) All matters relating to so-called Differentials.

(c) All matters relating to Terms of Sale and Cash Discounts.

It is understood that the members will comply with the action taken and will eliminate all of said data from their Rate Book.

2. The Association membership numbers which identify the individual members of the Association have been eliminated from all our reports issued since July 19 and are to be eliminated from all reports issued hereafter by the Association so that the information which is consolidated and transmitted to the members from time to time will not disclose to any member or members any of the particulars or intimate details of any other member's business respecting his Stock on Hand, Unfilled Orders, Shipments, Production and New Orders Booked or which will identify the average prices he realizes or identify as his prices the prices at which he sells any Maple, Beech or Birch Flooring.

Yours very truly, George W. Keehn, Secretary.

[fol. 3504] GOVERNMENT'S EXHIBIT No. 63-F

Maple Flooring Manufacturers Association, 1045 Stock Exchange Bldg., Chicago

August 2, 1923.

Test Runs

To members.

GENTLEMEN: Since the general meeting of the Association on July 19 we have made a new calculation of Average Cost and have based

same upon the results of five test runs which were made since January 1, 1922.

These five test runs were made as follows:

Mitchell Brothers Company—January-February 1922.
Kerry & Hanson Flooring Co.—December 1922.
East Jordan Lumber Company—January 1923.
Grand Rapids Trust Company, Receiver for Wm. Horner—January 1923.
Kneeland-Bigelow Company—January 1923.

We enclose for your information a statement in detail analyzing the results of the five test runs consolidated and considered as one test run. You will note that the 5% allowance for unforeseen hazards, etc. mentioned in Paragraph (f), Section 3 of Article XIV has been eliminated from the calculation in accordance with the action taken at the general meeting on July 19 annulling said paragraph and eliminating same from our Articles of Association.

Very truly yours, George W. Keehn, Secretary.

[fol. 3505] GOVERNMENT'S EXHIBIT No. 63-G

Average Cost Based Upon Composite Result of Five Test Runs

These test runs were made as follows: 1 in January and February 1922, 1 in December 1922 and 3 in January 1923.

Rough Lumber Used

579 M ft.	No. 1 Common	53%
305 " "	No. 2 Common	28 "
28 " "	No. 3 Common A	3 "
181 " "	No. 3 Common	16 "
1093 M ft.		100 "

Present Average Cost of Rough Flooring Lumber for FOB Cars Flooring Mills

23%	No. 1 Common	@ $64	$33.92
28 "	No. 2 Common	" 44	12.32
3 "	No. 3 Com. A	" 32	.96
16 "	No. 3 Common	" 24	3.84
100%			
1000 ft.	Lumber Costs		51.04
760 "	Flooring Costs		51.04

Flooring Product

Clear	316 M ft.	38%
No. 1	366 " "	44 "
Factory	129 " "	15 "
Other Product	21 " "	3 "
	832 M ft.	100%
Waste	261 " "	24 "
Lumber used	1093 M ft.	

Approximate Relative Average Costs of Flooring Product FOB Cars at Flooring Mills

Clear:

13/16 x 1½"	1.9%	@ $97	$1.84
2 "	1.4%	97	1.36
2¼"	27.4%	102	27.95
3¼"	3.2%	87	2.78
4 "	1.6%	87	1.39

1000 " Flooring Costs	67.16
Manufacturing and Marketing Cost First Quarter 1923—Average	17.85
Average Cost FOB Flooring Plant of 1000 ft. of Flooring Sold	85.01

Jtd. 3½"	.5%	92	.....	.46
⅜" All Faces	2. %	97	.....	1.34
	38 %		.....	37.12
No. 1:				
13/16 x 1½"	1.4%	@ $82	.....	1.15
2 "	1.7%	87	.....	1.48
2¼"	33.2%	92	.....	30.54
3¼"	4.6%	82	.....	3.77
4 "	1.2%	82	.....	.98
Jtd. 3½"	.7%	87	.....	.61
⅜" All Faces	1.2%	47	.....	.56
	44 %		.....	39.09
Factory:				
13/16 x 1½"	.6%	$32	.....	.19
2 "	.6%	42	.....	.25
2¼"	11.1%	47	.....	5.22
3¼"	2.3%	52	.....	1.20
4 "	.7%	52	.....	.36
Jtd. 3½"	.2%	57	.....	.11
	15.5%		.....	7.33
Other Prod.	2.5%	60	.....	1.50
Totals.....	100 %		.....	85.04

Average Cost Based Upon Composite Result of Five Test Runs—*Continued*

Flooring Product—Grades and Faces

Grades	13/16 x 1¼"	2"	2¼"	3¼"	4"	Jtd. 3¼"	3/8" all faces	Totals
Clear	1.9%	1.4%	27.4%	3.2%	1.6%	.5%	2. %	38. %
No. 1	1.4%	1.7%	33.2%	4.6%	1.2%	.7%	1.2%	44. %
Fcty.	.6%	.6%	11.1%	2.3%	.7%	.2%	....	15.5%
Other Product..	....	....	.....	....	....	....	....	2.5%
Totals	3.9%	3.7%	71.7%	10.1%	3.5%	1.4%	3.2%	100%

July 19, 1923.

[fol. 3506] GOVERNMENT'S EXHIBIT No. 64

Maple Flooring Manufacturers Association, 1045 Stock Exchange Bldg., Chicago

Minutes of Meeting March 22, 1923

A general meeting of the Maple Flooring Manufacturers Association was held at the Congress Hotel, Chicago, Thursday, March 22, 1923.

The meeting was called to order by the Chairman, and sixteen members of the Association were present. The following were absent: Cummer-Diggins Company, Strable Lumber & Salt Company, Foster-Latimer Lumber Company, Grand Rapids Trust Company Receivers for William Horner, and the Oval Wood Dish Corporation. The Wisconsin Land & Lumber Company were not represented at the meeting.

* * * * * * *

Canadian Flooring.—The Secretary reported that, after further correspondence with Charles A. Bigelow, Chairman of the Committee appointed to prepare the Petition to President Harding, relative to Canadian Flooring, the Petition had been drafted with the assistance of Jacob Newman, the Association's counsel, and had been signed in the name of the Association by its President and Secretary and was mailed to President Harding on March 13th.

The Petition was thereupon read to the meeting and is as follows.

March 13, 1923.

To the President:

The Maple Floorng Manufacturers Association is composed of twenty-two manufacturers located in the States of Michigan, Wisconsin, Minnesota, Illinois and New York. They operate twenty-three flooring plants and have a total capital investment of about $9,675,000, and employ over 2,135 men. The value of their total annual output is approximately $11,000,000 exclusive of exports to foreign countries. They produce about seventy per cent of all Maple, Beech and Birch flooring manufactured in the United States.

Under the tariff laws of Canada, a duty of twenty-five per cent ad valorem is levied against all Maple, Beech and Birch flooring shipped by our manufacturers into Canada. On the other hand, no duty is levied against similar products manufactured in Canada and shipped into the United States.

Owing to the high duty levied by Canada, the members of our Association are unable to sell Maple, Beech or Birch flooring in Canada in competition with the Canadian manufacturer. On the other hand, the Canadian manufacturer is free to ship his flooring into the United States in active and aggressive competition with our manufacturers, and has the further advantage of a "draw back" on flooring shipped into the United States manufactured from rough lumber im-

ported into Canada from the United States. This enables Canadian manufacturers to undersell us in our home markets in New England and the East.

We respectfully submit that this situation is unjust to the flooring manufacturers in the United States, who, by reason of this Canadian [fol. 3507] tariff, are unable to compete with the manufacturers in Canada and are shut out of the Canadian market.

In view of the premises the members of the Maple Flooring Manufacturers Association earnestly protest against the continuance of this state of things. If, upon request, the Canadian Government refuses to admit our flooring into that country free of the duty which it levies against our product, then we respectfully request and urge you to impose a like tax of twenty-five per cent ad valorem upon all Canadian Maple, Beech and Birch Flooring coming into the United States. We understand that Congress has invested you with full authority to exercise this power and thus protect our manufacturers against unjust and unreasonable discrimination on the part of the Canadian Government.

Competition in the United States with Canadian Flooring is such that the interests of the manufacturers of Maple, Beech and Birch flooring in the United States are seriously injured, and, therefore, the members of the Association respectfully ask you to give this matter your earliest possible attention, so that the rights and interests of American manufacturers may be promptly and justly protected.

Respectfully submitted, Maple Flooring Manufacturers Association, by B. P. Whedon, President. Geo. W. Keehn, Secretary.

* * * * * * *

[fol. 3508] February Statistics.—The Secretary reported that our February statistics showing basic conditions in the industry had been mailed on March 20th to the Department of Commerce, Bureau of the Census, Washington, D. C., to the Federal Reserve Bank, Chicago, and to the Lumber Trade Papers. Copies of the February reports were then distributed at the meeting among the members present.

Cost Surveys.—The Chairman then asked the members of the Committee on Cost Surveys if they had any information regarding current market costs of rough Maple flooring stock as established by recent sales on the open market, and it was the consensus of opinion of the members of the Committee that the Average Costs at the present time, on the open market, of the different grades of rough Maple flooring lumber delivered F. O. B. cars at flooring mills, are as follows:

No. 1 Common	$64.00
No. 2 Common	44.00
No. 3 Common A	32.00
No. 3 Common	24.00

* * * * * * *

(Here follows Government's Exhibit No. 65, marked side folio page 3509)

ALLOTMENT STATEMENT FOR OCTOBER 1916.

#	SHIPMENTS				ALLOTMENTS		OVER-SHIPPED	UNDER-SHIPPED	DEBIT	CREDIT	HELD UNDER 75% CLAUSE	#
	MAPLE	BEECH	BIRCH	TOTAL	%	FEET						
1	761,767	55,856	19,885	837,506	8.60	1,029,698		192,192		$ 576.58		1
2	904,520	21,442		925,962	7.10	850,099	75,863		$ 227.59			2
3	519,166	161,485	13,880	694,531	6.90	826,153		131,622		394.87		3
4	1,055,606	2,000	49,275	1,106,883	7.95	951,872	155,011		465.03			4
5	918,227	77,342	25,465	1,021,234	7.85	939,898	81,336		244.01			5
6	559,557	442		559,979	4.30	514,849	25,130		75.39			6
9	349,555			349,555	4.25	508,862		159,307		477.92	96.27	9
12	266,667		21,344	288,011	3.35	401,103		113,092		339.28	38.45	12
14	370,107	660		370,767	2.60	311,504	59,483		178.45			14
15	42,808		29,394	72,202	1.05	125,719		53,517		160.55	66.26	15
22	107,209		23,958	131,167	1.10	131,705		538		1.61		22
24	375,422	3,632	50	379,104	4.25	508,862		129,758		389.27	7.62	24
26	211,290			211,290	3.50	419,063		207,773		623.32	309.09	26
29	515,252			515,252	3.00	359,197	156,055		468.16			29
30	239,820	199,126	17,356	456,302	3.30	395,117	61,185		183.56			30
33	613,979			613,979	5.70	682,474		68,495		205.49	✓	33
34	270,151		38,695	309,026	2.45	293,344	15,682		47.05			34
37	413,567			413,567	3.50	419,063		5,696		17.09		37
38	520,405		37,029	557,432	3.95	472,942	84,490		253.47			38
42	480,639		4,021	484,660	3.95	472,942	11,718		35.15			42
43	116,583			116,583	1.50	179,598		61,215		183.64	46.94	43
44	808,790	159,731	76,871	1,045,392	5.30	634,581	410,811		1,232.43			44
46	94,790		46,010	140,800	1.65	197,556		56,756		170.27	22.10	46
48	590,188		235	590,423	2.90	347,224	43,199		129.60			48
	10,857,425	682,136	403,666	11,973,227	100%	11,973,227	1,179,963	1,179,963	3,539.89	3,539.89	588.66	

3509

SUBJECT TO AUDIT

November 15, 1916.

$ 705.49
ck 7011.80

11/16/16 ENTERED

GOV. EXHIBIT 65

[fol. 3510] GOVERNMENT'S EXHIBIT No. 65-A
[Omitted in printing]

[fol. 3511] GOVERNMENT'S EXHIBIT No. 65-B
[Omitted in printing]

[fol. 3512] GOVERNMENT'S EXHIBIT No. 65-C
[Omitted in printing]

[fol. 3513] GOVERNMENT'S EXHIBIT No. 65-D
[Omitted in printing]

[fol. 3514] GOVERNMENT'S EXHIBIT No. 65-E
[Omitted in printing]

[fol. 3515] GOVERNMENT'S EXHIBIT No. 65-F
[Omitted in printing]

[fol. 3516] GOVERNMENT'S EXHIBIT No. 65-G
[Omitted in printing]

[fol. 3517] GOVERNMENT'S EXHIBIT No. 65-H
[Omitted in printing]

[fol. 3518] GOVERNMENT'S EXHIBIT No. 65-I
[Omitted in printing]

[fol. 3519] GOVERNMENT'S EXHIBIT No. 65-J
[Omitted in printing]

[fol. 3520] GOVERNMENT'S EXHIBIT No. 65-K
[Omitted in printing]

[fol. 3521] GOVERNMENT'S EXHIBIT No. 65-L
[Omitted in printing]

[fol. 3522] GOVERNMENT'S EXHIBIT No. 65-M
[Omitted in printing]

[fol. 3523] GOVERNMENT'S EXHIBIT No. 65-N
[Omitted in printing]

[fol. 3524] GOVERNMENT'S EXHIBIT No. 65-O
[Omitted in printing]

[fol. 3525] GOVERNMENT'S EXHIBIT No. 65-P
[Omitted in printing]

[fol. 3526] GOVERNMENT'S EXHIBIT No. 65-Q
[Omitted in printing]

[fol. 3527] GOVERNMENT'S EXHIBIT No. 65-R
[Omitted in printing]

[fol. 3528] GOVERNMENT'S EXHIBIT No. 65-S
[Omitted in printing]

[fol. 3529] GOVERNMENT'S EXHIBIT No. 65-T
[Omitted in printing]

[fol. 3530] GOVERNMENT'S EXHIBIT No. 65-U
[Omitted in printing]

[fol. 3531] GOVERNMENT'S EXHIBIT No. 65-V
[Omitted in printing]

[fol. 3532] GOVERNMENT'S EXHIBIT No. 65-W
[Omitted in printing]

[fol. 3533] GOVERNMENT'S EXHIBIT No. 65-X
[Omitted in printing]

[fol. 3534] GOVERNMENT'S EXHIBIT No. 65-Y
[Omitted in printing]

[fol. 3535] GOVERNMENT'S EXHIBIT No. 65-Z
[Omitted in printing]

[fol. 3536] GOVERNMENT'S EXHIBIT No. 65-AA
[Omitted in printing]

[fol. 3537] GOVERNMENT'S EXHIBIT No. 65-BB
[Omitted in printing]

ALLOTMENT STATEMENT FOR MARCH 1920

NO.	SHIPMENTS				ALLOTMENTS			OVER-SHIPPED	UNDER-SHIPPED	DEBIT	CREDIT	HELD UNDER 75% CLAUSE	NO.
	MAPLE	BEECH	BIRCH	TOTAL	RATIOS-M FT.	% MAR.	FEET						
2	774,530	45,740		820,270	8,802	6.97	794,183	26,087		$78.26			2
3	358,532	95,612		454,144	8,020	6.35	723,538		269,394		$808.18	$265.53	3
4	395,270	88,800	36,635	520,705	9,115	7.22	822,668		301,963		905.89	288.89	4
5	579,055	154,711	654	734,420	9,952	7.88	897,871		163,451		490.35		5
7	705,796		68,197	773,993	6,786	5.37	611,874	162,119		486.36			7
14	87,954			87,954	2,451	1.94	221,049		133,095		399.29	233.50	14
22	71,178		7,390	78,568	644	.51	58,111	20,457		61.37			22
24	534,667			534,667	5,744	4.55	518,440	16,227		48.68			24
26	491,637			491,637	3,911	3.10	353,223	138,414		415.24			26
29	360,997			360,997	2,999	2.38	271,184	89,813		269.44			29
30	328,831	72,544	3,789	405,164	4,312	3.42	389,685	15,479		46.44			30
33	796,558			796,558	6,559	5.20	592,503	204,055		612.16			33
34	282,161		32,030	314,191	2,517	1.99	226,746	87,445		262.33			34
37	467,004			467,004	3,713	2.94	334,992	132,012		396.04			37
42	325,714			325,714	4,387	3.47	395,382		69,668		209.00		42
44	467,156			467,156	7,290	5.77	657,451		190,295		570.89	77.80	44
45	283,604		500	284,104	4.319	3.42	389,685		105,581		316.74	24.48	45
46	77,066		20,576	97,642	1,325	1.05	119,640		21,998		65.99		46
*47	2,429,426			2,429,426	23,574	18.67	2,127,316	302,110		906.33			47
48	208,144			208,144	2,843	2.25	256,371		48,227		144.68		48
49	569,079			569,079	5,726	4.54	517,301	51,778		155.33			49
50	122,858		49,900	172,758	1,269	1.01	115,082	57,676		173.03			50
(22)	10,717,217	457,407	219,671	11,394,295	126,258	100.%	11,394,295	1,303,672	1,303,672	3911.01	3,911.01	890.20	

* No. 47	Shipments	Allotments			Over	Under
Reed City and Big Rapids	708,606	8,505	6.74	767,976		59,370
Newberry	1,720,820	15,069	11.93	1,359,340	361,480	
	2,429,426	23,574	18.67	2,127,316	302,110	

EX. 68-3K.

3548 SUBJECT TO AUDIT

April 17, 1920.

[fol. 3538] GOVERNMENT'S EXHIBIT No. 65-CCC

[Omitted in printing]

[fol. 3539] GOVERNMENT'S EXHIBIT No. 65-DDD

[Omitted in printing]

[fol. 3540] GOVERNMENT'S EXHIBIT No. 65-EEE

[Omitted in printing]

[fol. 3541] GOVERNMENT'S EXHIBIT No. 65-FFF

[Omitted in printing]

[fol. 3542] GOVERNMENT'S EXHIBIT No. 65-GGG

[Omitted in printing]

[fol. 3543] GOVERNMENT'S EXHIBIT No. 65-HHH

[Omitted in printing]

[fol. 3544] GOVERNMENT'S EXHIBIT No. 65-III

[Omitted in printing]

[fol. 3545] GOVERNMENT'S EXHIBIT No. 65-JJJ

[Omitted in printing]

(Here follows GOVERNMENT'S EXHIBIT No. 65-KKK, marked side folio page 3546)

[fol. 3547] GOVERNMENT'S EXHIBIT No. 65-LLL

[Omitted in printing]

[fol. 3548]

GOVERNMENT'S EXHIBIT No. 66

Maple Flooring Manufacturers Association, 1045 Stock Exchange Bldg., Chicago

Condensed Financial Statement, July-December, 1922

Summary of Balances

Membership Fee Fund—Amount Paid in			$17,155.35
Interest on Bonds collected since July 1st			321.35
			17,476.70
In Liberty Loan Bonds		$16,000.00	
On deposit with Central Trust Company, Chicago		1,476.70	
		17,476.70	
Advertising Fund Balance			70.75
Expense Fund Balance			10,593.94
Demand Loan (G. W. K. for use of Assn.)			5,500.00
			16,164.69
Accounts Receivable:			
Advertising Fund	$6,665.22		
Expense Fund	6,807.71		
		13,472.93	
Balance in Central Trust Company Bank		2,691.76	
		16,164.69	
		33,641.39	33,641.39

No.	Member	Number of matchers	Paid in	Unpaid
2	Young	8	$1,600.00	
3	Mitchell Bros. Co.	6	1,200.00	
4	Wis. L. & L. Co.	7	1,400.00	
5	C. & M. Inc.	8	1,600.00	
7	Stephenson	7	955.35	444.65
14	Cummer-Diggins	2	400.00	
22	Osgood & Blodgett	1	200.00	
23	Holt Hardwood Co.	3	.....	600.00
24	Kerry & Hanson	4	800.00	
26	East Jordan	3	600.00	
30	Nichols & Cox	3	600.00	
33	Strable L. & S. Co.	4	800.00	
34	Foster-Latimer	3	600.00	
37	West Michigan	4	800.00	
42	J. W. Wells Lbr. Co.	3	600.00	
44	Cooperage	5	1,000.00	
45	Fllanner-Steger	3	.....	
47	Grand Rapids Trust Co., Receiver for Wm. Horner	11	2,200.00	600.00
48	North Branch	2	400.00	
49	Kneeland-Bigelow	4	800.00	
50	Kneeland-McLurg	1	200.00	
51	Oval Wood Dish Corp.	2	400.00	
		94	17,155.35	1,644.65

Condensed Financial Statement, July-December, 1922—*Continued*

Invested in U. S. Liberty Loan Bonds:		
First 3½s	$5,000.00	
First Conv. 4¼s	3,000.00	
Second Conv. 4¼s	2,000.00	
Third Loan 4¼s	6,000.00	
	16,000.00	
Balance deposited wth Central Trust Company, Chicago	1,155.35	
	17,155.35	
Interest on Bonds—collected since July 1	321.35	
Total—January 1, 1923	17,476.70	

Semi-Annual Report, January 19, 1923.

[fol. 3550] Advertising Fund Account, July-December, 1922

Receipts

Balance per Semi-annual Statement July 15, 1922	$10,367.93	
Less account receivable included but not yet paid	261.66	
Actual Balance as at July 1, 1922		10,106.27

Assessments—Third quarter 1922 collected		10,152.75	
" Fourth " " "		4,584.88	
Trademark License Fees collected		850.00	
Booklets sold to members		292.50	
			15,880.13
			25,986.40

Disbursements

Paid Wm. H. Rankin Company on 1922 Contracts:			
For advertsing space in publications	17,332.94		
" Art and Mechanical work	3,781.61		
" Booklets and other printed matter	8,413.43		
		29,527.98	
Paid for distribution of booklets:			
Postage	521.62		
Mailing Costs	369.94		
		891.56	
M. H. Robertson—Field Representative Work		1,478.32	
Postage and Express, sending out flooring literature	117.01		
Stenographic services	550.00		
Sundry other expenses	16.00		
		683.01	
			32,580.87
Cash balance overdrawn as at January 1, 1923			6,594.47

Condensed Financial Statement, July-December, 1922—*Continued*

Accounts Receivable

Unpaid assessment for second quarter 1922	261.66	
" " " third " "	506.07	
" assessments " fourth " "	5,647.49	
" Trademark License Fees 1922	250.00	
		6,665.22
Balance belonging to Advertising Fund		70.75

Semi-annual Report, January 19, 1923.

[fol. 3551] Expense Fund Account, July-December, 1922

Receipts

Balance per Semi-annual statement July 15, 1922	$4,943.51	
Less account receivable included but not yet paid	654.15	
Actual balance as at July 1, 1922		4,289.36
Assessments—Third quarter 1922 collected	10,152.75	
" Fourth " " "	4,584.88	
		14,737.63
Reinspections to January 1, 1923 collected for	311.72	
Less amount advanced by us	296.72	
		15.00
		19,041.99

Disbursements			
Expenses of Meetings	3,289.33		
General Expenses	11,581.68		
		14,871.01	
Interest paid on loans and exchange paid on checks	390.23		
Less interest received on Bank Account		384.75	
			15,255.76
Cash Balance as at January 1, 1923			3,786.23
Accounts Receivable			
Unpaid Assessment for Second quarter 1922		654.15	
" " " Third " "		506.07	
" Assessments " Fourth " "		5,647.49	
			6,807.71
Balance belonging to Expense Fund			10,593.94
Classification of General Expenses, July-December, 1922			
Members' Travelling Expenses attending meetings since July 1		2,848.19	
Other expenses of meetings		441.14	
			3,289.33
Stationery and Supplies		125.98	
Printing		13.23	
Postage		115.00	
			254.21

Condensed Financial Statement, July-December, 1922—*Continued*

Rate Book Expense	1,424.02	
Less Sales of Rate Book Binders	33.38	
		1 390.64
Rent, Light, Etc.		827.32
Telephone and Telegrams		155.15
Grading—Inspection at Association Mills—M. H. Robertson and E. C. Singler		101.46
Stenographic Expense		425.00
Paid Newman, Poppenhusen, Stern & Johnston for Legal service in 1922		500.00
Sundry Small Expenses		127.90
E. C. Singler's salary		1,800.00
Secretary's salary		6,000.00
		14,871.01

Semi-annual Report, January 19, 1923.

[fol. 3552] GOVERNMENT'S EXHIBIT No. 67

[Omitted in printing]

(Here follows Government's Exhibit No. 68, marked side folio pages 3553-3708, inclusive.)

MICHIGAN

MAPLE FLOORING PRODUCTION

YEARS	ASSOCIATION PRODUCTION (1)	OTHER PRODUCTION (2)	TOTAL PRODUCTION	PERCENTAGE PRODUCED BY ASSOCIATION
1918	58.810.000 feet	1.868.202 feet	60.678.000 feet	96
1919	94.097.000 "	5.883.626 "	99.981.000 "	94
1920	105.012.000 "	8.530.872 "	113.543.000 "	92
1921	82.139.000 "	6.768.293 "	88.908.000 "	92
1922	113.482.000 "	10.169.322 "	123.651.000 "	92
TOTALS	451.540.000 "	33.220.315 "	486.761.000 "	93

(1) Production figures taken from Association Annual Barometer Reports reduced 10% for Beech and Birch Flooring Manufactured.

(2) Production figures obtained from inquiry sent out by Department of Justice to Non-Association Manufacturers in State of Michigan, and testimony of such Manufacturers in United States Court for the Western District of Michigan.

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GOV. EXHIBIT 68

WISCONSIN

MAPLE FLOORING PRODUCTION

YEARS	ASSOCIATION PRODUCTION (1)	OTHER PRODUCTION (2)	TOTAL PRODUCTION	PERCENTAGE PRODUCED BY ASSOCIATION
1918	3.507.000 feet	3.831.550 feet	7.339.000 feet	47
1919	17.926.000 "	7.504.067 "	25.430.000 "	70
1920	7.599.000 "	10.460.229 "	18.059.000 "	42
1921	6.764.000 "	11.786.038 "	18.550.000 "	31
1922	14.956.000 "	15.427.078 "	30.383.000 "	49
TOTALS	50.752.000 "	49.008.962 "	99.761.000 "	50.8

(1) Production figures taken from Association Annual Barometer Reports reduced 10% for Beech and Birch Flooring manufactured.

(2) Production figures obtained from inquiry sent out by Department of Justice to Non-Association manufacturers in State of Wisconsin, and testimony of such Manufacturers in United States Court for the Western District of Michigan.

MICHIGAN AND WISCONSIN

MAPLE FLOORING PRODUCTION

YEARS	ASSOCIATION PRODUCTION (1)	OTHER PRODUCTION (2)	TOTAL PRODUCTION	PERCENTAGE PRODUCED BY ASSOCIATION
1918	62.317.000 Feet	5.700.000 Feet	68.017.000 Feet	91.6
1919	112.023.000 "	13.388.000 "	125.411.000 "	89.3
1920	112.611.000 "	18.991.000 "	131.602.000 "	85.6
1921	88.903.000 "	18.554.000 "	107.457.000 "	82.7
1922	128.438.000 "	25.596.000 "	155.034.000 "	82.8
TOTALS	504.292.000 "	83.229.000 "	587.521.000 "	85.8

(1) Production figures taken from Association Annual Barometer Reports reduced 10% for Beech and Birch Flooring manufactured.

(2) Production figures taken from replies received to inquiry sent out by the Department of Justice to Non-Association Manufacturers in the States of Michigan and Wisconsin, and from testimony of such manufacturers in the United States Court for the Western District of Michigan.

3555

MAPLE- BEECH AND BIRCH FLOORING PRODUCTION

UNITED STATES

YEARS	ASSOCIATION PRODUCTION (1)	OTHER PRODUCTION (2)	TOTAL PRODUCTION	PERCENTAGE PRODUCED BY ASSOCIATION
1918	71.453.000 Feet	19.982.000 Feet	91.435.000 Feet	78.1
1919	128.276.000 "	34.171.000 "	162.447.000 "	78.9
1920	131.894.000 "	43.376.000 "	175.270.000 "	75.2
1921	101.861.000 "	41.582.000 "	143.443.000 "	71
1922	148.313.000 "	62.506.000 "	210.819.000 "	70
TOTALS	581.797.000 "	201.617.000 "	783.414.000 "	74.2

(1) Production figures taken from Association Annual Barometer Reports.

(2) Production figures taken from replies to inquiry sent out by Department of Justice to Non-Association Manufacturers as appearing on lists of such manufacturers, introduced in the Deposition of Edward Gordon, and from testimony of such Manufacturers in the States of Michigan and Wisconsin, as adduced in the United States Court for the Western District of Michigan.

MANUFACTURER	LOCATION	1918	1919	1920	1921	1922
Brown Lumber Company (1)	Manistique			910.000	800.000	1.200.000
Dwight Lumber Company	Detroit	250.000	400.000	175.000	173.000	411.405
Foreman, Thomas Company	Detroit	900.000	50.000	2.000.000	1.700.000	1.200.000
Kerry & Wey Lbr. & Mfg. Co(1)	Saginaw			925.335	1.557.126	2.483.641
Ward Brothers	Big Rapids		4.184.085	4.520.537	2.538.167	4.874.276
Bliss & Van Auken (2)	Saginaw					
Consolidated Fuel & Lbr Co(2)	Negaunee					
Dennis, A.L. Salt & Lbr Co (1)	Grand Rapids	718.202	1.249.541			
Eastman, S.L. Flooring Co. (2)	East Saginaw					
Grand Rapids Lbr. Co. (2)	Grand Rapids					
Lobdell-Emery Mfg. Co. (2)	Onoway					
Stephens, Henry & Co. (3)	Waters					
Williams, W. E. Co. (3)	Traverse City					
Totals		1.868.202	5.883.626	8.530.872	6.768.293	10.169.322

(1) No production during years left blank
(2) Do not manufacture flooring.
(3) Out of Business. No records avaiable.

WISCONSIN

MANUFACTURER	LOCATION	1918	1919	1920	1921	1922
Beck, August C. Company	Milwaukee	1.116.250	3.689.000	2.873.000	3.358.000	2.950.000
Connor, R. Company (1)	Marshfield			3.479.000	4.657.000	4.412.000
Krouskop, A. E. (2)	Richland Center		403.371	305.229	187.438	207.578
Sawyer-Goodman Company	Marinette	331.000	421.000	604.000	458.000	1.685.000
Schroeder, John Lbr. Co. (1)	Milwaukee					305.000
Segelke & Kohlhaas Co.	La Crosse	84.300	67.500	101.000	82.600	27.500
Cream City Sash & Door Co (3)	Milwaukee					
Curtis & Yale Company (3)	Wausau					
Morgan Company (3)	Oshkosh					
Mason & Donaldson Lbr. Co.(2)	Rhinelander	2.000.000	2.000.000			
Goodman Lumber Co.	Goodman	300.000	300.000	300.000	300.000	300.000
Robbins Flooring Co. (2)	Rhinelander		623.216	2.798.000	2.749.000	5.540.000
TOTALS		3.831.550	7.504.087	10.460.229	11.786.038	15.427.078

(1) Production shown in Association Barometer Reports for years no production is shown in this table.

(2) No production during years left blank.

(3) Do not manufacture flooring.

MANUFACTURER		LOCATION	1918	1919	1920	1921	1922
Athens Wood Milling Co.	(1)	Athens					
Blount Lumber Co.		Lacona	2.400.000	2.400.000	2.400.000	3.000.000	3.000.000
Croghan Flooring & Mfg. Co.	(2)	Croghan					1.271.325
Dohn, Fischer & Co. Inc.	(3)	Buffalo					
Elias, G. & Brother Inc.			1.000.000	1.000.000	1.000.000	1.000.000	1.000.000
Empire Floor & Lbr. Co.	(3)	Buffalo					
Emporium Lumber Co.	(3)	Utica					
Huntington & Finke Co.	(3)	Buffalo					
Meyers Lumber Co.	(4)	North Tonawanda					
Montgomery Brothers & Co.	(2)	Buffalo		1.400.000	1.200.000	1.000.000	1.500.000
Morse, Wm. B. & Sons		Rochester	100.000	100.000	100.000	100.000	100.000
Mosier & Summers Inc.	(3)	Buffalo					
Palmer, W. G. Inc.		North Tonawanda	100.000	100.000	100.000	100.000	100.000
Slaymaker, S. E. & Co.	(3)	New York					
Northern Lumber Co.	(3)	North Tonawanda					
Sterner, E. J. Co. Inc.	(3)	New York					
Phillips, C. R. & Co.	(4)	North Tonawanda					
TOTALS			3.600.000	5.000.000	4.800.000	5.200.000	6.971.325

(1) Out of Business. (2) No production for years left blank. (3) Do not manufacture flooring. (4) No reply received.

3578=3602

PENNSYLVANIA

MANUFACTURER		LOCATION	1918	1919	1920	1921	1922
Hamiel, Clark & Son	(1)	Corry			73.099	344.096	234.151
Cottage Planing Mill Co	(2)	Everett					
Coudersport Mangle Roller Manufacturing Company	(1)	Coudersport	3.000	3.000	3.000		
Babcock Lumber Co.	(3)	Pittsburgh	2.900.000	2.900.000	2.900.000	2.900.000	2.900.000
Bruckman Lumber Co.	(2)	Pittsburgh					
Bruner, Owen M.	(2)	Philadelphia					
Grffith, Webster	(2)	Ebensburgh					
Nicola Lumber Co.	(2)	Pittsburgh					
Serfas Lumber Co.	(2)	Easton					
West Virginia Lbr. Co.	(2)	Pittsburgh					
TOTALS			2.903.000	2.903.000	2.976.099	3.244.096	3.134.151

(1) No production for years left blank.
(2) Do not manufacture Maple, Beech or Birch flooring.
(3) Production averaged.

TENNESSEE

MANUFACTURER		LOCATION	1918	1919	1920	1921	1922
American Hardwood Flooring Co	(1)	Glen Mary					
Babcock Lbr. & Land Co.	(1)	Maryeville		339.213	291.273	1.513	214.765
Bruce, E. L. & Co.	(1)	Memphis			126.000	548.000	515.000
Doe River Flooring Co.	(1)	Johnson City					557.586
Farris Hardwood Co.	(1)	Nashville					337.500
Harris Mfg. Co.		Johnson City	217.000	621.000	405.000	392.000	735.000
McMinnville Mfg. Co.	(2)	McMinnesville					
Nashville Hardwood Flooring Co		Nashville	312.000	487.000	1.145.000	466.000	249.000
Boone Fork Mfg. Co.	(3)	Johnson City					
TOTALS			529.000	1,447.213	2,367.273	1,409.513	2,608.851

(1) No production during years left blank.
(2) Practically none manufactured. No record kept of amount.
(3) In Receivership April 1922. Records in such shape it is not possible to ascertain production.

NEW HAMPSHIRE

MANUFACTURER	LOCATION	1918	1919	1920	1921	1922
Acer Lumber Co. (1)	Woodsville				340.000	1.199.000
Boulia-Gorrell Lbr Co	Lake port	300.000	210.000	399.000	399.000	399.000
Parker-Young Co.	Lisbon	556.546	598.781	717.382	183.912	51.251
Pierce, W. E. & Co. (2)	Milford					
Studley Box & Lbr Co. (3)	Rochester					
TOTALS		856.546	808.781	1.116.382	922.912	1.649.251

(1) No production during years left blank.
(2) Out of business. No records avaiable.
(3) Do not manufacture flooring.

VERMONT

MANUFACTURER		LOCATION	1918	1919	1920	1921	1922
Burt, C. E. & F. O.	(1)	Stowe					
Duxbury Lumber Co.	(2)	Burlington					
Morse, Geo. A. & Co.	(3)	Morrisville		1.405.000	1.114.000	731.000	1.102.000
Parker & Stearns		Johnson	977.804	1.159.011	1.232.916	1.065.755	1.234.192
Prouty & Miller		Newport	200.000	200.000	200.000	200.000	200.000
Thomas, J. A. & Sons	(3)	Belvidere Center		173.818	18.765	13.582	
Valley Lumber Co.			425.000	460.000	360.000	540.000	715.000
Shepard & Morse Lbr. Co.	(3)	Burlington		413.000	388.000	309.000	437.000
Morse, L. S.	(4)	Jeffersonville					
Billings Lumber Co.	(4)	Belvidere Center					
TOTALS			1.602.804	3.810.829	3.313.681	2.859.337	3.688.192

(1) No records. Amount manufactured very small.
(2) No records. Not operating.
(3) No production for the years left blank.
(4) No reply received to inquiry sent that Company by the Department of Justice.

WEST VIRGINIA

MANUFACTURER		LOCATION	1918	1919	1920	1921	1922
Babcock Coal & Coke Co.		Landisburg	53.000	53.000	53.000	53.000	53.000
Babcock Lbr. & Boom Co.		Davis	3.433.670	3.985.513	1.615.447	461.676	2.706.124
Guyan Lumber Co.	(1)	Herndon					
Keystone Mfg. Co.	(1)	Elkins				200.000	1.300.000
Meadow River Lbr. Co.	(1)	Rainelle			100.017	221.023	1.243.067
Westwood Mfg. Co.	(1)	Weston				417.089	776.221
West Virginia Pulp & Paper Co	(1) (2)	Cass			846.290	355.827	
TOTALS			3.486.670	4.038.513	2.614.754	1. 708.615	6.078.412

(1) No production for the years left blank.
(2) No production for the years left blank. Not on lists submitted by Association in Deposition of Edward Gordon.

3652-3661

ILLINOIS

MANUFACTURER	LOCATION	1918	1919	1920	1921	1922
Hettler, Herman H. Lbr. Co	Chicago	1.667.819	2.842.713	1.676.337	1.706.540	2.324.165
Wilce Flooring Company (1)	Chicago					1.723.000
Acme Lbr. & Shingle Co. (2)	Chicago					
TOTALS		1.667.819	2.842.713	1.676.337	1.706.540	4.047.165

(1) Production shown in Association Annual Barometer Reports for 1918 to 1921 inclusive.
(2) Do not manufacture flooring.

NORTH CAROLINA

MANUFACTURER		LOCATION	1918	1919	1920	1921	1922
Carr Lumber Co.	(1)	Pisgah Forest					50.154
Norwood Lumber Co.	(1)	Forney			50.000	125.000	150.000
Hutton & Bouronnais Co	(2)	Hickory	50.000	50.000	50.000	50.000	50.000
TOTALS			50.000	50.000	100.000	175.000	250.154

(1) No production during the years left blank.
(2) Production estimated.

3668=3672

MINNESOTA

MANUFACTURER		LOCATION	1918	1919	1920	1921	1922
Brooks Brothers	(1)	Minnesota Transfer	325.000	325.000	325.000	260.000	390.000
Tennant, G. H. Co.	(2)	Minneapolis				1.315.000	1.900.000
Villaume Box & Lbr Co.		St. Paul	775.000	600.000	965.000	605.000	1.075.000
Gribbon Lbr. Co.	(3)	St. Paul					
TOTALS			1.100.000	925.000	1.290.000	2.180.000	3.365.000

(1) Production averaged for 1918, 1919 and 1920.
(2) Production for 1918, 1919 and 1920 shown in the Association Annual Barometer Reports.
(3) Have not manufactured flooring during these five years.

3673-3678

MASSACHUSETTS

MANUFACTURER	LOCATION	1918	1919	1920	1921	1922
Putnam, Calvin Lumber Co.	Danvers	185,000	185,000	185,000	185,000	185,000
Shepard & Morse Lumber Co. (1)	Boston					
Stearns, A. T. Lumber Co. (2)	Boston				72,300	91,500
TOTALS		185,000	185,000	185,000	257,300	276,500

(1) Do not manufacture flooring.

(2) No record for 1918 to 1920 inclusive.

OHIO.

Manufacturer	Location	1918	1919	1920	1921	1922
Farrin,M.B.Co. /	Cincinnati	None	None	601,421	1,399,134	240,016
Holan,James Mfg. Co.	Cleveland	"	"	520,000	620,000	620,000
Ritter,W.M., Lbr.Co.	Columbus	No record	No record	2,072,000	973,000	2,063,000
Mansfield Lbr. Co.	Mansfield	Do not manufacture flooring.				
	Totals			3,193,421	2,992,134	2,923,016

DELAWARE.

Manufacturer	Location	1918	1919	1920	1921	1922
Basic Mfg. Co.	Washington	No records available. In Receivership; not operating.				

IOWA.

Manufacturer	Location	1918	1919	1920	1921	1922
Carr, Ryder & Adams Co.	Dubuque	Do not manufacture flooring.				
Gordon Vantine Co.	Davenport	"	"	"	"	

MISSOURI.

Manufacturer	Location	1918	1919	1920	1921	1922
Morten Lbr. Co.	St.Louis	Do not manufacture maple, beech or birch flooring.				
Stirling Box & Lbr. Co.	"	"	"	"	"	"

3695-3700

KENTUCKY.

Manufacturer	Location	1918	1919	1920	1921	1922
Campbellsville Lumber Co.	Campbellsville	200,000	200,000	200,000	200,000	200,000

3701 = 3702

MAINE.

Manufacturers	Location	1918	1919	1920	1921	1922
Brown Co.	Portland	Do not manufacture maple, beech or birch flooring				

3703-3705

ARKANSAS

Manufacturer	Location	1918	1919	1920	1921	1922	
Bradley Lbr. Co.	Warren	None	None	247,500	112.854	336.809	
Totals		None	None	247.500	112.854	336.809	

3706=3708

[fol. 3709] GOVERNMENT'S EXHIBIT No. 69

Survey of Costs for Quarter Ended September 30, 1917 and M. P. P Basis of October 22, 1917 Applied to Test Run of July, 1917

Lower Michigan Maple Lumber Used (Stock used was edged and trimmed) ..... 205,697′

71% No. 1 Common.
29% " 2 Common.
100%

Flooring Product ..... 163,504′

Waste ..... 42,193′ 20.5%

Analysis of Results

Rough lumber	@ $30.00 & $25.00	@ $33.00 & $28.00
Cost of 1,000′ Lumber	$28.55	$31.55
Lumber cost of 795′ Flooring	28.55	31.55
" " " 1,000′ "	35.91	39.69

Survey of Costs for Quarter Ended September 30, 1917—*Continued*

Average Manufacturing and Marketing Costs:

Quarter ended 9-30-17	$15.80	....	....
Less Wood, etc.	1.66	....	....
		14.14	14.14
Cost of 1,000′ Flooring Sold		50.05	53.83
Add one-ninth for 10% profit on sales		5.56	5.98
Selling Value of Flooring Product		55.61	59.81
M. P. P. Basis of 10-22-17		44.79	44.79
Loss on basis of 10% profit on sales		10.82	15.02

Flooring Product (All 13/16″)

Clear	1½″ Face	6.1%	$47.00	2.87	
	2″ "	7.9	46.00	3.63	
	2¼″ "	45.4	48.00	21.79	
	3¼″ "	3.7	44.00	1.63	
		63.1			29.92
No. 1	1½″ Face	1.6%	37.00	.59	
	2″ "	3.0	43.00	1.29	
	2¼″ "	16.9	45.00	7.61	
	3¼″ "	2.6	43.00	1.12	
		24.1			10.61

Factory	1½"	Face	.8%	23.00	.18	
	2"	"	1.2	32.00	.38	
	2¼"	"	9.1	34.00	3.09	
	3¼"	"	1.7	36.00	.61	
			12.8			4.26
			100.%			44.79

Faces	1½"	2"	2¼"	3¼"	Total
	8.5%	12.1%	71.4%	8.%	100%

M. C. C. 11-22-17.

[fol. 3710] GOVERNMENT'S EXHIBIT No. 70

Concessions and Additions, Table of Values January 6, 1921

Basis on 13/16" x 1½", 2", 2¼" and 3¼" Faces D. & M.

13/16"	Maple concession	Beech concession	Birch concession
Clear	$5.00	$15.00	Full list
No. 1	5.00	15.00	$5.00
Factory	5.00	15.00	5.00

Basis on Maple, Beech and Birch 1-1/16", 1-5/16" and 1-11/16", from Rate Book Full List Values of 13/16" Maple D. & M.

M. B. & B. thick	1 1/16" full list	1 5/16" addition	1 11/16" addition
Clear	Full List	$2.00	$3.00
No. 1	Full List	2.00	3.00
Factory	Full List	2.00	3.00

Basis on 2½" face D. & M., same as on 2¼" face D. & M. of same grade, thickness and wood.

Basis on 3" face and 4" face D. & M., same as on 3¼" face D. & M. of same grade, thickness and wood.

Basis on Maple, Beech and Birch Jointed Flooring from Rate Full List Values of 13/16" Maple D. & M.

M. B. & B. jointed	13/16" concession	1 1/16" addition	1 5/16" addition	1 11/16" addition
Clear	$2.00	$3.00	$5.00	$6.00
No. 1	2.00	3.00	5.00	6.00
Factory	2.00	3.00	5.00	6.00

Commissions

A Commission not exceeding $2.00 may be allowed to your own Registered Special Representative, or a Commission not exceeding $1.50 may be allowed to Registered Wholesalers and Commission Men.

Your Registered Special Representative may allow the Wholesaler's Commission of $1.50 when selling Registered Wholesalers and Commission Men, but the Commission to be paid to your Registered Special Representative on his sales to Registered Wholesalers and Commission Men to whom he allows the $1.50 Wholesaler's Commission shall not exceed $1.00. In no event shall the total Commissions allowed exceed $2.50.

Terms of Sale

Sixty days net or 2% discount for cash in 15 days, or 1% discount for cash in 30 days from date of invoice after deducting freight. War tax to be paid by consignee.

If the car has not arrived, the discount may be deducted on 90% of the invoice less estimated freight, for cash within proper discount period, the balance with original paid freight bill to be remitted net within 5 days after arrival of car. No cash discount will be allowed after 30 days from date of shipment.

[fol. 3711] Pending the printing of the New Table of Values Based Upon Average Cost dated January 6, 1921, the Minimum Price Basis effective during the first quarter of 1921, is represented by the following Concessions, Additions and Differentials, using the Maple 13/16" D. & M. as the base:

13/16" Table of Values of November 19, 1920

Maple, Clear 1½" face.....Concession $27.00
Maple, all other items of 13/16".....Concession $25.00

Differentials as per Table of Differentials Below

Beech—$10.00 less than Maple.
Birch—Clear $5.00 more than Maple.
Birch—No. 1 and Factory same as Maple.

M. B. & B. Thick D. & M.—

1-1/16"	All	Grades—	$5.00	more	than	Maple	13/16".	
1-5/16"	"	"	7.00	"	"	"	"	
1-11/16"	"	"	8.00	"	"	"	"	

M. B. & B. Jointed—

13/16"	All	Grades—	$3.00	more	than	Maple	13/16"	D&M.
1-1/16"	"	"	8.00	"	"	"	"	"
1 5/16"	"	"	10.00	"	"	"	"	"
1-11/16"	"	"	11.00	"	"	"	"	"

The 2½" face, same as 2¼" face of same grade, thickness and wood.

The 3", 3½" and 4" faces, same as 3¼" face of same grade, thickness and wood.

Differentials on Special Grades 13/16"

White Clear Maple, $20.00 more than Clear Maple.
Red Clear Beech, $20.00 more than Clear Beech.
Red Clear Birch, $20.00 more than Clear Birch.

Differentials on Extra Shorts 13/16"

Clear Maple, Beech or Birch 2" or 2¼" face under 22", $25.00 less than standard lengths of Clear, same wood and face.

Clear Maple, Beech or Birch 1½" face under 22", $35.00 less than standard lengths of Clear, same wood and face.

No. 1 Maple, Beech or Birch 2" or 2¼" face under 16", $20.00 less than standard lengths of No. 1, same wood and face.

No. 1 Maple, Beech or Birch 1½" face under 16", $30.00 less than standard lengths of No. 1, same wood and face.

⅜" Table of Values of November 19, 1920—

Maple or Beech, Clear and No. 1, Concession $25.00.
Birch Clear $5.00 more than Maple or Beech.
Birch No. 1—Same as Maple or Beech.
White Clear Maple—Add $15.00 to Clear Maple.
Red Clear Beech—Add $15.00 to Clear Beech.
Red Clear Birch—Add $15.00 to Clear Birch.

Commissions

A Commission not exceeding $2.00 may be allowed to your own Registered Special Representative, or a Commission not exceeding $1.50 may be allowed to Registered Wholesalers and Commission Men.

Your Registered Special Representative may allow the Wholesaler's Commission of $1.50 when selling Registered Wholesalers and Commission Men, but the Commission to be paid to your Registered Special Representative on his sales to Registered Wholesalers and Commission Men to whom he allows the $1.50 Wholesaler's Commission shall not exceed $1.00.

In no event shall the total Commissions allowed exceed $2.50.

Effective During First Quarter of 1921.
January 6, 1921.

[fols. 3712-3988] GOVERNMENT'S EXHIBIT No. 70½

[Omitted in printing]

[fols. 3989-4263] GOVERNMENT'S EXHIBIT No. 71

[Omitted in printing]

[fols. 4264-4424] GOVERNMENT'S EXHIBIT No. 72

[Omitted in printing]

[fols. 4425-4445] GOVERNMENT'S EXHIBIT No. 73

Maple Flooring Manufacturers' Association, 807 Stock Exchange Bldg., Chicago

Telephone Franklin 3217

September 16th, 1914.

Exchange of Quotations

Two quotations to Badger Lumber Company, Kansas City, Mo., on one carload 2¼" Clear Maple Flooring:
(1) @ $47.25.
(2) @ $46.50, No commission.

[fol. 4446] Maple Flooring Manufacturers' Association, 801 Stock Exchange Bldg., Chicago

Telephone Franklin 3217

May 17th, 1916.

Exchange of Quotations

Quotations to Edwin M. Hill, Pittsburgh, Pa., on 13/16" x 2¼" face Clear and No. 1 Maple Flooring:

No. 3	Clear @	$46.25	net
	No. 1	39.75	"
5	Clear	46.25	"
	No. 1	39.75	"
14	Clear	48.00	"
	No. 1	41.00	"
44	Clear	48.75	"
	No. 1	39.75	"

[fols. 4447-4465] GOVERNMENT'S EXHIBIT No. 74

[Omitted in printing]

[fol. 4466] GOVERNMENT'S EXHIBIT No. 75

December Sixteenth, 1916.

Market Conditions Committee Report, November Statistics

To members.

GENTLEMEN: There is nothing your Committee can say that will tell the story better of the splendid showing in the November reports than is told by the reports themselves.

Stocks on Hand on December 1st are at the lowest point on record, and the New Business Booked, 18,519 M, is the largest amount booked during any one month in the history of the Association. It surpasses by nearly one million feet the previous high mark in May 1912 when 29 members booked 17,624 M of new orders.

The new orders taken in November brought the Unfilled Orders on December 1st up to the handsome total of 29,081 M. This is probably the largest volume of Unfilled Orders on the books of the same number of members at any one time.

There was a marked improvement in stock conditions during the month, and a phenomenal improvement compared with a year ago. The average condition sold of all grades of Maple 2¼" face has never been exceeded. Each grade is oversold to about the same extent, and the average sold of all three grades is practically 300%.

* * * * * * *

[fols. 4467 & 4468] Current Net Values, November compared with October, Group E mills, show gains of $1.13 on Clear, 76 cents on No. 1 and 73 cents on Factory, averaging 94 cents on the product, but as the M. P. P. basis did not take effect until November 1-15, the full average of the advances would not be reflected in the November sales.

Spreads, Survey of Costs, and Test Runs

The data in regard to Spreads has not yet been received from all the members, so the Committee decided to postpone making recommendations regarding Spreads until the Annual Meeting of the Association, as the Committee desires to get an expression from every member before making its recommendations.

Reports from members covering the new Survey of Costs are beginning to come in, and the Committee earnestly urges every member to make this report so that our new Table of Values will have a good foundation to stand upon, and so that it will reflect average conditions in the industry. Your report should cover as much of 1916 as possible, because all costs have been higher this year than during 1915, and we should construct our basis to as great an extent as possible upon present conditions. If your fiscal year ends with the calendar year, we hope you will send your report to the Secretary very early in the month of January, so the work of compiling and tabulating the Survey can be completed before the Annual Meeting.

If you are in a position to make any Test Runs between now and January 10th will you plase do so, and send the results to the Secretary, giving full information in regard to the quantity of each grade of rough lumber used, and the quantities and kinds of flooring produced.

All data regarding Costs and Test Runs will be held strictly confidential by the Secretary, and no information will be given to any one that will disclose the identity of the member who contributes the data.

Respectfully urging your prompt cooperation, so that all details regarding the new Table of Values can be worked out in ample time before the Annual Meeting in January, and wishing you a Merry Christmas and a Happy and Prosperous Nineteen Seventeen, we are

Sincerely yours, Morris E. Thomas, Chairman; Dr. George W. Earle, George W. Wilce, B. P. Whedon, E. J. Gillouly, A. C. Wells, J. D. Staple, of Market Conditions Committee.

[fol. 4469] Maple Flooring Manufacturers Association, Chicago

February 13, 1920.

Minutes of Annual Meeting, February 12, 1920

The annual meeting of the Maple Flooring Manufacturers Association was held on Thursday, February 12, 1920, at the Hotel La Salle, Chicago.

In the absence of Dr. Earle, the President, the meeting was called to order by Mr. Whedon, Vice-President, who outlined the business to come before the meeting.

Sixteen members of the Association were present, namely, Nos. 2, 3, 5, 22, 23, 24, 26, 34, 37, 44, 45, 46, 47, 48, 50 and 33, who was represented by proxy to Mr. Kerry.

Eleven members were absent, namely, Nos. 1, 4, 6, 7, 14, 29, 30, 38, 39, 42 and 49.

* * * * * * *

Market Conditions Committee Report.—Mr. Thomas, Chairman of the Market Conditions Committee, made a verbal report regarding the work of his Committee during the past year, and without going into details, stated briefly that the statistical position of the Association could not be more satisfactory than it is at the present time, the demand being so far in excess of the supply that surplus stocks were unknown, and that only in a very few cases since last Spring did any members of the Association have surplus stocks of any kind.

Advertising Committee Report.—Mr. Whedon, Chairman of the Advertising Committee, reviewed the work of his Committee since the last report was made in August, and stated that since then the new booklet "How to Lay and Finish Maple, Beech and Birch Floors," has been gotten out. The edition consisted of 62,000 copies, of which 35,000 were sent out according to our advertising mailing list, and a copy of the new Grading Rules was enclosed with the booklet; 8,600 of the booklets were divided among the members of the Association, 1,000 copies were sent to the Northern Hemlock & Hardwood Mfrs. Assn., to be used in connection with the distribution of their Birch literature, and 2,400 copies had been mailed from our office in response to requests, leaving 15,000 copies on hand.

* * * * * * *

Grades Committee Report.—Mr. Kerry, Chairman of the Grades Committee, reported that in accordance with the action taken at the

September meeting of the Association, templets and blue-prints had been made and sent to the members to be used in connection with the adoption of the uniform thickness of 25/32", effective on January 1st.

Mr. Kerry also reported that a new edition of the Grading Rules, consisting of 56,000 copies, had been printed, covering the revisions in the Grading Rules adopted at the September meeting, and that 35,000 copies had been assigned to the Advertising Committee to [fol. 4470] send out with its new booklet "How to Lay and Finish Maple, Beech and Birch Floors," 12,000 copies of the Rules had been divided among the members of the Association, 2,500 copies had been sent out by the Secretary in response to requests, leaving 6,500 copies on hand.

Mr. Kerry further stated that Mr. Robertson, as Official Inspector, had made a trip among all the mills of the Association during the Summer to oversee the grading, and had made a report to each member regarding his findings at the member's own plant, and that copies of Mr. Robertson's general report, summing up grading conditions as a whole, would be mailed by the Secretary to all the members for their information.

Secretary's Report.—The annual report of the Secretary was then read, and on motion, was accepted, ordered placed on file and copies sent to the members of the Association.

* * * * * * *

After luncheon was served the meeting was called to order by the Chairman and general trade conditions were briefly discussed.

Weekly Sales Reports.—In view of the extraordinary business conditions now existing, it was the sense of the meeting that weekly reports of sales should be made in order that the members of the Association may have as much information as possible regarding current market conditions.

On motion, the following resolution was adopted by unanimous vote:

Resolved, 1. That the members make reports to the Secretary on Saturday of each week, giving a complete record of all sales made during that week of one carload or more of Maple, Beech or Birch Flooring; the reports to give date of sale, quantity sold (if one carload or more), the thickness, face, grade and wood, the delivered prices sold at, and the Rate Book index letters to indicate destination, but the names of towns to be omitted.

2. The information contained in the reports to be tabulated by the Secretary and exchanged by him among the members only, who make the reports.

New Table of Values.—On motion, the Secretary was instructed to compile for the information of the members a Table of Values showing what the selling prices of flooring should be if based scientifically upon actual average cost and if a profit is included of 10% reckoned upon selling prices F. O. B. the flooring mill.

It was the sense of the meeting that the following fundamental elements constitute the basis of cost in ascertaining what the selling prices of flooring should be:

(a) The actual market value of the raw material.
(b) The average cost and expense of manufacturing and selling flooring.
(c) Interest on the capital actually invested in the flooring business at the rate of five (5) per centum per annum.
(d) Annual depreciation of Plant; and
(e) The usual overhead charges incurred in carrying on the flooring business.

[fol. 4471] M. P. P. Vacated.—On motion, the following resolution was adopted by unanimous vote:

Whereas the Minimum Price Plan was submitted to the Federal Trade Commission for its approval on June 27, 1916, and the Commission has taken no action with respect to the same, neither approving nor disapproving the Plan; and
Whereas said Plan has never been enforced by the Association,
Therefore be it resolved, That said Minimum Price Plan and all resolutions relating to the same, be and they are hereby vacated.

Election of Officers and Trustees.—The meeting then proceeded to the election of President, two Vice-Presidents, Treasurer, and five other members of the Board of Trustees, to serve until the next annual meeting, as provided in Article V and Article VII of the Articles of Association.
On motion, a Nominating Committee, consisting of Mr. Gillouly, Mr. Greene and Mr. McLurg, was appointed to nominate candidates for the respective offices. The Committee made its report, and on motion, the rules were suspended and the Secretary was instructed to cast the unanimous ballot of the meeting for the candidates nominated by the Committee, who were thereupon declared duly elected to their respective offices.
Dr. George W. Earle, President.
Charles T. Mitchell, B. P. Whedon, Vice-Presidents.
A. C. Wells, Treasurer.

Board of Trustees

President, Vice-Presidents, Treasurer, ex-officio members.
The other five Trustees elected: Chas. T. Kerry, George Strable, I. N. Bushong, R. E. MacLean, Sam Horner.

Committees for 1920.—The Chairman then stated that the members of the Board of Trustees and the Members of the Association who were present would act as a meeting of the whole, and he thereupon announced the appointment of the following Committees to serve until the next annual meeting:

Market Conditions Committee

Morris E. Thomas, Chairman.
W. D. Young & Co.
Kerry & Hanson Flooring Co.
Nichols & Cox Lumber Co.
Bigelow-Cooper Co.
Strable Lumber & Salt Co.
J. W. Wells Lumber Co.
Northwestern Cooperage & Lbr. Co.
Foster-Latimer Lumber Co.
William Horner.

Grades Committee

Chas. T. Kerry, Chairman.
W. L. Saunders.
Harry F. Brand, Jr.
W. L. De Witt.
W. H. Greene.

Advertising Committee

B. P. Whedon, Chairman.
Morris E. Thomas.
William E. Cox.
W. B. Earle.
John J. Porter.

The appointment of the Traffic Committee and Trade Relations Committee was deferred for the present.

There being no further business, the meeting, on motion, adjourned subject to the call of the President.

George W. Keehn, Secretary.

[fol. 4472] Grades Committee Work—Report of M. H. Robertson, Official Inspector

To the Members of the Maple Flooring Mfrs. Assn.

GENTLEMEN: My last trip of inspection at your mills reveals a very satisfactory condition.

If at any time any of you might be disposed to relax or exercise less vigilance in maintaining a uniform standard, it would surely be in such a period as the past few months. With an intense demand for all grades and especially the unusual demand for the Factory, it is indeed gratifying to find that in this period of extreme test you have proven your interest and confidence in the standardization proposition.

I am fully convinced that the members are universally aiming at our exact standard and that the slight variations noted in the individual reports are errors and not a part of the regular system. The fact that at this inspection all the members, save one, are at or within

one point of standard in the Clear grade and 17 members are at or within one point of standard in the No 1, I think clearly indicates that you are not only becoming more familiar with the standard, but you are zealously endeavoring to maintain it.

By comparing with former reports you will not the gradual tendency toward uniformity. In strata grade Clear and No. 1 each average one point nearer the uniform than ever before, the extreme difference in the Clear being but four (4) points and as above noted, with one exception, but two (2) points of difference. The No. 1 shows an extreme of five (5) points, but with a large majority but two (2) points. True, the Factory still shows eight (8) points extreme, but this is quite an improvement over the past report, which was thirteen (13) points difference, and much of this remaining eight (8) points rests with a minority and I am quite hopeful will be reduced to at most four or five points by the time of the next inspection.

The best I have expected we would attain would be two (2) points of difference in the strata grade, one above and one below the standard. With the rapidity and the varied mill conditions under which the workmen operate, together with the frequent changes necessitating the use of unskilled help, this will probably be as uniform as we can reasonably expect.

In the matter of offgrade, which is of vital importance and to which I give due attention in my visitation and individual reports, I may only say in this connection that the average maintains very low in all the grades. Many of the members have practically no offgrade and in all cases where it occurs in any excess above the average, the fact is discussed with the administration, the source of the difficulty found out and all reported in the individual report.

In former reports I have mentioned some of the advantages observed in the standardization feature of Association work, and since the date of those reports there has been offered me an opportunity to observe this from the viewpoint of my work as Field Representative. I may here only remind you of what is to come to be generally understood with the trade as well as the Association. That the Maple Flooring Manufacturers Association has formulated and copyrighted a plain, explicit set of rules, that they have standardized their product in accordance with these rules and trademarked it, thus placing it in the distinctive commodity rank to which it belongs and which is not difficult to recognize, but which conveys at all times the guaranty of quality and service.

Respectfully submitted, M. H. Robertson, Official Inspector.

[fol. 4473] Secretary's Report for Calendar Year 1919

February 12, 1920.

To the President and Members of the Maple Flooring Manufacturers Assn.

GENTLEMEN: The year 1919 will always be remembered as a most eventful one in the annals of the Maple flooring industry and in the

history of our Association. It brought problems, conditions and difficulties never before encountered in business experience.

Because of governmental restrictions of building operations and other conditions brought about by the world war, our industry was at its lowest ebb during the last quarter of 1918 and the first quarter of 1919. Shipments and Production were running acout 40% of normal and the outlook for the future was so discouraging that the new business booked averaged less than 30% of normal. The small quantity of flooring that found its way upon a reluctant market was sold at an actual loss owing to the heavy cost of manufacturing operations, resulting from the small volume of output.

Conditions commenced to improve in April and since then the nation-wide resumption of building operations on a tremendous scale has created an enormous demand for flooring, which is far beyond the ability of the mills to supply for some time to come. It begins to look like a famine in flooring in spite of the fact that the flooring mills are making every effort to speed up production and increase output so that building operations will not be retarded or substitutes used for our product.

The story of last year is told in detail in our Statistical Reports and Barometer for 1919.

During the dark days in February and March, when the situation seemed worse than hopeless, the Association secured the cooperation of the I. Stephenson Co., Trustees, Holt Hardwood Co., Mason-Donaldson Lumber Co., Flanner-Steger Land & Lumber Co., William Horner and Kneeland-McLurg Lumber Co.

They joined as at March 1st and thru their affiliation it has been possible for the industry to place itself upon a more stable basis and to unify grades and manufacture, and to advertise our product more vigorously and extensively and thus promote the common welfare.

Surveys of Manufacturing and Marketing Costs were made from time to time during the year, but owing to the difficulty experienced by many of our members of separating their flooring costs from the costs connected with their other business, our Surveys have not been as complete as to membership as could be desired. However, the data obtained has been fairly typical of flooring operations.

Flooring values were stationary from July 1918 to May 1919, and while they have advanced considerably since then, it must be remembered that they were abnormally low all during the war compared with other commodities, and lumber and flooring did not share in the tremendous wartime advances in prices enjoyed by other products of shop and farm. The level of flooring values during 1916, 1917 and 1918 should have been at least $15.00 to $20.00 higher than it was, in view of the increasing value of the raw material, caused by the rapid depletion of Maple stumpage, the steadily mounting cost of labor and mill supplies and the intrinsic value of our product. Its intrinsic value has always deserved greater recognition than it has received.

[fols. 4474–4476] Information now available indicates that rough flooring stock has advanced since May 1919 from $33.00 to $85.00 or $90.00 for No. 1 Common, from $28.00 to $70.00 or

$75.00 for No. 2 Common, and from $23.00 to $60.00 or $65.00 for No. 3 Common A, F. O. B. flooring mill. This represents an increase of approximately $60.00 to $65.00 in the average cost or market value of the raw material required to produce 1,000 ft. of flooring and would be expressed by Frame A Table of Values as $134.00 or $141.00 for Clear, $129.00 or $136.00 for No. 1 and $117.00 or 124.00 for Factory 13/16 x 2¼" face Maple, or $40.00 or $47.00 above our last Table of Values dated 9-19-19, depending upon whether the lower or higher range of rough lumber prices is considered to reflect actual market values at this date.

The thought must suggest itself to all of you that the time is rapidly approaching, if it has not already arrived, when concerted action should be taken by this Association to stabilize the price of flooring so that architects, lumber dealers and builders may know what to depend upon in estimating their costs. Maximum prices could be established from time to time, good for say 30 or 60 days, at which the members of this Association would undertake to furnish flooring, conditional upon their ability to produce it and subject to the prior filling of old orders now on their books which they are obligated to fill; the maximum prices to be determined upon a basis which takes into account all elements of cost and to include a margin of profit consistent with the capital employed, the value of the service rendered and the hazards and vicissitudes of the business.

* * * * * * *

The prestige that Maple, Beech and Birch flooring now enjoys has been built up and established by many years of individual and co-operative effort and it would be detrimental to the future of your product if substitutes are used to supply the demand you have all helped to create.

The members of the Market Conditions Committee, the Advertising Committee and the Grades Committee have given unsparing devotion to the work committed to them. They have attended meetings many times when it meant a personal sacrifice and the Association is deeply indebted to them for their efficient and valuable services, without which the work of the Association could not have been carried on successfully.

The Thomas Forman Company has discontinued the manufacture of Maple, Beech and Birch flooring and at the request of Mr. Forman their membership terminates as at January 1st with the understanding that, if they again resume the manufacture of Maple, Beech or Birch flooring, it will be their wish to be reinstated to membership in the Association.

It is with the greatest reluctance and regret that we part company with the Thomas Forman Company, who have been consistent members of the Association ever since it was organized. Mr. Forman has given unselfishly of his time and thought to the work of the Association, having served for several years as its President, and he has been a member of the Board of Trustees ever since the present organization was formed in 1905. We shall miss his friendly pres-

ence at our meetings. His constructive counsel and whole-hearted co-operation in the work of the Association have been of distinct benefit to the industry.

Respectfully submitted, George W. Keehn, Secretary.

[fols. 4477-4479] Survey of Costs

July 31, 1920.

To members.

GENTLEMEN: We enclose blank form for Survey of Costs for the Second Quarter of 1920, which please fill out and return to us as soon as possible. We are sending you two blank forms so you can retain a copy of your report for your files.

In order that the results of the survey may show a dependable average representative of conditions in the entire industry it is very important that we get as many reports as possible, especially from the mills whose manufacturing operations were interferred with by strike conditions during the period under review.

Yours very truly, George W. Keehn, Secretary.

[fol. 4480] August 18, 1920.

Flanner-Steger Land & Lumber Co., Blackwell, Forest Co., Wisconsin.

GENTLEMEN: We did not receive the Sales Report for the week ending the 14th, from you until this noon—too late to include in our report which was mailed yesterday.

We are enclosing you a copy of our report covering last week and will include your report for last week in our report for the week ending the 21st.

Very truly yours, Geo. W. Keehn, Secretary.

[fol. 4481] April 30, 1921.

Dr. George W. Earle, Mr. M. E. Thomas, Mr. B. P. Whedon.

GENTLEMEN: We have prepared a rough draft of new Articles of Association, effective from May 1, 1921, to July 1, 1922, and are sending each of you a copy for such suggestions in the way of revision as you may wish to make.

Several new features have been incorporated as the result of experience, etc., since the old Articles were formulated. You will note that in Article II—"Objects" we have included some of our creed as it appears in our advertising literature, and that we have inserted a clause regarding actually completed and closed business transactions, which, of course, refers to our Weekly Sales Reports; we have also declared our intention regarding Surveys of Cost and what we consider the fundamental elements to be used in arriving at the basis of ascertaining cost to the manufacturer of producing and placing on the market Maple, Beech and Birch flooring.

It is my thought, when we prepare an Average Cost Chart, that Frame A will represent the average cost FOB cars at flooring plants

and subsequent frames will show the cost of delivering to destination, which would mean Frame A plus average cost of freight, and this average cost of freight would be based upon the freight rate from Cadillac, Mich., which we consider represents the average freight rate from all the flooring mills to all the destinations. I thought it unnecessary to mention delivered values in the Articles of Association, as whatever Average Cost Charts are compiled to show the delivered prices would be simply mathematical and a supplemental detail, which would not in any way be contrary to the principles outlined in Article XIV.

We are waiting to hear from Mr. Thomas before proceeding further with the other plan discussed at the meeting, and in this connection, perhaps, it would not be out of place for me to say that, in view of the representations made by Dr. Earle as President of the Association, in his last letter to Mr. Nebeker (a copy of which you have), and also in view of the resolution adopted at the general meeting held on February 25, and approved at the meeting held on April 27, we should carefully consider any new plan, the adoption of which might raise a doubt in the mind of Mr. Nebeker as to the sincerity of the representations in Dr. Earle's letter, evidence of which sincerity the Department of Justice may call upon us for at any time, and also as to the sincerity of the resolution adopted February 25, and approved April 27.

By the way, I see by the newspapers this morning that the Federal Trade Commission has again attacked the Pittsburgh base used by the steel industry and that the Commission is also going into the question of fixing prices by all the steel manufacturers by using the Pittsburgh base. It seems the Commission is divided on the question, three of the members opposing the Pittsburgh base and two of them not opposing it.

Yours very truly, Geo. W. Keehn, Secretary.

[fol. 4482] December 3, 1921.

Holt Hardwood Company, Oconto, Wisconsin.

GENTLEMEN: One of the members of your Market Conditions Committee, writing about our latest weekly Record of Completed Transactions, states that it is very gratifying to note the number of members who are now reporting regularly. They feel confident that the members who do not report, evidently having discontinued their reports because other members had neglected to report, now fail to realize the importance of the valuable information contained in our weekly reports and that all but three of the members are reporting.

We believe our Weekly Sales Reports to the members have a number of very good features. Aside from their indication of the current trend of the market, the demand for each grade, face and thickness in each wood, the total volume alone of weekly bookings in each group and the total of all groups, is enlightening.

You probably had an unusually large volume of flooring orders for the week ended November 16th, and assumed that the experiences of the other members were similar, but could any member have

known (or estimated) without the existence of our Weekly Sales Reports that the total New Business Booked of 19 members for the week ended November 19th was very close to five millions? Without these reports they could have knowledge only of an increased demand for Maple, Beech and Birch Flooring, but the real extent of this demand as affecting the different grades and sizes of our flooring in combined volume would not be known until weeks later, upon the compilation of our November statistical reports.

It has occurred to us that you may feel that you can not afford to be without this exchange of information when you learn that all but three of our members have indicated they want this information by taking a minute or two of their time to daily record all sales on the blank forms provided and mailing them to us at the close of each week. And we and the reporting members would like to have our weekly reports show our members' sales 100% reported. We can do this if you, and the other two missing members we are writing today, will kindly send us the report of sales for week ended today. May we count on your cooperation?

Yours very truly, George W. Keehn, Secretary.

ECS.

Extra copy—Similar letter to No. 33 & 42.

[fol. 4483] April 28, 1922.

Geo. W. Keehn, Sec'y Maple Flg. Mfg. Ass'n, Chicago, Illinois.

DEAR SIR: The Michigan Hardwood Manufacturers' Association weekly sales report this week reports a sale of flooring stock as follows f. o. b. cars, Grayling, Michigan rate.

FAS	SEL&#2 1C	#2 com.	#3 com.
$67.00	$37.00	$26.00	$15.00

This is for stock to be put up to July 1, 1922.

Yours very truly, The Bigelow Cooper Company. —— ——, Secretary.

JED.M.

[fols. 4484-4485] GOVERNMENT'S EXHIBIT No. 76

Maple Flooring Manufacturers' Association, Chicago

July Reports

August 26th, 1913.

To members.

GENTLEMEN: Our July statistics show up well, and measured from the proper standpoint of an average normal July, the flooring business is in excellent shape and conditions should be considered satisfactory, as an analysis of the principal features in our reports will bear out.

* * * * * * *

Department of Agriculture
Rec'd JUL 22 1913
Ack.

MEMORANDUM STATEMENT - FIRST HALF OF 1913 BEING A CONSOLIDATION OF MONTHLY MEMORANDUM STATEMENTS JANUARY - JUNE 1913.

NO.	%	SHIPMENTS FEET	ALLOTMENTS FEET	OVER SHIPPED FEET	UNDER SHIPPED FEET	DEBIT	CREDIT
1	7.95	6,717,108	6,470,235	246,873		$740.62	
2	6.20	4,887,791	5,045,971		158,180		$474.54
3	5.80	4,452,086	4,720,423		268,337		805.01
4	6.00	4,920,579	4,883,197	37,382		112.14	
5	6.55	5,813,091	5,330,822	482,269		1,446.81	
6	3.10	2,367,319	2,522,986		155,667		467.00
8	5.35	4,327,945	4,354,183		26,238		78.71
9	3.90	2,939,270	3,092,690		153,420		460.26
*12	3.10	1,744,748	1,792,465		47,717		143.15
14	2.35	1,785,367	1,912,585		127,218		381.65
15	1.40	954,593	1,139,411		184,820		554.48
17	1.30	702,898	1,058,026		355,128		1,065.38*
28	1.00	692,005	813,868		131,863		395.59
24	3.30	2,701,192	2,685,759	15,433		46.30	
26	2.75	2,110,609	2,238,131		127,522		382.57
29	2.30	2,282,682	1,871,892	420,790		1,262.37	
30	2.70	2,091,697	2,197,438		105,741		317.22
32	3.90	3,397,542	3,174,078	223,464		670.39	
33	4.80	3,938,937	3,908,558	29,379		88.14	
34	1.90	1,745,812	1,546,346	199,466		598.40	
36	3.50	1,903,049	2,848,531		945,482		2,836.45*
37	2.60	1,904,953	2,116,052		211,099		633.30
38	2.55	2,774,518	2,075,358	699,160		2,097.48	
40	1.75	1,236,810	1,424,266		187,456		562.38
42	2.90	2,594,061	2,360,212	233,849		701.55	
43	1.50	791,200	1,220,798		429,598		1,288.79*
44	2.85	3,473,941	2,319,519	1,154,422		3,463.27	
46	1.50	954,282	1,220,798		266,516		799.55
	94.70						
*35	(2.45)	393,851	289,986	103,865		311.59	
*45	(2.25)	301,971	266,313	35,658		106.97	
		76,898,897	76,898,897	3,882,010	3,882,010	11,646.03	11,646.03

Value of 1% for 6 Months 813,866'
*No allotments from March 1st. Nos. 35 and 45 January only.
*Nos. 17, 36 and 43 shipped less than 75% of their allotments for the six months.

4487

ALL SUBJECT TO AUDIT OF STATISTICS

July 21st, 1913.

[fol. 4486] Copy

"Hermansville, Mich., 8/22/1913.

Geo. W. Keehn, Secty., Chicago, Ill.

DEAR SIR: We are advancing 13/16 x 2¼" Face No. 1 Maple, Birch and Beech Flooring $1.00 per M today.

Orders are in excess of any hope of reasonable supply on this item.

Yours very truly, (Signed) Wisconsin Land & Lumber Co., Sales Dept."

Just rec'd information that Earle has contract with Paine Lbr. Co., Oshkosh, for 1913 for 13/16 x 2¼ Clear Maple Flg. @ 44.25 delivered. Current Assn. list is 49.50. Other similar transactions have been reported, and these destroy effect of letters like the one here quoted.

Copy

"Menominee, Mich., August 22, 1913.

Mr. Geo. W. Keehn, Secy., Chicago.

DEAR SIR: The market just at present is in a very good condition, as for as we are concerned, and if it keeps up for the next 30 days as it has during the past 30 days, we will be pretty well cleaned up of all surplus stock. Prices are excellent.

Yours very truly, (Signed) J. W. Wells Lbr. Co."

(Here follows memorandum statement, marked side folio pages 4487-4493, inclusive.)

GOVERNMENT'S EXHIBIT No. 76

Special Fund Account

Old Association Terminated as of December 31, 1921

Balance December 31, 1921, as per Semi-Annual Report January 3, 1922			$30,261.63
Less William Horner's Special Fund Deposit plus interest, withdrawn as of Dec. 31, 1921 and applied toward the payment of his indebtedness to the Association			6,207.11
Balance as at December 31, 1921			24,054.52
Add Interest Received to June 30, 1922 on Liberty Bonds:			
1st 3½s	87.50		
3rd 4¼s	127.40		
1st Conv. 4¼s	63.75		
2nd Conv. 4¼s	212.50		
		491.15	
On Savings Account		11.44	
		502.59	
Sale of 3rd Liberty Loan Bond—Par Value	500.00		
Realized on sale	495.65		
Deduct Loss		4.35	
Accumulated Interest			498.24
Balance June 30, 1922			24,552.76

Consisting of:

5	$1000	Bonds—First Loan 3½s	5,000.00
3	1000	" — " Conv. 4¼s	3,000.00
10	1000	" —Second " 4¼s	10,000.00
10	500	" —Third Loan 4¼s	5,000.00
10	100	" — " " 4¼s	1,000.00
		38 U. S. Liberty Loan Bonds at par	24,000.00
		Balance in Savings Acct. Central Trust Company	552.76
			24,552.76

Special Fund Account

Old Association Terminated as of December 31, 1921

No.	Members	Deposit as per stmt., 1-3-22	Share of interest since 1-3-22	Total deposit	Reserve to carry Horner unpaid notes and accts.	Balance available as of 12-31-21
2	Young	2,190.99	45.39	2,236.38	735.06	1,501.32
3	Mitchell	2,129.29	44.10	2,173.39	714.35	1,459.04
4	Wis. L. & L. Co	2,453.31	50.81	2,504.12	823.05	1,681.07
5	C. & M. Inc	2,422.45	50.17	2,472.62	812.70	1,659.92
7	Stephenson	1,394.21	28.88	1,423.09	467.74	955.35
14	Cummer-Diggins	802.32	16.61	818.93	269.16	549.77
22	Osgood & Blodgett	339.45	7.02	346.47	113.87	232.60
24	Kerry & Hanson	1,311.52	27.18	1,338.70	440.00	898.70
26	East Jordan	1,080.07	22.37	1,102.44	362.35	740.09
30	Nichols & Cox	1,018.35	21.08	1,039.43	341.64	697.79
33	Strable	1,758.96	36.44	1,795.40	590.11	1,205.29
34	Foster-Latimer	756.04	15.66	771.70	253.64	518.06
37	West Michigan	1,080.07	22.37	1,102.44	362.35	740.09
42	Wells L. Co.	1,218.94	25.25	1,244.19	408.94	835.25
44	Cooperage	1,635.54	33.89	1,669.43	548.70	1,120.73
48	North Branch	892.61	18.49	911.10	299.46	611.64
49	Bigelow-Cooper	1,336.30	27.68	1,363.98	448.31	915.67
50	Kneeland-McLurg	234.10	4.85	238.95	78.54	160.41
		24,054.52	498.24	24,552.76	8,069.97	16,482.79

The Interest $498.24 accumulated since December 31, 1921 amounts to 2.07% of $24,054.52.

The Holt Hardwood Company (No. 23) and Flanner-Steger Land & Lumber Co., (No. 45) never paid in their Special Fund Deposits and therefore have no share or interest of any kind in the old Special Fund Account.

July 15, 1922.

[fol. 4495] Expense Fund Account

Old Association Terminated as of December 31, 1921

Receipts

Unpaid Assessments called September 12, 1921 collected		$1,990.50
" " " December 13, 1921 "		2,209.50
Assessments Last Quarter 1921, Members Nos. 1-17-51 billed January 26, 1922		166.09
		4,366.09
Forfeitures under 75% Clause Fund—July-October 1919 Closed into Expense Fund Account		2,738.28
		7,104.37

Disbursements

Balance overdrawn as at January 1, 1922	2,464.88	
Amount received from Oval Wood Disg. Corp. in 1921 as Membership Fee and included in 1921 expense Fund Account—transferred to New Association	200.00	
		2,664.88
Paid Members for their travelling expenses attending Association General Meetings on January 12, February 24, and March 9	1,503.16	
Other expenses of these meetings	201.40	
Rent, Light, etc.—January	130.34	
Stationery, Printing and Supplies—January	58.61	
Telephone and Telegrams—January	24.06	
Stenographic expense—January	50.00	
E. C. Singler—January Salary	300.00	
Secretary's " "	1,000.00	
		3,267.57
Office Furniture and Equipment charged off and closed into Expense Fund Account		1,171.92
		7,104.37

Memorandum

Office Furniture and Equipment Account Total Cost of all Office Furniture and Equipment purchased for the Association since 1907	1,171.92

Estimated Value July 1, 1922:

Two Royal Typewriters, five years old	70.00
One Dalton Adding Machine, eight yrs. old	100.00
Two Desks	70.00
Two Chairs	10.00
Four Filing Cabinets	40.00
One Edison Ediphone Dictating outfit, six years old	100.00
One Safe-Guard Check Writer	10.00
Total Estimated Value	400.00

Final Report July 15, 1922.

[fols. 4496-4500] Advertising Fund Account

Old Association Terminated as of December 31, 1921

Receipts

Balance on Hand as at January 1, 1922		$16,056.90
Assessment—Third Quarter 1921 collected in 1922	96.43	
Assessments—Last Quarter 1921	3,380.02	
		3,476.45
		19,533.35

Disbursements

Paid Wm. H. Rankin Company on December 1921 Contract:		
For advertising space in publications	11,300.33	
For Art and Mechanical Work	927.76	
		12,228.09
Balance as at July 1, 1922		7,305.26
Less Reserve required to complete Advertising Contracts entered into in December 1921, being the balance due for Advertising space contracted for in December 1921, and not yet used or paid for at this date		6,249.87
Balance as of July 1, 1922 transferred to New Association		1,055.39

Final report July 15, 1922.

[fol. 4501] GOVERNMENT'S EXHIBIT No. 76-A

August 19, 1922.

R. C. Witbeck, 1209 First Nat'l Bank Bldg., San Francisco, Cal.

DEAR SIR: Your favor of August 14th with enclosures received.

We are sorry that we lost the Maple order of the Western Hardwood Lumber Company but do not believe that they can buy the same grades that we ship at any less money we quoted for our stock.

The price of 3½" No. 1 & Btr. Jointed Maple Flooring is arrived at by averaging the difference between Clear and No. 1 as the stock will run at least 50% or better Clear, then adding $3.00 on account of it being jointed. This is the Association method of arriving at costs. Some manufacturer evidently made a very low price or else furnished No. 1 without any Better included.

Regarding the Factory and Better Air Dried Flooring. The letters "C. M." stand for "center matched," and "E. B." for "End Butted, or in other words, "square ends, not matched." The only item of square edge flooring which we manufacture is 3½" No. 1 Common & Btr. and what Factory develops.

We have discontinued the manufacture of 13/16 x 4" and can only supply the items listed in this width.

1 1/16 stock, tongued and grooved, is measured 1 ¼" thick and ¾" added to each width, or for Jointed ½" is added to each width.

[fol. 4502] We are sending you, under separate cover, advertising literature which we furnish. If there is any other information or assistance that we can render, do not fail to advise us.

Very truly yours, The Bigelow Cooper Company. —— ——, Treasurer.

WNW. W.

[fol. 4503] August 14th, 1922.

The Bigelow-Cooper Co., Bay City, Michigan.

GENTLEMEN: I have Mr. Dewey's letter of the 9th showing the surplus items which you have on hand, and I wish to call attention to the items of 13/16 x 3½" #1 and Better jointed which your list shows at a price of $99.25 delivered here.

The American Trading Company Company offered me an order for a car of this stock, and I quoted them $2.00 less than your list, namely $97.25, and they stated they could sell me two or three cars of this material and make a good profit for themselves at this price.

As I had given them my rock bottom price without any comeback for further negotiations, it finally developed that this order was placed by wire with some Michigan manufacturer at a price of $92.50, and I would like to know how this price corresponds with what the Association is now quoting for this particular item.

I would like to have Mr. Dewey advise me by return mail the

meaning of the letters in reference to your 13/16 x 2¼ and 3¼ Factory and Better Air Dried flooring. I have your samples of this stock and know that it is S2S and can be laid, as I understand it, either side up, but I would like to know what the letters "C. M." & "E. B." represent.

From my understanding of your price and stock list the only items of Square Edged Flooring which you manufacture is 13/16 x 3½ #1 and Better and 13/16 x 4 #1 and Better.

And another thing I would like to be absolutely correct on is the measurement as to thicknesses and widths and how tallied for your 1 1/16" stock. That is, if the stock is tallied actual surface measurement as per 13/16 flooring or whether this is called 1¼ in thickness, and the correct widths at which you measure the stock.

If you have any literature which you get out yourselves or is published by the Maple Flooring Manufacturers Association would be pleased to receive this, and any new pamp-let which comes out would be pleased to receive these whenever issued.

Regarding your new grade of #2 on your next list which you send me I wish you would embody this price in the space which is not used for Clear White.

Thanking you to give me all of this information fully by return mail, I am,

Yours very truly, —— ——.

RCW/M.

[fol. 4504] Aug. 12, 1922.

Mr. R. C. Witbeck, 1209 1st National Bank Bldg., San Francisco, Cal.

DEAR SIR: Referring to your letter of the 10th regarding prices quoted on Maple.

We regret to advise that your mill's prices were a little out of line, and we were obliged to place our orders elsewhere, which we regret very much.

We hope for better luck next time, however.

Yours very truly, Western Hardwood Lumber Co. D. J. Cahill.

DJC:BAM.

[fol. 4505] August 14th, 1922.

The Western Hardwood Lumber Co., P. O. Box 303, Station C, Los Angeles, California.

GENTLEMEN: I have your favor of the 12th in reference to the two cars of Maple, which I thought you would surely place with me for the account of the Bigelow-Cooper Company, as I stated in my previous letter that I know that some of the Michigan manufacturers of Maple have increased their prices $10.00 per M on this wood, and the Bigelow-Cooper Company have seen fit to retain their old prices

and for that reason thought that you would surely be able to place this business with me for the account of this shipper.

Yours very truly, R. C. Witbeck.

RCW/M.
c/o Bigelow-Cooper.

I am enclosing you copy of Western Hardwood Lumber Company's letter of August 12th, showing that this business has passed us and hope that we can secure this firm's order for their next requirement.

[fol. 4506] August 24, 1922.

R. C. Witbeck, 1209 1st National Bank Bldg., San Francisco, Calif.

GENTLEMEN: We beg to advise that present orders for 13/16 x 2¼" Face will take our entire production up to the following dates:

Clear, September 27th.
No. 1, September 20th.
Factory, November 15th.

It will, therefore, be necessary for you to observe these dates in specifying shipment on your orders.

We have about 30,000′ of the No. 2 Grade on hand unsold and, as our production of this grade is very limited, we do not care to accept orders for any large amount in excess of the stock on hand.

We desire to again call your attention to the surplus items of stock on our list, and urge you to make a more earnest effort to secure orders for this stock. We are especially anxious to move some of the shorts.

If you find that our prices on this item are not in line with our competitors, it will be satisfactory for you to meet the market price. Our weekly sales reports show that other manufacturers are selling the short lengths and we see no reason why it should not be possible for you to secure a portion of this business.

Yours very truly, The Bigelow-Cooper Company. —— ——;
Secretary.

JED. R.

[fol. 4507] GOVERNMENT'S EXHIBIT No. 77

Sept. 1, 1916.

Mr. George W. Keehn, Secretary Maple Flooring Manufacturers' Assn., Chicago, Ill.

DEAR SIR: Our attorneys to whom we submitted the Minimum Price Plan Amendment to the Articles of Association have just advised us that, in their opinion, this is in direct violation of the Fed-

eral Statutes and also of the Michigan Statutes which, they say, are much more stringent than the Federal Laws.

Under the circumstances we do not feel that we can be a party to or be bound by this agreement.

Yours very truly, East Jordan Lumber Co.

JJP/NCH.

[fol. 4508] September 7th, 1916.

East Jordan Lumber Company, East Jordan, Michigan.

GENTLEMEN: Replying to your letter of the 1st, the submission of the Minimum Price Plan to the Federal Trade Commission takes care of all legal questions pending the reply of the Commission, and if the Commission decides that the Plan is not legal, they will, no doubt, tell us to discontinue its operation.

The most important part of the work of the Federal Trade Commission, as I understand it, is to pass upon trade agreements such as ours, so business men will know what they can do in working out co-operative plans like the Minimum Plan Agreement.

When the Plan was under consideration the Association requested its attorney, Mr. Newman, to handle the legal details, and it was understood that the members of the Association would leave it to him instead of each member consulting his own attorney. If all the members submitted all Association questions to their attorneys we would have such a diversity of opinion that nothing could be accomplished, and for that reason it has been an advantage to the Association to have an able attorney like Mr. Newman to advise us.

Inasmuch as the Minimum Price Plan is an amendment to the Articles of Association, and is consequently now a part of that contract, all I can do, it seems to me, is to send a copy of your letter to the Board of Trustees. The Market Conditions Committee will hold a meeting next week, or the week following, and as several members of that Committee are also Trustees, I will call a meeting of the Trustees to be held on the same day if your Mr. W. P. Porter will attend the meeting.

[fol. 4509] We are enclosing you, herewith, blank which Wisconsin corporations have to fill out and file with the Secretary of State. We wish to call your attention particularly to paragraph 9 in this blank, and ask you to advise us, on advice from your attorney, if we can sign the same on account of the Minimum Price Plan. We understand that you have been advised by your attorney that the Minimum Price Plan does not conflict with the laws of the State or Federal government.

[fol. 4510] January 17th, 1917.

Foster-Latimer Lumber Co., Mellen, Wisconsin.

GENTLEMEN: Referring again to Mr. Latimer's letters of the 1st and 12th, Mr. Newman says he does not see how you can sign the affidavit paragraph nine while you are parties to the M. P. P., and his suggestion is that you postpone the filing of the affidavit for the

present, and he will look up the laws of the various states in which our members are located, and let us know at the Annual Meeting the best method of handling it.

I concluded to write to the other members today, suggesting that they also postpone the filing of their affidavits with their Secretary of State until after the Annual Meeting, which will give them plenty of time to file the affidavit before March 1st, as we do not wish anyone to place himself in an inconsistent position.

Yours very truly, Geo. W. Keehn, Secretary.

[fol. 4511] January 17th, 1917.

To members.

GENTLEMEN: One of our members raises the question as to whether or not it would be consistent to sign the annual report to be filed with the Secretary of State, inasmuch as they are parties to the Minimum Price Plan.

In talking about it with our attorney, Mr. Newman, he suggests that the filing of the report be postponed until he has had an opportunity to go carefully over the laws of the different states in which our members are located, to see to what extent, if any, the M. P. P. might be considered to be in conflict with the Anti-Trust Laws of those states, in view of the fact that the Plan has been submitted to the Federal Trade Commission and the Department of Justice at Washington, and is still under consideration by the Commission.

We shall have the matter in shape by the time the Annual Meeting convenes, but in the meantime we thought we would drop you a line on the subject.

Yours very truly, George W. Keehn, Secretary.

[fol. 4512] February 7th, 1917.

Mr. H. I. Latimer, Secretary Foster-Latimer Lumber Company, Mellen, Wisconsin.

DEAR SIR: Replying to your letter of January 1st, inasmuch as the Association has never received the approval of the Federal Trade Commission to the Minimum Price Plan, submitted to the Commission on June 27th, 1916, and as the matter is still pending, the Plan has never been consummated and has never been in effect, and consequently you have never been bound by it.

We are returning herewith the blank form "Annual Report Domestic Corporation to the Secretary of State, State of Wisconsin" received with your letter.

Yours very truly, Geo. W. Keehn, Secretary.

[fol. 4513] February thirteen, nineteen seventeen.

Mr. Geo. W. Keehn, Secy., 801 Stock Exchange Bldg., Chicago, Ill.

DEAR SIR: We are enclosing, herewith, copy of letter dated February 12th, from our attorney, W. F. Shea, regarding the signing of the report to the Secretary of State at Madison.

From this letter, there seems only one of two things to do, either to sign same with the notation that we are members of the Maple Flooring Manufacturers' Association whose Minimum Price Plan has been submitted to the Federal Trade Commission, or else resign from the Association and send in the report without any notation. This report must be filed before March 1st, and we wish you would advise us promptly which way you wish the report to go to the Secretary of State.

If we do not hear from you so that we can make the report in time, we will consider our resignation to the Association accepted and send the report in with no remarks.

Yours truly, Foster-Latimer Lumber Co.

HIL. CEM.
Encl.

[fol. 4514] February 22nd, 1917.

Mr. H. I. Latimer, Secretary Foster-Latimer Lumber Co., Mellen, Wisconsin.

DEAR SIR: Replying to yours of the 13th, we are sending you for your information certain correspondence, which kindly return for our files.

Mr. Newman left for California on the 8th, but I had a long talk with him on the 6th, and his views are outlined in my letter to you of the 7th.

It was my thought when this subject was first broached to add to paragraph nine before making the answer something to this effect "We are members of associations which classify grades and values of lumber and kindred products," but Mr. Newman said that in his opinion it was not necessary to do so.

Yours very truly, Geo. W. Keehn, Secretary.

[fol. 4515] February Twenty-seven, Nineteen Seventeen.

Mr. Geo. W. Keehn, Secy., 801 Stock Exchange Bldg., Chicago, Ill.

DEAR SIR: Referring to yours of February 22nd, with enclosures as stated.

We are returning the same for your files, and for your information would advise that we have sent in our report to the State, making the following notation thereon: "We are members of Maple Flooring Manufacturers' Association and all matters pertaining to that organization are submitted to Federal Trade Commission."

Yours truly, Foster-Latimer Lumber Co.

EJG. CEM.
Encl.

[fol. 4516] Copy

Quarles, Spence & Quarles

Milwaukee, January 29th, 1917.

Messrs. Newman, Poppenhusen & Stern, Lumber Exchange Building, Chicago, Ill.

GENTLEMEN: We are in receipt of your communication of January 27th, asking whether a corporation organized under the laws of the state of Wisconsin can be compelled by the Secretary of State to answer the following question: "Whether such corporation has entered into any combination, conspiracy, trust, pool, agreement or contract, etc."

Section 1791-J which provides that any corporation organized under the laws of the state of Wisconsin which shall enter into any combination, conspiracy, trust, etc., shall upon proof thereof have its charter cancelled and annulled, provides further: "Every corporation shall upon filing its annual report with the Secretary of State, make and attach thereto the affidavit of its President, secretary or general managing officer, fully stating the facts in regard to the matters specified in this section."

It is, therefore, apparently under the authority of this section that the above question is included in the printed form sent to your client.

We can see no reason why the Legislature cannot give the Secretary of State the right to demand this information.

Very truly yours, (Signed) Quarles, Spence & Quarles.

[fol. 4517] Feb. 9, 1918.

Mitchell Bros. Company, Cadillac, Michigan.

GENTLEMEN: Under date of Jan. 29th Secretary Keehn has forwarded us your third listing on 1½" Maple Flooring at $3.00 per M below the minimum price.

Kindly enter our order for 20,000 feet 13/16 x 1½" face Clear Maple Flooring at $47.50 per M delivered on St. Paul rate, for shipment July 1st, or sooner if required. The chances are we should want this possibly 30 days sooner.

We shall be pleased to receive your acknowledgment of this order at an early date, and remain

Yours truly, Osgood & Blodgett Mfg. Co., per W. M. Erickson.

[fol. 4518] April 29th, 1918.

Mr. George W. Keehn, Secy., 801 Stock Exchange Bldg., Chicago, Ill.

DEAR SIR: We received an inquiry today for prices on flooring for shipment to Winnepeg, Manitoba. We may have an opportunity to get rid of some of our 2¼" clear birch flooring and would like to ask if the minimum prices are in effect on sales outside of the

United States. We are not very familiar with this plan since Mr. Gillouly left, and wish you would kindly let us know regarding this matter.

Yours truly, Foster-Latimer Lumber Co.

[fol. 4519] Received at
6CHK010.
B Chicago Ills., 434PM Feb. 26, 1919.

Holt Hardwood Co., Oconto, Wis.:

Meeting at Wells Michigan Postponed until March Sixth or Seventh.

George W. Keehn.

450PM.

[fol. 4520] February 26, 1919.

Holt Hardwood Company, Oconto, Wis.

GENTLEMEN: Confirming telegram, we found it impossible to arrange the meeting to be held this week at Wells, Mich., so the meeting is postponed until March 6th or 7th.

Kindly advise if either date will be convenient to you, and after we receive replies from all the parties interested, we will fix a definite date for the meeting and advise you in ample time by mail or wire.

Thanking you for your reply to our letter of the 22nd, and for your willingness to meet and discuss the subject with the Committee, I am,

Yours very truly, Geo. W. Keehn, Secretary.

[fol. 4521] Feb. 27, 1919.

Mr. Geo. W. Keehn, Chicago, Ill.

DEAR SIR: We have your letter of the 26th also referring to your telegram advising that you were unable to arrange the meeting for this week and that you wish to postpone it until March 6th or 7th. Either one of these dates will be conv-ient for us, but we hope that you will be able to arrange the meeting for Menominee instead of Escanaba. Menominee is more central for all concerned. Furthermore, Mr. Holt is very anxious to meet with you and does not feel that he can spare the time to go to Escanaba.

Our present prices on Maple Flooring F. O. B. cars Oconto are for 13/16 x 2¼" Clear $58.00, No. 1 $54.00, and Factory $44.00 with the usual spread for the other widths. If consistent we would appreciate one of your price lists showing the prices delivered on the different rates of freight from Cadillac as we are anxious to keep our prices in line with our competitors.

Very truly yours, Holt Hardwood Company.

[fol. 4522] 11 CHKO. 16.
B Chicago Ills., 2PM., Mar. 3, 1919.

Holt Hardwood Co., Oconto, Wis.:

Meeting arranged to be held at Wells, Michigan, Friday Seventh your attendance will be greatly appreciated.

George W. Keehn.

222PM.

[fol. 4523] March 3, 1919.

Holt Hardwood Co., Oconto, Wis.

GENTLEMEN: Confirming telegram, the meeting has finally been arranged to be held at Wells, Mich., at the office of the I. Stephenson Co. Trustees, on Friday the 7th,

We sincerely hope that it may be possible for Mr. Holt to also attend the meeting. The entire Committee will be there and the other three non-member manufacturers in the Northwest will also be represented.

Yours very truly, Geo. W. Keehn, Secretary.

[fol. 4524] Mar. 4, 1919.

Geo. W. Keehn, Stock Exchange Bldg., Chicago, Ill.

DEAR SIR: The writer will arrange to be in Escanaba Friday morning Mar. 7th, and will meet you at I. Stephenson Co's. office. Mr. Holt will make an effort to attend this meeting.

Very truly yours, Holt Hardwood Company.

[fol. 4525] March 6, 1919.

Mr. William Horner, Reed City, Mich.

DEAR SIR: At the last meeting of the Association a Committee was appointed to see you and the other flooring manufacturers in lower Michigan who are not members of our Association, with the view of getting you and them to join the Association.

The Committee consists of:

Dr. George W. Earle of Wisconsin Land & Lbr. Co.
C. T. Kerry of Kerry & Hanson Flooring Co.
F. I. Nichols of Nichols & Cox Lumber Co.
George Strable of Strable Lumber & Salt Co.
J. D. Staple of Northwestern Cooperage & Lbr. Co.
R. E. MacLean of I. Stephenson Co. Trustees and the writer as Secretary of the Association.

The Committee wishes to arrange a conference with you to be held at Reed City on the 12th, 13th or 14th, whichever date may be more convenient to you.

These are critical times in the flooring industry and the present selling values of flooring are wholly insufficient to meet the cost or

market value of the rough lumber, at high cost of labor and all supplies entering into the production of flooring and the very high overhead resulting from the small volume of demand, and it was the unanimous sentiment of the meeting that the sincere and hearty cooperation of every manufacturer of flooring is absolutely necessary if a reasonable profit or any profit whatever is to be derived from the business.

The Committee will be very glad to talk the situation over with you, and it is hoped it will be agreeable to you to have the Committee call upon you. Will you kindly let me know as soon as possible if any one of the dates mentioned will be convenient for you, and we will advise the Committee accordingly.

The Committee also intends to call upon Ward Brothers at Big Rapids, and upon A. L. Dennis Salt & Lumber Co. at Grand Rapids, and we are trying to arrange dates which will be convenient for all concerned.

Awaiting your reply, we are,

Yours very truly, Geo. W. Keehn, Secretary.

[fol. 4526] March 8, 1919.

Holt Hardwood Company, Oconto, Wis.

GENTLEMEN: Referring to the conference yesterday at Wells, we are enclosing blank forms for your statistics of flooring shipments during the calendar years 1916, 1917 and 1918, and we shall be glad to have you fill them out and return them at your earliest convenience.

We are also enclosing you sample copies of the reports made to the Association, thinking you might be interested in seeing them.

1. Daily Report of Shipments. This is made at the close of business each day.

2. Summary of Shipments. This is made at the end of each month.

3. Reports of Stocks and Orders on Hand. This is made on the first of each month.

4. Production and New Business Booked. This is made at the end of each month.

5. Current Net Values. This is made at the end of each month and covers only new orders booked during that month for flooring for shipment by car. Maple only 13/16 x 2¼" Clear, No. 1 and Factory.

Yours very truly, Geo. W. Keehn, Secretary.

[fol. 4527] Mar. 17, 1919.

Maple Flooring Manufacturers' Association, Chicago, Ill.

GENTLEMEN: Pardon us for not replying to your letter of March 8th, but we expect to be able to have our 1917 and 1918 shipments

ready for you before this. This report has been delayed by the office force working on our income tax report, and the auditor is now working on oyr books, but we will get this report to you some time this week.

Very truly yours, Holt Hardwood Company.

WLD/IH.

[fol. 4528] March 17, 1919.

Holt Hardwood Co., Oconto, Wis.

GENTLEMEN: We received last week reports from Flanner-Steger Land & Lumber Co., Mason-Donaldson Lumber Co. and Kneeland-McLurg Lumber Co. of their flooring shipments, and we hope it will be convenient for you to send yours within a few days.

Please use the blank forms we sent you as if you do so, it will be more convenient for us in tabulating the reports.

The proposed meeting with Horner to be held last week had to be postponed because Mr. Sam Horner was away from Reed City, but we received a letter from him saying they would be glad to meet with the Committee Friday the 21st, so the meeting has been set for that date.

Yours very truly, Geo. W. Keehn, Secretary.

[fol. 4529] Copy.

Mar. 18, 1920.

Mr. Geo. W. Keehn, Secy. Maple Flooring Mfgrs. Assn., 1045 Stock Exchange Building, Chicago, Illinois.

DEAR SIR: We herewith resign from our membership in your Association. The decision of the court in the case of the American Hardwood Manufacturers Association at Memphis, Tenn., indicates to us that we cannot continue membership in your Association without violating the law and things which we supposed were permitted and legal, we now find are illegal, and we are not willing to continue our membership under these conditions.

If it should later transpire that the decision of the court was reversed or that certain activities may be permitted, we shall be glad to co-operate with the other maple flooring manufacturers, but under present conditions we do not feel that we can continue to be connected in any way with the activities of your Association.

Regretting that conditions are as they are, and hoping that the court may see fit later on to modify the injunction so that we can continue to carry on such activities as will be helpful to us and at the same time not illegal, we are

Yours truly, Holt Hardwood Company.

WAH/AW.

[fol. 4530] March 19, 1919.

Holt Hardwood Co., Oconto, Wis.

GENTLEMEN: It is planned now to hold a general meeting of the Association at the Hotel La Salle, Chicago (Suite 209) on Thursday, March 27th, at 10:00 A. M.

The Committee for lower Michigan has arranged conferences to be held with the non-member manufacturers in that territory on the 21st and 22nd, but there is some possibility of postponement because some of the members of our Committee may not be able to attend this week. We are hopeful, however, that the conferences can be held so that their outcome can be reported to the general meeting of the Association.

All the members of the Association and especially your neighbors in the Northwest, will be glad to see you at this meeting so that all details respecting your basis of membership in the Association can be arranged with the Committee for the Northwest.

A luncheon is always served in the meeting rooms and the travelling expenses of members attending meetings are paid out of the general funds of the Association. We are mentioning this not because it is of much importance, but simply to tell you what the custom of the Association is in this respect.

We are writing you today about the meeting so in case I leave for Reed City tomorrow you will receive this notice in ample time to make your plans to attend the meeting. Should it become necessary for any reason to postpone the meeting, we will advise you.

Awaiting your reply and hoping we shall have the pleasure of seeing you here on the 27th if the meeting is held on that date, I am,

Yours very truly, Geo. W. Keehn, Secretary.

[fol. 4531] Mar. 20, 1919.

Maple Flooring Manufacturers' Assn., Chicago, Ill.

GENTLEMEN: We have your letter of March 19 and note that there will be a general meeting of the Association in Chicago on March 27th. The writer will arrange to attend this meeting.

To show you what we are up against, we received a letter this morning from our Minneapolis representative advising that the Nashville Hardwood Flooring Company have quoted them 13/16 x 1½" Fc. Clear at $51.50. and 2¼" Clear at $56.50 delivered Minneapolis. You understand of course, that the Nashville Hardwood Flooring Company is Horners Chicago representative, and that there will be a dollar or more commission deducted from these prices, and three dollars or more freight which makes about $46.00 for the 1½" and $57.00 for the 2¼" F. O. B. cars Milwaukee, and we all know that the stock cannot be produced at these prices under existing conditions.

Very truly yours, Holt Hardwood Company.

WLD/IH.

[fols. 4532 & 4533] April 10, 1919.

To members.

GENTLEMEN: For your more convenient use, we have had printed to go in the Rate Book a list of Registered Wholesalers and Commission Men to whom a commission can be allowed as set forth in the last Concession Sheet.

The list has been printed allowing spaces between the letters of the alphabet to add additional registrations. We are sending you two lists and should you need additional lists, please let us know how many more you want, and we will forward them to you.

Yours very truly, George W. Keehn, Secretary.

[fol. 4534] May 1, 1919.

Maple Flooring Manufacturers Assn., Chicago, Ill.

GENTLEMEN: Beg to advise that we have a large number of wholesalers and commission men that have been handling our stock for a good many years. Some of them are special representatives. We have been so busy with our new construction that up to the present time we have been unable to make a list of these wholesalers and commission men, but we will get this list out in a few days and submit them for registration.

Very truly yours, Holt Hardwood Company.

[fol. 4535] May 2, 1919.

To Members.

GENTLEMEN: Referring to our statement of March 25th "Memorandum of Shipments and Allotted Ratios',, the audit of the old statistics of the new members has been completed and the following is the result of the audit in annual averages of shipments and allotted ratios:

No. 23, Holt Hardwood Co.	4,080	M
" 39, Mason-Donaldson Lumber Co.	2,443	"
" 45, Flanner-Steger Land & Lbr. Co.	4,224	"
" 50, Kneeland-McLurg Lumber Co.	814	"

But, as noted in our statement of March 25th, some equalization will be made by the Committee for the Northwest in arriving at the allotted ratio of No. 50 because their plant was closed down 15 months out of the 36 months, and consequently, No. 50 had very little flooring stock to ship from during 1917 and 1918. As their allotted ratio does not take effect until they resume the manufacture of flooring, the Committee and No. 50 will no doubt get together and arrive at a mutually satisfactory basis of membership at the next general meeting of the Association.

The following is the result of the audit of the shipments of William Horner-Reed City and Newberry shipments combined:

1916	32,958	M
1917	36,230	"
1918	27,762	"
Total	96,950	"
Annual Average	32,317	"

The following is a statement of the

Allotted Ratios and Percentages as at March 1, 1919

No.		Allotted ratios M feet	Allotted ratios %
1.	Wilce	....	....
2.	Young	8,482	5.84
3.	Mitchell	7,841	5.40
4.	Wis. L. & L. Co.	9,112	6.27
5.	Cobbs & Mitchell	9,199	6.33
6.	Thomas Forman Co.	4,779	3.29
7.	Stephenson	7,247	4.99
14.	Cummer-Diggins	2,704	1.86
22.	Osgood & Blodgett	1,021	.70
23.	Holt Hdwd. Co.	4,080	2.81
24.	Kerry & Hanson	5,202	3.58
26.	East Jordan	3,942	2.71
29.	Welsh & Kerry	3,247	2.24
30.	Nichols & Cox	3,964	2.73
33.	Strable	6,614	4.55
34.	Foster-Latimer	2,693	1.85
37.	West Michigan	3,866	2.66
38.	R. Connor Co.	4,214	2.90
39.	Mason-Donaldson	2,443	1.68
42.	Wells L. Co.	4,464	3.07
43.	Hanson-Ward	....	....
44.	Cooperage	6,527	4.49
45.	Flanner-Steger	4,224	2.91
46.	Tennant	1,683	1.16
47.	William Horner	32,317	22.24
48.	North Branch	....	....
49.	Bigelow-Cooper	5,430	3.74
50.	Kneeland-McLurg	....	....
		145,295	100%

The Allotment Statement for the month of March is enclosed.
Yours very truly, Geo. W. Keehn, Secretary.

[fol. 4536] November 26, 1919.

Holt Hardwood Co., Oconto, Wis.

Attention of Mr. W. L. De Witt

GENTLEMEN: Replying to yours of the 22d, I spoke to the Trustees at their meeting on the 21st, and read to them our correspondence regarding your suggestion that the allotment feature in the work of the Association be suspended for the present.

The Trustees were of the unanimous opinion that it would be detrimental to the welfare of the industry to do so, and also that they, the Trustees, have not the power to suspend the Allotment Contract. The Trustees suggest that, if you wish to do so, you can bring it up at the next general meeting of the Association, but the Trustees hold the opinion that it would be necessary to have the unanimous consent of all parties to the contract in order to make such a radical change as you suggest.

Replying to the other question raised in your letter of the 22d regarding labor conditions as affecting production, we think the revision of Article XVIII "Discontinuance of Manufacture" which was adopted at the general meeting held on June 19th, covers that point. Article XVIII as amended reads as follows:

* * * * * * *

[fol. 4537] December 10, 1919.

Boring

To Members.

GENTLEMEN: You will be interested to know that Mitchell Brothers Co. and Cobbs & Mitchell, Inc., have discontinued boring flooring and have sent notices to their trade to that effect.

The following is a copy of the notice which we think is happily worded, particularly the reference to labor conditions:

"We Have Discontinued Boring Flooring

Because of modern methods of laying hardwood floors, and the improved nail now used, the boring of dressed and matched flooring is no longer of practical value. Although convinced long ago that boring is not an essential feature we have not discontinued it heretofore because some of our customers have objected to our doing so. But under the labor conditions of today we find that the waste in flooring destroyed by the process is too serious to disregard. Consequently our practice of boring will be discontinued."

According to our records, more than half of our members do not now bore their flooring, so the custom of boring seems to be more honor-in the breach than in the observance. If other members who now bore their flooring decide to discontinue the practice, we shall be glad to hear from them and will notify the membership accordingly.

Would it not be appropriate if all the members of the Association discontinue boring on January 1st, the date the new standard thickness of 25/32" takes effect?

Yours very truly, George W. Keehn, Secretary.

[fol. 4538 & 4539] January 19th, 1920.

George W. Keehn, Sec., Stock Exchange, Chicago, Ill.

DEAR SIR: In reply to yours of January 17th, while ordinarily, we think the Committee meetings are of great deal more value where the complete statistics are available for consideration, since it would appear from the wire you have from Flanner-Steger Land & Lumber Co. that there may be considerable delay in getting their complete report, it strikes us that in view of present unsettled conditions the earlier our Committee meeting is held the better it would be for all concerned. Therefore, in our opinion it would be advisable to hold the meeting the latter part of this week, even though we do not have the complete statistics at hand. We have just learned that one of our members is now quoting the following basis on flooring. Minneapolis and common points:

2¼" Clear	$170.00
" #1	150.00
" Factory	115.00

There has never been a time in our experience when the flooring business was in greater need of reliable information as to stocks and prices than we are at the present time.

Yours truly, Foster Latimer Lumber Co.

[fol. 4540] Feb. 28, 1920.

Geo. W. Keehn, Chicago, Ill.

DEAR SIR: Wish you would please send us one of the rubber stamps giving the terms of sale adopted by the Association.

Very truly yours, Holt Hardwood Company.

[fol. 4541 & 4542] March 5, 1920.

To members.

GENTLEMEN: As instructed at the annual meeting of the Association held on February 12th, we have compiled a new "Table of Values Based Upon Average Cost."

The enclosed chart "Results of Seven Test Runs Consolidated" explains the basis used and how it works out.

The new "Table of Values Based Upon Average Cost" will be dated March 1st and will be a reprint of the 13/16" Table of Values of 9-19-19 plus $60.00, and of the ⅜" Table of Values of 12-22-19 plus $50.00.

The differentials on Birch 13/16" Clear and No. 1 and on Maple, Beech and Birch Thick flooring and Jointed flooring will be shown

in a supplemental sheet. The copy is in the hands of the printer and as soon as we receive the printed sheets from him we will send each member four sets for the Rate Books.

Yours very truly, George W. Keehn, Secretary.

[fol. 4543] June 14, 1920.

To members.

GENTLEMEN: The appeal for modifications of the injunction in the Memphis case was argued before the U. S. Supreme Court at Washington, on June 1st, and in the decision handed down by the court on June 7th, the appeal was denied and the case was set for hearing on October 11th. References to the decision appear in the American Lumber of the 12th, on pages 51 and 67.

In correspondence with Dr. Earle as President of the Association, it has been suggested that the question of what course the Association should now pursue would properly come before the Association as a whole and could be discussed at the semi-annual meeting to be held in July.

* * * * * * *

[fol. 4544] November 22, 1920.

Holt Hardwood Co., Oconto, Wis.

Attention of Mr. W. L. De Witt

GENTLEMEN: Referring to conversation with your Mr. W. L. De Witt when he was in Chicago on the 19th, the following is a statement of the amount you owe the Association according to our records and as per our letter of May 13th:

Allotment Account

December	Debit	$8.72	
January	"	202.15	
February	"	509.50	
			$720.37

Expense Fund

Assessments called February 16, 1920	160.00
	$880.37

We shall be very glad indeed to have you renew your cooperation and resume your membership in the Association, and after we hear from you we shall be pleased to send you, if you would like to have them, copies of our statistical reports for the month of October, including Stocks and Unfilled Orders on Hand on November 1st, also a copy of the Minutes of the meeting held on the 19th, which Mr. De

Witt attended but which he was obliged to leave before the business of the meeting was discussed.

Yours very truly, Geo. W. Keehn, Secretary.

[fol. 4545] Nov. 22, 1920.

Geo. W. Keehn, Chicago, Ill.

DEAR Mr. KEEHN: We are inclosing check for $880.37 to clean up our old account with the Association. The writer is having a hard time convincing Mr. Holt that everything is all right to go back into the Association, and I may need some help from some of the other members. Mr. Holt will be in Chicago the latter part of this week and I will try and persuade him to call on you.

Very truly yours, Holt Hardwood Company.

[fol. 4546] Nov. 22, 1920.

Mr. Geo. W. Keehn, Chicago, Ill.

DEAR SIR: We note by your report of the General meeting that you do not mention the resolution regarding the allotment plan at all. Please advise us by early mail, if you intend to put the allotment plan into force immediately or if this is to be held in abeyance for the present.

Yours very truly, William Horner.

[fol. 4547 & 4548] November 29, 1920.

William Horner, Reed City, Mich.

GENTLEMEN: Replying to yours of the 22nd, which was received while I was away from the city.

The question of resuming the allotment payments, which have been held in abeyance since March 31st, will be taken up by correspondence with the Trustees and the entire membership in time so that some definite action can be taken at the next general meeting to be held on December 22nd.

Please let us know when you resumed your manufacturing operations at Reed City, that is, the date you consider your plant was in operation to an extent sufficient to entitle you to the restoration of your allotted ratio for your Reed City plant.

Very truly yours, Geo. W. Keehn, Secretary.

[fol. 4549] December 31, 1920.

William Horner, Reed City, Michigan.

GENTLEMEN: Replying to yours of the 27th, I hope Mr. Sam Horner and Mr. Ralston will both attend the special meeting on January 6th, and in case Mr. Ralston cannot be here at the meeting of the Special Committee on January 5th, I hope Mr. Sam Horner will attend that meeting and act in place of Mr. Ralston.

The general meeting on the 22nd, was a mixed-up mess before it

was finished and considerable discussion and another vote took place after Mr. Ralston left the meeting.

However, all these things can be more fully explained to you the next time we see you than by correspondence, so in the meantime, kindly hold in abeyance your opinion of what happened and what should have happened at the meeting.

Wishing you a Happy New Year,

Very truly yours Geo. W. Keehn, Secretary.

[fol. 4550] January 7, 1921.

Weekly Sales Reports

To members:

GENTLEMEN: In order that all of the members may be fully posted regarding the state of the market as reflected by current sales, and in accordance with the action taken at the meeting yesterday, all of the members of the Association are to make Weekly Reports of all their sales of Maple, Beech and Birch Flooring. In case you have made no sales during the week, be sure and send in your report just the same with the notation "No Sales."

We enclose blank form for your report for the week ending January 8th.

If possible, please always make out these reports and mail them to us at the close of business Saturday of each week, so you will always receive our report on Tuesday or Wednesday of the following week.

Yours very truly, George W. Keehn, Secretary.

[fols. 4551 & 4552] January 18, 1921.

To members:

GENTLEMEN: We enclose blank form for Survey of Costs for the last quarter of 1920, which kindly make up if your records enable you to do so and return one copy of the report to us as soon as possible, keeping the other copy for your files.

You will note that in question 5 the interest is to be figured at 6%, which is more in harmony as an average than the old rate of 5%, which is too low an average in view of financial conditions.

You will also note in question 8 that the annual depreciation on the flooring plant is to be figured at the rate allowed by the Government instead of at an arbitrary rate of 10% as in previous Surveys.

These changes were made by the Special Committee in formulating Article II of the Minimum Price Basis, so we are applying them to the last quarter of 1920.

Very truly yours, George W. Keehn, Secretary.

[fol. 4553] January 24, 1921.

Registered Wholesalers & Commission Men

To members.

GENTLEMEN: The following is Bulletin No. 1 giving the nominations so far submitted for registration of Wholesalers and Commission Men.

If any of you have any objections to any of these nominations, please advise at once, so we can submit your objections to the Trade Relations Committee,—otherwise, registration will automatically take effect within ten days from this date and the Secretary will then notify the members that the registration has been made; but no commission is to be paid to any wholesaler or commission man nominated for registration until notification of registration is received from the Secretary.

Dr. Earle has appointed the following to serve as the Trade Relations Committee:

B. P. Whedon, Chairman and J. E. Dewey as representing eastern lower Mchigan.

M. E. Thomas and T. M. Ralston as representing western lower Michigan.

A. C. Wells and Dr. Earle as representing the northwest.

Yours very truly, George W. Keehn, Secretary.

* * * * * * *

[fols. 4554 & 4555] Jan. 27, 1921.

Mr. George W. Keehn, Secy. Maple Flg. Mfg. Association, Chicago, Ill.

DEAR SIR: Replying to your circular of the 24th, containing nominations for registration of wholesalers and commission men, we desire to offer objections to the following concerns:

Baxter Sash & Door Co., Duluth, Minn.
Duluth Lumber Co., " "
Lake Shore Saw Mill & Lbr. Co., Cleveland, Ohio.
Morrison, Merrill & Co., Salt Lake City, Utah.

We consider these concerns to be classed as retail dealers and are not entitled to be considered as wholesale or commission dealers.

Yours very truly, The Bigelow-Cooper Company, Secretary.

[fols. 4556 & 4557] February 26, 1921.

To members.

GENTLEMEN: In accordance with the action taken at yesterday's meeting our weekly reports of sales commencing this week will show under each group the number of each member belonging to that group who has not reported, if any, the same as our weekly reports now indicate in the case of members reporting "No Sales," so if

there is any week in which you make no sales please be sure to send in your report with the notation "No Sales."

Our report for the week ending today will not be compiled until Wednesday or possibly Thursday in order to give every member an opportunity to send in his report to us. We enclose another supply of blank forms.

Very truly yours, George W. Keehn, Secretary.

[fol. 4558] April 21, 1921.

To members:

GENTLEMEN: In accordance with following telegram from Dr. Earle "make call for flooring meeting Wednesday 27th," a general meeting of the Association is hereby called, to be held at the Hotel La Salle (Suite 209), Chicago, Wednesday, April 27th, at 11:00 A. M., Chicago time.

Conditions in the flooring industry are in a deplorable state and it is of the utmost importance that every member of the Association be represented at this meeting, so please be sure and attend.

Kindly let us know, by return mail, whether or not you will be present so we can make all necessary arrangements for the meeting and luncheon.

Yours very truly, George W. Keehn, Secretary.

[fol. 4559] April 22, 1921.

Geo. W. Keehn, Sec., Chicago, Ill.

DEAR SIR: Answering yours of the 21st, the writer will attend the flooring meeting on Wednesday, April 27th.

Yours truly, Osgood & Blodgett Mfg. Co.

[fol. 4560] April 23, 1921.

Holt Hardwood Co., Oconto, Wis.

GENTLEMEN: Complying with your request of the 22nd, we enclose duplicate of last assessment notice.

We are glad you will be represented at the meeting on the 27th, and note what you say about not furnishing any more reports until there is something done to make more cooperation. I hope some new plan can be worked out that will improve conditions.

Very truly yours, Geo. W. Keehn, Secretary.

[fol. 4561] May 16, 1921.

To members.

GENTLEMEN: A general meeting of the Association will be held at the Hotel La Salle, Chicago (Suite 209), Friday, May 20th, at 12:30 P. M., Chicago time.

Luncheon will be served at 1:00 P. M. sharp, so please be punctual. The business meeting will be held immediately following the lunch-

eon and as subjects of great importance to the welfare of the industry are to be discussed every member of the Association is earnest-urged to be present at the meeting.

By order of the President.

Very truly yours, George W. Keehn, Secretary.

[fol. 4562] May 27, 1921.

Mr. J. E. Dewey, Secretary the Bigelow-Cooper Company, Bay City, Michigan.

DEAR MR. DEWEY: We are glad to have your letter of the 24th, and as I know the other members of the Association will be interested in it we are sending them a copy.

All of the members who were present at the last meeting expressed regret at not seeing you there, because you have been very regular in your attendance and also because your views on conditions in the flooring business are always interesting and beneficial.

Very truly yours, Geo. W. Keehn, Secretary.

[fol. 4563] May 28, 1921.

To members.

GENTLEMEN: We have the following letter from East Jordan Lumber Company dated the 26th:

"We have your favor of the 21st and are exceedingly sorry that the minimum price plan did not go through, as we feel this is the only plan which has ever worked out satisfactorily, and that it would be especially valuable to us at this time.

The writer was away until Tuesday of this week and neglected to report that we had made no sales of flooring last week. We will try to see that all of our sales are reported promptly on Saturday of each week hereafter.

Very truly yours, East Jordan Lumber Company. (Signed) John J. Porter."

Very truly yours, George W. Keehn, Secretary.

[fol. 4564] June 3, 1921.

To members.

GENTLEMEN: We sent you by mail yesterday new fillers for your Rate Books as follows:

1. Table of Values for 13/16" Flooring dated May 21, 1921.
2. Table of Values for 3/8" " " " " "
3. Concession Sheet dated May 21, 1921.

We have revised and are having reprinted our list of Wholesalers and Commission Men and will send you copies in a few days as soon as received from the printer. In the meantime, it was sort of under-

stood at the last meeting that the Red Book would serve as a guide in classifying Wholesalers and Commission Men until such time as our own printed list is made more complete by such additions to our list as may be made from time to time. It would seem to me that any lumber dealer who is classified in the Red Book as a Wholesaler or Commission Man should automatically go on our list to avoid any unjust discrimination. The names of other dealers who are not classified in the Red Book as Wholesalers and Commission Men should be passed upon by the Committee the same as heretofore before we list them. This commission question has always been a complicated one and always will be.

Very truly yours, George W. Keehn, Secretary.

[fol. 4565] June 4, 1921.

To members.

GENTLEMEN: We have the following from Nichols & Cox Lumber Company which we are passing on to you for your information:

"We have found the demand for 13/16" x 2¼" face Clear Maple Flooring to be very strong, and we are oversold for about thirty days. We are now quoting this stock at $93.00 per thousand f. o. b. Cadillac, and from present indications do not believe there will be any trouble in getting this for our Flooring.

It is really worth it, considering present manufacturing and market conditions."

Very truly yours, George W. Keehn, Secretary.

[fol. 4566] June 15, 1921.

To members.

GENTLEMEN: The last general meeting of the Association adjourned subject to the call of the President and in correspondence with Dr. Earle about holding a meeting this month he writes us as follows:

"Regarding the holding of meeting, I feel quite sure from my view point that sometime in July will be as advantageous, when the audit will have been completed and general matters have to a degree adjusted themselves."

Mr. Singler has just completed the audit of the weekly sales reports of the lower Michigan mills and as soon as our statistical reports for the month of May shall have been compiled and issued he will start on a trip among the mills in the northwest to audit their weekly sales reports.

We now have the May reports from all the members of the Association excepting two and we hope to get their reports within a few days so that our reports can be made out and mailed to you early next week.

It seems to us that conditions in the flooring industry have im-

proved considerably, as there has been quite an increase in the volume of new business booked. It also seems to us that the members are in a better position now than ever before to be fully and promptly informed regarding the current state of the market as reflected in the weekly sales reports, because practically all of the members are now making these reports regularly and promptly.

We will advise you as soon as Dr. Earle fixes the date of the next general meeting so that you can make your plans to attend as every member should be represented at the meeting.

Very truly yours, George W. Keehn, Secretary.

[fol. 4567] June 15, 1921.

Holt Hardwood Co., Oconto, Wis.

GENTLEMEN: We have been expecting you to resume making your monthly statistical reports the same as the other members are doing but as we have not yet received your reports for the month of May including Stocks and Unfilled Orders on Hand June 1st we are writing you to find out whether or not you intend to make these reports.

We hope you will send us your May reports by return mail so we can include them with the reports of the other members which will, of course, make our statistics more complete.

Kindly let us hear from you and oblige

Very truly yours, Geo. W. Keehn, Secretary.

[fol. 4568] July 14, 1921.

Mr. Geo. W. Keehn, Secretary Maple Flooring Mfgrs. Association, Chicago, Ill.

DEAR SIR: We thank you very much for yours of the 12th with enclosures which we have gone over carefully and herewith return.

If the letters we wrote you were in any way conducive to bringing the members to realize that they must report fully and promptly their sales and endeavor to work together instead of slipping something over on ach other, they were well worth the effort.

Very truly yours, The Bigelow-Cooper Company.

[fol. 4569] George W. Keehn, Stock Exchange Bldg., Chicago, Ill.:

Members from Bay City Saginaw Grayling and Reed City meeting here tonight consider it imperative Market Conditions Committee meeting be called immediately by wire suggest Friday as date.

J. E. Dewey.

[fol. 4570] August 11, 1921.

To members.

GENTLEMEN: We have a letter from Dr. Earle recommending that a general meeting of the Association be called to be held Friday, August 19th, at 10:30 A. M., Chicago time, so the meeting is hereby called to be held on that date in Suite 1809, Hotel La Salle.

Several members have not yet sent in their July reports, but we hope to receive them before the end of this week so that our July statistics, including Stocks and Unfilled Orders on Hand on August 1st, will be ready in time for the meeting, in order that the members may be fully informed regarding present trade conditions as reflected by our statistics.

Our Weekly Sales Reports indicate considerable demoralization in the flooring situation and it seems absolutely necessary that every member should be represented at the meeting so that greater cooperation can be assured and conditions in the industry, which are now much disturbed, can be stabilized.

The Oval Wood Dish Corporation of Tupper Lake, N. Y., who have recently commenced the manufacture of flooring, have applied for membership in the Association, and an invitation has been extended to them to attend the meeting on th 19th. Their application for membership was referred to the Board of Trustees, and the Board is heartily in favor of their admission to membership.

Will you please let us know by return mail whether or not you will be represented at the meeting and how many from your company will attend?

Yours very truly, George W. Keehn, Secretary.

[fol. 4571] August 11, 1921.

Market Conditions Committee.

GENTLEMEN: In accordance with instructions from Dr. Earle, we are issuing call today for a general meeting of the Association to be held on the 19th.

If any of you know of any recent sales of rough Maple Flooring stock on the open market we would be glad to have the information by Monday, or Tuesday of next week so we can compile some data which may be of use at the general meeting.

Very truly yours, George W. Keehn, Secretary.

[fol. 4572] September 17, 1921.

Special Committee

Mr. M. E. Thomas, Chairman; Dr. George W. Earle, Mr. B. P. Whedon, Mr. George C. Wilce.

GENTLEMEN: There will be a meeting of your Committee in the rooms of the Association Thursday, Sept. 22nd, at 10:30 A. M., Chicago time, for the purpose of formulating a report to submit to the general meeting of the Association, to be held on the 23rd.

For further details regarding this subject, please be referred to my letters of August 26th.

Yours very truly, George W. Keehn, Secretary.

[fol. 4573] Rough Drafts

Form 1

Declaration of Our Business Policy

Believing that the sale of any commodity below the cost of production is unfair competition and is certain to bring ruin and disaster to any industry and consequently is detrimental in the long run to public welfare, we hereby voluntarily agree to pay into the Treasury of the Maple Flooring Manufacturers Association, Ten per cent (10%) on any and all sales which we may make of Maple, Beech and Birch flooring 13/16" and thicker of standard grades and lengths, below the average cost of production, plus the average cost of delivery to destination, as determined from time to time by the Association's Survey of Costs and Tables of Delivered Values Based Upon Average Cost.

John Smith Flooring Company, By —— ——.

Form 2

Declaration of Our Business Policy

Believing that the sale of any commodity below the cost of production is unfair competition and is certain to be ruinous and destructive to any industry and consequently is detrimental in the long run to public welfare, we hereby voluntarily agree, regardless of what other manufacturers of flooring may do, to pay into the Treasury of the Maple Flooring Manufacturers Association, Ten per cent (10%) on any and all sales we may make of Maple, Beech and Birch flooring, 13/16" and thicker, of standard grades and lengths at values below the average cost of production, plus the average cost of freight to destination, as ascertained from time to time by the Maple Flooring Manufacturers Association's Survey of Costs and Tables of Values Based Upon Average Cost, after allowing for commissions not exceeding $2.00 per M feet to Wholesalers and Commission Men and to our own Special Representatives. And the said Ten per cent (10%) shall be reckoned upon the average cost of said flooring delivered at destination as indicated by the Maple Flooring Manufacturers Association's Rate Book.

John Smith Flooring Company, By —— ——.

[fol. 4574] September 16, 1921.

To members.

GENTLEMEN: In accordance with your instructions at the last general meeting of the Association, the proposed revision of the Articles of Association has been drafted and in order that you may have an opportunity to study them before the next meeting is held, we are enclosing a copy which, for your greater convenience, is in printed form. The printer is holding the type set up so that further revisions can be made, if desired.

Several changes are suggested in this proposed revision, namely:

Article II, "Objects" have been made more general and include "the exchange of information concerning the character and nature of actually completed and closed business transactions of its members". This refers to the Weekly Sales Reports, etc.

Article XIV, "Determining average cost" is entirely new.

Article XIX is modified so that a member would not be compelled to manufacture at least 50% of his allotment during consecutive periods of four months in order to retain his allotment. This modification is in accord with all of our previous Articles of Association, excepting the present one, which was adopted to run from July 1, 1919 to July 1, 1922.

It would seem that the allotments as agreed upon in our present Articles of Association, which allotments were to be in force from July 1, 1919 to July 1, 1922, should govern from October 1, 1921 to July 1, 1922, because each member has already agreed to his allotment to run to July 1, 1922, and if we begin changing allotments, there will be no end to it. Inasmuch as the allotments were suspended from April 1, 1920 to October 1, 1921, a period of 18 months or one-half of the three year period originally agreed upon, there should be no particular hardship on any member to reinstate his allotment from October 1, 1921 to July 1, 1922, being the nine months remaining of the three years originally agreed upon.

The following is a schedule of the allotted ratios in M feet and in percentages as agreed upon as at July 1, 1919 to run for three years:

No.	Member	Ratio in M feet	Per cent
2	Young	8,802	6.58
3	Mitchell	8,020	5.99
4	Wis. L. & L. Co.	9,115	6.81
5	Cobbs & Mitchell	9,952	7.44
7	Stephenson	6,786	5.07
14	Cummer-Diggins	2,451	1.83
22	Osgood & Blodgett	644	.48
23	Holt Hardwood	4,281	3.20
24	Kerry & Hanson	5,744	4.29
26	East Jordan	3,911	2.92
30	Nichols & Cox	4,312	3.22
33	Strable	6,559	4.90
34	Foster-Latimer	2,517	1.88
37	West Michigan	3,713	2.77
42	J. W. Wells L. Co.	4,387	3.28
44	Cooperage	7,290	5.45
45	Flanner-Steger	4,319	3.23
47	Wm. Horner	31,189	23.31
48	North Branch	2,843	2.12
49	Bigelow-Cooper	5,726	4.28
50	Kneeland-McLurg	1,269	.95
		133,830	100.%

[fol. 4575] If it is thought desirable that the form of membership should be the same for all members, allotments would have to be arranged for the Wilce Flooring Company, John Schroeder Lumber Company and the Oval Wood Dish Corporation. This would be a simple matter and if allotments are arranged for them, it would not disturb the ratios in M feet but would, of course, change the allotted percentages, but the allotted percentages would be of the same relative value, practically speaking, because, while the percentages themselves would be smaller, they would apply to a larger volume of shipments.

It is now expected that a general meeting of the Association will be held on Friday, the 23rd, and that a meeting of the Special Committee will be held on Thursday, the 22nd, in order to draft some simple memorandum along the lines suggested at the last meeting and submit same to the general meeting on the 23rd.

Conditions in the industry as reflected in the Weekly Sales Reports are greatly demoralized, as all of you, of course, know, and if any progress whatever is to be made in the work of the Association, it is absolutely necessary that every member be represented at the next meeting, with full power to act, so that definite conclusions can be arrived at then and there.

As soon as Dr. Earle as President of the Association, fixes the date of the next general meeting, we will advise you promptly and we will also request the Special Committee to hold a meeting on the day previous.

Yours very truly, George W. Keehn, Secretary.

[fol. 4576] October 1, 1921.

Declaration of Our Business Policy

Believing that the sale of any commodity below the cost of production is unfair competition and is certain to be ruinous and destructive to any industry and consequently is detrimental in the long run to public welfare, we hereby voluntarily agree, regardless of what other manufacturers of flooring may do, to pay into the Treasury of the Maple Flooring Manufacturers Association, Ten Per cent (10%) on any and all sales we may make of Maple, Beech and Birch flooring, 13/16" and thicker, of standard grades and lengths, at values below the average cost of production, plus the average cost of freight to destination, as ascertained from time to time by the Maple Flooring Manufacturers Association's Survey of Costs and Tables of Values Based Upon Average Cost, after allowing for commissions not exceeding $2.00 per M feet to Wholesalers and Commission Men and to our own Special Representatives. And the said Ten Per cent (10%) shall be reckoned upon the average cost of said flooring delivered at destination as indicated by the Maple Flooring Manufacturers Association's Rate Book.

[fol. 4577-4579] April 29, 1922.

To members.

GENTLEMEN: If possible please be sure to mail us all your flooring reports for the month of April on or before the 5th of May as provided in the new Articles of Association. Article XV.

If all the members will do this we can have our reports made out complete and in the mail by Tuesday, May 9th or Wednesday the 10th at the latest.

This will give you an opportunity to study the statistics in advance of the next general meeting on May 17th, and the information contained in our April reports will be of much greater value to you if you receive it early in May instead of late in the month.

Yours very truly, George W. Keehn, Secretary.

[fol. 4580] Report of Association Inspection at Plant No. 49, Twelfth Trip, May 23, 1922

Your grades today all range a little high. You were making the fourth grade of which is called No. 2 Common, but still your factory was one point high and the No. 1 two points, so that both grades are affected, but not materially. Your intention, I presume is to affect only the Factory, this is still above the standard. I think, however, that we succeeded in checking the graders, so that they will get these two grades reduced to correct standing. You will naturally have to expect the Factory to become reduced in quality, below the Association standard, if you make the fourth grade. Your machine work, is as usual, very good.

	Clear			No. 1				Factory			
Twelfth trip	High	Low	No. 1	High	Low	Clear	Facty.	High	Low	No. 1	No. 2
Your Avge.	66	34	1	67	33	1.5	1	61	39	.3	..
Assn. Avge.	65	35	2.4	65.4	34.6	.5	1.4	60.1	39.9	.6	..

[fols. 4581 & 4582] Aug. 5, 1922.

George W. Keehn, Maple Flooring Mfg. Association, Chicago, Illinois.

DEAR SIR: In reply to your circular of the 4th instant with reference to survey of costs, our plant was closed down all during this period until the latter part of May, and consequently we conceded that a survey from us would not fairly represent the actual cost. We are always very willing to make this report, and if you wish us to do so, regardless of the above fact, we will gladly comply.

Yours very truly, Bigelow-Cooper Company. —— ——, Secretary.

[fol. 4583] August 11, 1922.

Mr. George W. Keehn, Secy. Maple Flooring Manufacturers' Assn., Chicago, Illinois.

DEAR SIR: I believe it would be advisable to notify members of the Cost Survey Committee, requesting a meeting prior to the general meeting on the 16th. I assume that you will have some valuable information from the members regarding their costs of operation during the last quarter.

If you have no reports of sales on Flooring stock made recently, it would be well also to get out a letter to the members, requesting that they advise immediately of any sales they may know of. I have heard of some sales made in the Upper Peninsula during the past two weeks, but have been unable to learn the prices in these transactions.

Yours very truly, The Bigelow-Cooper Co. —— ——, Secretary.

[fol. 4584] Sept. 7, 1922.

Mr. Geo. W. Keehn, Secy. Maple Flooring Manufacturers' Assn., Chicago, Illinois.

DEAR SIR: Will you kindly advise me when the next general meeting of the Association will be held this month.

It is necessary for me to make an extended Eastern trip and I desire to plan this so that it will not conflict with the meeting.

Yours very truly, The Bigelow-Cooper Company. ——, Secretary.

[fols. 4585 & 4586] Received at 317 Center Ave., Bay City, Mich.
93DE × 9.
B Chicago Ill. 1101A Oct. 12 1922.

Bigelow Cooper Co., Bay City, Mich.:

If possible please mail today your September flooring reports.

George W. Keehn.

1123A.

[fol. 4587] July 16, 1923.

Grand Rapids Trust Company, Receiver for Wm. Horner, Reed City, Michigan.

GENTLEMEN: We received your report of Average Prices Realized for the month of June with your letter of the 11th, too late to include in our compilation, as we had already made up our Report. On a number of occasions we have made up a Report for you from your weekly sales reports, at your request, but this does not exactly represent your F. O. B. Mill basis, as your actual freight deductions on delivered Flooring would differ some from the freight rates given

on your weekly sales Reports, because those are the Rate Book's freight rates.

* * * * * * *

Yours very truly, George W. Keehn, Secretary.

[fols. 4588 & 4589] GOVERNMENT'S EXHIBIT No. 78

April 4, 1918—p. m.

Wisconsin Land & Lumber Co., Hermansville, Michigan.

Attention Mr. W. B. Earle

GENTLEMEN: We are advised that Frank-Robinson & Co. of Salt Lake City are quoting 13/16 x 2¼" Clear "I. X. L." Maple flooring at $61.50 per M delivered American Fork, Lehi and Pleasant Grove, Utah. This in response to quotations on "Electric" at $64.00 per M.

As $61.50 is below minimum, we assume that it cannot be for "I. X. L."? Would you be willing to confirm our assumption? We do not want to reduce our prices unless necessary but at present we cannot defend them successfully in the face of such a report.

Very truly yours, Cobbs & Mitchell, Inc., Sales Department.

[fol. 4590] April Eighteen, Nineteen Nineteen.

Cobbs & Mitchell, Inc., Cadillac, Mich.

GENTLEMEN: We are now entirely out of 13/16 x 2¼" face clear maple flooring, while we have a good stock of the other sizes. Our flooring factory has been shut down for some time, and we do not want to start up again until we can cut down our surplus of some of the other items, and it may be that we will want to put in a carload of clear to ship out in mixed carload lots with our other stock.

Will you kindly quote us your best delivered price, on a carload of 13/16 x 2¼" clear maple flooring F. O. B. cars Mellen?

Yours truly, Foster-Latimer Lumber Co. Pearson.

[fol. 4591] April 21, 1919—p. m.

Foster-Latimer Lumber Co., Mellen, Wisconsin.

GENTLEMEN: Answering your valued inquiry of April 18th, we quote you a car of 13/16 x 2¼" face 2 to 16 ft. Clear "Electric" Maple flooring @ $55.00 per M f. o. b. cars here. This is $2.00 per thousand less than current frame A basis.

The freight rate from Cadillac to Mellen is 22½¢ per 100 lbs. We will make our proposition good until April 28th and shall be glad to serve you if you can afford to ship our stock into your plant.

Very truly yours, Cobbs & Mitchell, Inc., Sales Department.

[fol. 4592] April 19, 1919.

Flanner-Steger Land & Lbr. Co., Blackwell, Wis.

GENTLEMEN: Replying to your letter of April 17th, we kept a careful record of our flooring costs during the six months ending January 1st, and the cost of manufacture was $15.28 per M feet. This included everything that goes in to the manufacture of flooring that should be added to the manufacturing costs, namely, labor, supervision, supplies, taxes, insurance, interest on investments, and depreciation in the plant. These costs have increased since the first of the year, and we think that at present, it is costing near $16.50 than $15.28. We cannot at this time, analyze the number of men per M feet, but we believe that inside of the plant including the engineer, fireman, night watchman, superintendent, and filer, and the men in the ware house, that it takes two men to produce 1,000 ft. of flooring. This of course, does not include the cost of loading the lumber into dry kiln cars. It takes five men to supply the lumber to the kilns for our two machines which average 16,000 ft. per day. We use a lot of select No. 3 Maple for flooring purposes, although there should not be any No. 3 used at the present time, as the price of the No. 3 is too near that of the No. 2 Common, and about all you can get out of No. 3 is Factory flooring.

Very truly yours, Holt Hardwood Company.

[fol. 4593] Contracts and agreements are not binding when circumstances and conditions arise that are beyond the control of this company.

Blackwell, Forest County, Wis., April 17, 1919.

Holt Hardwood Company, Oconto, Wis.

GENTLEMEN: Of late we have been digging thoroughly into the cost of the manufacture of hardwood flooring, and are anxious to know something about the experience of others. We should like to ask you to give us your experience as to how much flooring you are turning out per man per day. Of course, we realize that this depends a great deal upon the way the mill is laid out, the kind of machinery that is installed, the class of rough lumber used, efficiency of management, etc.

We also should like to know if you put any selected No. 3 Common Maple into your kilns for flooring purposes.

Any information you can give us will be appreciated.

Yours very truly, Flanner-Steger Land & Lumber Co., by G. C. Flanner.

[fol. 4594] Blackwell, Wis., May 13, 19—.

MY DEAR MR. DEWITT: Am very sorry to report that I can not send you the order for 1½ clear about which I talked to you yesterday as a telegram this A. M. has held up the proposition.

Yours Frank Flanner.

P. S.—I'm strong for the raise in prices as per wire this P. M. from Keehn. We are oversold on everything.

[fol. 4595] Contracts and agreements are not binding when circumstances and conditions arise that are beyond the control of this company.

Blackwell, Forest County, Wis., May 20, 1919.

Cobbs & Mitchell, Inc., Cadillac, Mich.

GENTLEMEN: One of our commission men has sent us in an order calling for 15 M' of 13/16" x 2" Clear Maple Flooring to be shipped July 1st or sooner, as notified, and makes a special notation that the order is not subject to cancellation, and that it goes into a school building where they have no place at present to store the stock. We do not manufacture any 13/16" x 2", and we note from the March surplus sheet that you are long on this item, and we are asking you to quote us your lowest price F. O. B. cars Pratt, Kans.

We had this order on our books prior to the recent rise in prices, and we ask that you please bear this in mind in quoting us.

Yours very truly, Flanner Steger Land & Lumber Co., by Frank Flanner, Ass't Gen. Mgr.

[fol. 4596] May 24, 1919—a. m.

Flanner-Steger Land & Lumber Co., Blackwell, Forest County, Wis.

GENTLEMEN: We thank you for remembering us with your inquiry of May 20th we advanced our prices of hardwood flooring before the general advance was made by the Association and have booked business for the particular item in question accordingly. We should like to take care of you, however, under the circumstances, and for shipment not later than July 1st, we quote you 15,000 ft. which is not enough to make a carload, that is a minimum load from this locality of 13/16 x 2" face Clear "Electric" Maple Flooring 2 to 16 ft. at $65.50 per thousand, net, for shipment to Pratt, Kansas.

Our prices are based upon and subject to present rate of freight to point of delivery, the freight at the existing rate being included for your convenience: any advance in freight rate, and all other charges, duties and taxes to be paid in addition by consignee.

The flood of orders exceeds anything we have experienced in a long, long time, in fact, we already have a considerable volume of business upon our books on the basis of the New Association list. In fact, a little slightly in advance of the list. Consequently our proposition must be made subject to prior sale but the price is good until May 30th.

Very truly yours, Cobbs & Mitchell, Inc., Sales Department.

[fol. 4597] February 25, 1920.

Foster-Latimer Lumber Co., Mellen, Wis.

GENTLEMEN: Reply to yours of the 19th was delayed because we have been in the throes of moving.

We did not get a report from you of Sales for the week ending the 21st, and it occurs to us that you could not have received the blank

forms which explain how the reports are to be made. We are enclosing several of the blank forms so you can make your report for last week and we will then send you a copy of the report we made to the members yesterday. You are the only member in Group D who did not send us a report and only one member was missing in Group A. All the members reported in Group B, also in Group F. Some of them, however, reported "no Sales", which constitutes a report and entitles them to the exchange of information.

The regular monthly report of Current Net Values, which we now call "Record of Average Prices Realized", will be continued the same as heretofore.

Yours very truly, Geo. W. Keehn, Secretary.

[fols. 4598 & 4599] July 8, 1920.

William Horner, Reed City, Mich.

GENTLEMEN: We will appreciate it very much if you will kindly send us your statistical reports for the months of April, May and June, particularly the amount of your shipments for those three months, each month separately.

We wish to get some figures together for our own information to see how the 75% Clause would work out for the year ending July 1, 1920, if the Allotment Statistics had been continued during the months of April, May and June; in other words, to explain more fully, there has been quite an accumulation of 75% Clause funds from July 1, 1919, to March 31, 1920, and it may be the wish of the Association to distribute such funds among the members who are entitled to receive them had the Allotment year ending July 1, 1920, been completed.

Yours very truly, Geo. W. Keehn, Secretary.

[fol. 4600] February 3, 1921—p. m.

Mr. W. E. Cox, c/o Nichols & Cox Lumber Co., Grand Rapids, Michigan.

DEAR MR. COX: Mr. Keehn informs us that your company has decided not to cooperate with the other members in the minimum price basis. We hope that this is not your final decision as it seems to us very essential to have all the membership included to insure the success of the plan. We hope you will reconsider the matter and join in on the plan for the general good. We do not feel that we can continue unless you are with us and we have so advised Mr. Keehn. It looks to us as though prices will go much below replacement costs unless they can be stabilized by teamwork.

I would appreciate your writing me how you feel about the proposition.

With best wishes.

Very truly yours, M. E. Thomas.

[fol. 4601] February 10, 1921.

Holt Hardwood Company, Oconto, Wis.

GENTLEMEN: We wired you this noon that we were waiting for your January reports. We cannot compile our reports until the reports from all the members are received, and as it usually takes about three days to get out our reports, we hope to receive yours by return mail; otherwise we will not be able to have our statistics ready for the 17th which we expect will be the date set for the Market Conditions Committee meeting.

We are enclosing extra blank forms in case you have mislaid the ones mailed you before the first of the month. Please note that in order to have our statistics complete we will require your Stocks and Ufilled Orders on Hand on January 1st as well as February 1st.

Thanking you for your early attention,

Yours very truly, George W. Keehn, Secretary.

[fol. 4602] May 13, 1921.—p. m.

Kerry & Hanson Flooring Co., Grayling, Michigan.

GENTLEMEN: Answering your letter dated May 12th we have an abundance of the No. 1 and lower grades of Maple and Beech flooring but only a very moderate stock of the Clear. We think this is the situation with most of the manufacturers and we believe that the demand for the 2¼ Clear Maple is large enough to exhaust the supply and for that reason we are holding our prices relatively higher on that item.

At present we are obtaining $90.00 per thousand for the 2¼" Clear Maple flooring and $83.00 for the 2" face f. o. b. our factory, carload basis. We do not believe it is going to be necessary for us to reduce this price for a while at least and we certainly shall not unless the stock accumulates with us much more rapidily than at present.

We have certain territories like New England and New York outside the metropolitan market as well as a few other sections where we have sales representatives who have the exclusive sale of our flooring in their respective territories. Of course, a considerable portion of the United States is open territory with us, that is, we have no exclusive sales contracts covering.

We could spare you say one car of the 2¼" and two cars of the 2" Clear Maple flooring at prices stated above for shipment to any point you might desire but if your point of destination should be in our [fol. 4603] open territory we would allow you $2.00 per thousand commission on such business. If, however, the flooring goes into our closed territory we could not give you the commission because we would have to pay that to our representative.

We understand that Bay City is making a lower price on 2¼" Clear but do not know how much stock they can supply.

Of course, our stock is offered subject to prior sale.

Very truly yours, Cobbs & Mitchell, Inc., Sales Department.

[fol. 4604] Quotations subject to change without notice and previous sale all contracts contingent upon strikes, fires, accidents or other unavoidable causes beyond our control.

On the Au Sable River, May 12, 1921.

Cobbs & Mitchell, Inc., Cadillac, Mich.

GENTLEMEN: We have shut down our flooring plant for at least 30 days. Find we have only about 15,000′ of 13/16 x 2¼″ Clear and 20,000′ of this grade in 2″ face on hand. Wish you would please make us prices on these two items, also 13/16 x 3¼″ Clear, f. o. b. cars Cadillac.

If you are in the market for any of the above sizes in #1 or Factory grades, please take up the matter with us. Our stock does not appear to be properly balanced.

Thanking you, we remain,

Yours very truly, Kerry & Hanson Flg. Co., per Kerry.

[fol. 4605] Cadillac, Michigan, June 16, 1921.—a. m.

Holt Hardwood Co., Oconto, Wis.

GENTLEMEN: Your inquiry of June 13th is received and we quote ⅜ x 1½″ face Clear "Electric" Maple Flg., 2 to 16 ft., @ $61.75 per M; ⅜ x 2″ face Clear "Electric" Maple Flg., 2 to 16 ft., @ 61.75 per M, less freight to Oconto, Wis. exclusive of the war tax, official terms, carload basis. For a minimum load it requires 34,000 ft. We can ship immediately after an order is received. The material is on hand in our warehouse at this time.

Inasmuch as you are members of the Association we have concluded to say to you that we will allow you a concession on the above prices of $5.00 per thousand. Our proposition is good until June 22d, subject to prior sale of the stock.

Very truly yours, Cobbs & Mitchell, Inc., Sales Department.

Official Terms of Sale Effective October 1, 1918

Terms, 60 days net or 2% discount for cash in 15 days, or 1% discount for cash in 30 days from date of invoice after deducting freight. War tax to be paid by consignee.

If the car has not arrived, the discount may be deducted on 90% of the invoice less estimated freight, for cash within proper discount period, the balance with original paid freight bill to be remitted net within 5 days after arrival of car. No cash discount will be allowed after 30 days from date of shipment.

[fol. 4606] June 18, 1921.

Cobbs & Mitchell, Cadillac, Mich.

GENTLEMEN: We have your quotation of the 16th given in reply to our inquiry of the 13th for ⅜ flooring. Will you please ship to us at once:

20 M ft. 3/8 x 1½" Clear Mpl. Flg. 2'-16' at $56.75 per M, net to us.

10 M ft. 3/8 x 2" Clear Mpl. Flg. 2'-16' at $56.75 per M net, f. o. b. Oconto.

If this amount will not make car load weight, we will stand the excess freight and you may bill it as a carload. We hope that you will get this car forward at once.

Very truly yours, Holt Hardwood Company.

[fol. 4607] August 26, 1921.

Cobbs & Mitchell, Inc., Cadillac, Michigan.

GENTLEMEN: We have your quotation of August 24th on 3/8 x 2" Clr. maple flooring.

We owe one of our Chicago customers 20 M ft. of this stock on an old order at $45.00 per M. We were willing to buy a full car load to ship direct to Oconto, and we shipped the 20 M ft. to our customer with other stock. But, on account of the crowded condition of our warehouse, we have no place to store the 3/8. We are going to let you ship the 20 M ft. 3/8 Clr. direct to our customer, and you may charge us for the addition freight on account of not being minimun freight.

You will therefore, please ship to the North Side Lumber & Timber Co., Cuiler Station, Chicago, Ill., C. & N. W. Ry., 20 M ft. 3/8 x 2" Clr. maple flooring, invoicing the same to us at Oconto.

Yours truly, Holt Hardwood Company.

[fol. 4608] Cadillas, Michigan, August 24, 1921—A. M.

Holt Hardwood Company, Oconto, Wisconsin, Mr. W. L. Dewitt, Vice President and General Manager.

DEAR SIR: Answering your inquiry dated August 20th we quote you a car of 3/8 x 2" face 2 to 16 ft. Clear "Electric" Maple flooring for immediate shipment at $56.75 per M, freight allowed to Oconto exclusive of the war tax, official terms. It requires 34,000 ft. of the flooring to make the minimum car weight.

You will note that the price named is $5.00 per M less than the current basis, but we are making this special price to you as a member of the association.

We have the flooring on hand and can ship quick if desired.

Hoping to be favored with the order.

Very truly yours, Cobbs & Mitchell, Inc., Sales Department.

[fol. 4609] September 12, 1921.

East Jordon Lumber Company, East Jordon, Mich.

GENTLEMEN: We believe that you were Members of the Michigan Maple Association, and would like to ask your opinion as to how their plan worked out, and if the general plan could be applied to the Maple Flooring Business. There certainly should be something done to *stapleize* the business and put it on a paying basis.

Yours truly, Holt Hardwood Company.

[fols. 4610–4614] October 21, 1921.

Mr. Sam Horner, Reed City, Mich.

DEAR SAM: Confirming my telephone conversation with you today, we have arranged for a meeting at Saginaw on Monday night, and if it is possible for Mr. Rolston or yourself to attend, wish that you would call me the first thing Monday morning, so that I can complete the necessary arrangements.

Yours very truly, —— ——.

[fol. 4615] November 11, 1921—A. M.

Mr. Staple, c/o The Northwestern Cooperage & Lbr. Co., Gladstone, Michigan.

DEAR MR. STAPLE: The statistical condition of 13/16 x 2¼" face Clear and No. 1 Maple flooring indicates better prices for these items. Owing to the volume of business we have been getting we have been obtaining better than October prices for both items and my present view is that $90 and $65 Frame A basis is fully justified.

We have been considering this subject the last few days and have concluded that we should go to this latter basis if competitive conditions will permit us to do so. Both of our companies are considerably oversold on both items and while we realize that December and January are light months it looks to us now as though our present supply of orders will bridge us over this period and that we can maintain the advanced basis if our competition permits us to do so.

We have already made a move with our representatives to establish the $90 and $65 basis, and we are quite confident that it will succeed.

Very truly yours, M. E. Thomas.

[fol. 4616] December 30, 1921.

Kerry & Hanson Flg. Co., Grayling, Mich.

Att'n Fred R. Welch

GENTLEMEN: We are in receipt of a letter this morning from the Lindsley Lumber Co. of Newark, N. J. whom we recently quoted on Maple Flooring, in which they make the following statement: "We lost this order to Samuel Barr of New York City. In some way or other this concern undersells every one else. We used your price and would have given you the business had we secured the order."

We of course quoted the list price and you can see the result. We give you this information in strict confidence and hope it will be of some value to you.

Yours very truly, The Bigelow-Cooper Company. —— ——, Secretary.

[fol. 4617] Grayling, Michigan,
"On the Au Sable River," Dec. 31, 1921.

The Bigelow-Cooper Co., Bay City, Mich.

GENTLEMEN: Answering your letter of Dec. 30th, regarding quotation you made the Lindsley Lbr. Co. of Newark, N. J. We know that Mr. Barr has been working on this inquiry, but up to the present writing the order has not been received by us and we are inclined to believe that the Lindsley Lbr. Co. is mistaken in this matter. Mr. Barr has our price list and instructions to adhere to same and we know of no instance in the past several months where he has taken orders at other than our list prices.

We are, however, taking this matter up with Mr. Barr to learn what he has to say about it.

Yours very truly, Kerry & Hanson Flg. Co., per Emil Fiegling.

[fol. 4618] No. 1-1/6" Maple Flooring sales during week ending January 28th.

J. W. Wells Lumber Company.

[fol. 4619] Grayling, Michigan,
"On the Au Sable River," Feb. 25, 1922.

The Bigelow-Cooper Co., Bay City, Mich.

GENTLEMEN: Your letter of the 18th was not answered before owing to the fact that we were unable to get our reply to you before the General Meeting, at which time we figured you would see our Mr. Kerry and get the information which we have on this matter.

We might say, however, that we are doing our best to hold prices up; in fact all of our quotations have been based on the regular list, $85.00 at seaboard, etc. However, we have given our represen-

tative to understand that he can meet certain competition, up to $5.00 per M reduction without cabling us. Should competition be lower than this, they are to cable the facts.

Trusting this is the information you request, we remain

Yours very truly, Kerry & Hanson Flg. Co., F. R. Welsh.

[fol. 4620-4622] August 20, 1922.

Mr. William Horner, Reed City, Mich.

Attention Mr. Ralston

DEAR SIR: This letter is to acknowledge receipt of your letter of the 18th, inclosing the price list showing the code which you use, and we wish to thank you for the same.

We instructed the Holt Lumber Company to furnish you with their price list on surfacing, resawing, etc. for transit cars, as per your request at the meeting.

Thanking you, we remain,

Yours truly, Holt Hardwood Company.

AVERAGE COST FOR THE FOURTH QUARTER OF 1921.

13/16 x 2¼ CLEAR MAPLE FLOORING

Was $90.00 F.O.B. CARS AT FLOORING MILL, as shown by AVERAGE COSTS published by the ASSOCIATION and dated 11-17-21.

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Compiled from RECORD OF COMPLETED TRANSACTIONS REPORT OF SALES MADE DURING THE WEEK ENDING NOVEMBER 19th, 1921.

- - - - - - - -

1	@	$81.50	Total	50,000 Ft.		
1	@	83.00	"	12,000 Ft		
1	@	83.75	"	17,500 Ft		
1	@	83.50	"	9,000 Ft		
1	@	84.25	"	80,000 Ft		
1	@	84.50	"	5,000 Ft		
1	@	84.75	"	20,067 Ft		
38	@	85.00	"	544,000 Ft		
2	@	85.25	"	25,000 Ft		
1	@	85.50	"	2,000 Ft		
1	@	86.75	"	5,000 Ft		
15	@	87.00	"	273,000 Ft		
1	@	89.00	"	40,000 Ft		
1	@	89.25	"	150,000 Ft		
				1,232,567 Ft	----------	94.2%
5	@	90.00	"	67,500 Ft	----------	5.1%
1	@	93.25	"	4,775		
1	@	96.50	"	3,178		
				7,953 Ft	----------	0.7%
73				1,308,020	----------	100%

Government's Exhibit No. 79

4623-4771

NET FACTORY PRICES MAPLE FLOORING 13/16x2¼

For Week Ending Nov. 19, 1921

CLEAR

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price
11-11	2	1,000	88.50	----	3.50	2.00	83.00
9	2	20,000	96.75	----	6.75	2.00	88.00
16	49	20,000	111.50		26.50		85.00
14	3	5,000	90.25		3.50	2.00	84.75
16	3	65,000	96.50		9.50	2.00	85.00
16	3	5,000	93.00		6.00	1.50	85.50
17	3	15,000	91.75		4.75		87.00
18	3	10,000	96.50		9.50	2.00	85.00
~~10~~	~~3~~	~~5,000~~	~~89.75~~	~~7/8~~	~~9.50~~	~~2.00~~	~~78.25~~
10	3	50,000	91.75	Bevels	4.75	2.00	85.00
~~18~~	~~3~~	~~20,000~~	~~79.50~~		~~9.50~~	~~2.00~~	~~68.00~~
18	3	10,000	93.00		6.00	2.00	85.00
14	5	25,000	91.75		4.75	2.00	85.00
16	5	30,000	91.75		4.75	2.00	85.00
16	5	12,500	91.75		4.75	2.00	85.00
16	5	5,000	96.50		9.50	2.00	85.00
17	5	24,000	96.50		9.50	2.00	85.00
17	5	7,300	109.50		22.50	1.50	85.50
19	5	1,000	95.50		8.50	1.50	85.50
16	5	1,200	92.25		5.25	2.00	85.00
15	26	20,000	107.50		22.50	2.00	83.00
15	26	30,000	107.50		22.50	2.00	83.00
15	26	10,000	107.50		22.50	2.00	83.00
15	30	15,000	91.00		5.75	.50	84.75
16	30	36,000	94.00		9.00	2.00	83.00
16	37	45,000	89.75		4.75	2.00	83.00
10	47	80,000	89.00	Old quotation —	4.75	2.00	82.25
18	47	20,000	96.50		6.50		90.00
17	47	40,000	90.00		1.00		89.00
18	47	20,000	99.00		9.00	2.00	88.00
14	4	18,000	107.50		22.50	1.50	83.50
14	4	15,000	91.00		6.00		85.00
14	4	6,000	91.00		6.00	1.50	83.50
14	4	2,000	91.50		6.00	1.50	84.00
14	4	25,000	90.75		5.75	1.50	83.50
14	4	15,000	91.00		6.00	1.50	83.50
14	4	15,000	91.00		6.00		85.00
14	4	9,000	91.00		6.00	1.50	83.50
14	4	13,000	107.50		22.50	1.50	83.50
14	4	1,000	91.00		6.00	1.50	83.50
14	4	4,000	90.75		5.75	1.50	83.50
14	4	3,000	91.00		6.00	1.50	83.50

747,000

4772

Clear 2 Nov. 19, 1921

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price	
11-15	4	25,000	91.00		6.00	1.50	83.50	85
16	4	20,000	91.00		6.00	1.50	83.50	✓
17	4	3,000	89.00		4.00	1.50	83.50	✓
17	4	3,000	89.00		4.00	1.50	83.50	✓
18	4	14,000	88.50		3.50	1.50	83.50	✓
19	4	30,000	91.00		6.00	1.50	83.50	✓
19	4	30,000	107.50		22.50	1.50	83.50	✓
19	4	1,000	91.00		6.00		85.00	✓
~~19~~	~~4~~	~~7,000~~	~~61.00~~		~~6.00~~		~~55.00~~	
19	4	15,000	104.50		19.50		85.00	✓
19	4	30,000	90.25		5.25	1.50	83.50	✓
14	4	14,000	93.25		8.25	1.50	83.50	✓
15	7	5,000	88.50		4.00		84.50	84
15	7	2,500	94.75		4.75		90.00	90
17	7	9,000	93.00		9.50		83.50	93
17	7	12,000	87.75		4.75		83.00	88
17	7	3,000	91.00		6.00		85.00	85
14	34	6,000	92.50		7.50	1.50	83.50	✓
17	34	18,000	91.00		6.00	1.50	83.50	✓
17	34	10,000	91.00		6.00	1.50	83.50	✓
17	34	6,000	91.00		6.00		85.00	✓
17	44	8,000	94.50		9.50	1.50	83.50	✓
17	44	7,500	91.00		6.00		85.00	✓
17	44	10,000	90.00		4.75	1.50	83.75	85
17	44	17,500	90.50		7.25	1.50	81.75	83
17	44	150,000	94.00		4.75	1.50	87.75	89
17	44	5,000	95.25		6.25		90.00	90
16	45	50,000	85.00		3.50	1.50	80.00	81
14	50	7,500	91.00		6.00		85.00	85
19	50	7,000	91.00		6.00		85.00	✓
17	48	4,775	98.00		4.75		93.25	93
17	48	3,178	96.50		WW		96.50	96
15	51	20,067	90.00		5.25	2.00	82.75	84
19	5	12,000	96.50		9.50	2.00	85.00	87

59.40

HIGH

LOW

4773=4776

AVERAGE COST FOR SECOND QUARTER OF 1923.

13/16 x 2-1/4 CLEAR MAPLE FLOORING

was $90.00 F.O.B. Cars at Flooring Mills

as shown by Table of Values issued by Association under date of November 17, 1921.

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Compiled from RECORD OF COMPLETED TRANSACTION.

REPORT OF SALES MADE DURING THE WEEK ENDING NOVEMBER 26, 1921.

1	Sale	@	$80.00	total	2,500 ft.	
1	"	@	82.00	"	8,000 "	
1	"	@	84.00	"	19.000 "	
1	"	@	84.25	"	25,136 "	
19	"	@	85.00	"	311,500 "	520.636 ft. ▭ 72.5%
1	"	@	85.50	"	18,000 "	
1	"	@	86.00	"	16,000 "	
7	"	@	87.00	"	75,000 "	
1	"	@	89.00	"	3,500 "	
1	"	@	89.50	"	40,000 "	
10	Sales	@	90.00	total	153,750 ft.	153,750 ft. ▭ 21.4%
1	Sale	@	90.50	total	15,000 ft.	
2	"	@	93.25	"	15.509 "	
1	"	@	95.00	"	1,500 "	43,109 ft. 6.9%
1	"	@	96.00	"	1,000 "	
1	"	@	101.50	"	8,600 "	
1	"	@	103.25	"	1,500 "	
51	Sales				717,495 ft.	717,495 ft. 100%

NET FACTORY PRICES MAPLE FLOORING 13/16x2¼

For Week Ending Nov. 26, 1921

CLEAR

Date	Mill	Quantity	Delivered Price	Freight Charged	Commissions	Net Factory Price	
			old quotation				
11-19	2	12,000	*93.50	8.50		*85.00	85-
23	2	4,750	96.75	6.75	2.00	88.00	90
17	24	50,000	90.50	5.50		85.00	85
23	49	3,500	95.50	6.50		89.00	89
25	49	20,000	94.00	9.00	2.00	83.00	85
21	3	20,000	93.00	6.00	2.00	85.00	87
23	3	7,000	99.50	9.50	2.00	88.00	90
19	5	5,000	96.50	9.50	2.00	85.00	87
23	5	10,000	112.50	22.50	1.50	88.50	90
25	5	18,000	112.50	22.50	1.50	88.50	90
22	14	2,000	95.50	8.50	2.00	85.00	87
25	14	10,000	96.50	9.50	2.00	85.00	87
25	14	10,000	96.50	9.50	2.00	85.00	✓
26	14	10,000	96.50	9.50	2.00	85.00	✓
26	14	30,000	112.50	22.50	2.00	88.00	90
22	26	15,000	94.00	3.50	2.00	88.50	90.50
21	26	29,000	99.50	9.50	2.00	88.00	90
22	30	19,000	92.50	8.50		84.00	84
25	30	18,000	90.50	3.50		87.00	87
26	30	1,000	96.00	Mill		96.00	96
26	37	19,000	112.50	22.50	2.00	88.00	90
23	47	40,000	98.00	8.50		89.50	89.50
18	47	15,000	94.75	4.75	2.00	88.00	90
21	4	3,000	90.50	5.50		85.00	85
21	4	1,000	94.75	4.75	1.50	88.50	90
23	4	13,000	93.25	8.25	1.50	83.50	85
23	4	65,000	91.00	6.00		85.00	✓
23	4	18,000	89.50	3.50	1.50	84.50	84-
23	4	18,000	89.50	4.00	1.50	84.00	85.50
23	4	20,000	93.50	8.50	1.50	83.50	85
23	4	2,500	92.75	7.75	1.50	83.50	85
23	4	2,500	87.75	7.75	1.50	78.50	80
23	4	5,000	94.50	9.50	1.50	83.50	85
23	4	10,000	94.50	9.50	1.50	83.50	✓
23	4	4,000	106.25	21.25		85.00	✓
23	4	30,000	107.50	22.50	1.50	83.50	✓
26	4	5,000	107.50	22.50	1.50	83.50	✓
26	4	15,000	91.00	6.00	1.50	83.50	✓
26	4	15,000	91.00	6.00	1.50	83.50	✓
25	7	20,000	101.75	11.75		90.00	90
25	7	8,000	94.25	11.75		82.50	85.00

4778

Date	Mill	Quantity	Delivered Price	Freight Charged	Commissions	Net Factory Price	
11-23	7	25,000	90.00	5.00		85.00 ✓	85-
25	34	1,500	95.00	Mill		95.00 ✓	95-
25	44	4,000	89.25	4.25	1.50	83.50 ✓	85-
22	50	8,000	*91.00	6.00		85.00 ✓	✓
22	50	5,000	*91.00	6.00		85.00 ✓	✓
21	1	1,500	108.00	4.75		103.25 ✓	103.25
21	1	8,600	116.00	14.50		101.50 ✓	101.50
21	1	2,300	98.00	4.75		93.25 ✓	93.25
21	22	13,209	98.00	4.75		93.25 ✓	93.25
21	51	25,136	95.00	10.75	2.00	82.25 ✓	84.25

94,245

Old quotations

HIGH

LOW

4779-4781

AVERAGE COST FOR SECOND QUARTER OF 1922.

15/16 x 2-1/4 Clear MAPLE FLOORING

was $90.00 F.O.B. Cars at Flooring Mills

as shown by Table of Values issued by Association under date of November 17, 1921.

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Compiled from RECORD OF COMPLETED TRANSACTIONS.

REPORT OF SALES MADE DURING THE WEEK ENDING DECEMBER 3, 1921.

- -

1 Sale	@	$83.50	total	250,000 ft.		
1 "	@	85.00	"	30,000 "		
2 "	@	86.50	"	28,000 "		
5 "	@	87.00	"	140,000 "	473,000 ft.	25.4%
1 "	@	88.00	"	20,000 "		
1 "	@	88.75	"	5,000 "		
15 Sales	@	90.00	total	321,500 ft.	321,500 ft.	30.1%
1 Sale	@	91.25	"	34,000 ft.		
1 "	@	93.00	"	200,000 "		
6 "	@	93.25	"	7,425 "		
2 "	@	93.50	"	15,000 "	269,734 ft.	44.5%
2 "	@	95.00	"	7,109 "		
1 "	@	96.50	"	2,800 "		
1 "	@	99.00	"	2,400 "		
37 Sales	@			1,063,234 ft.	1,063,234 ft.	100%

4782

NET FACTORY PRICES MAPLE FLOORING 13/16x2¼

For Week Ending Dec. 3, 1921

CLEAR

Date	Mill	Quantity	Delivered Price	Freight Charged	Commissions	Net Factory Price
12-1	2	1,300	93.50	3.50		90.00
1	2	5,009	103.50	8.50		95.00
11-29	2	2,100	104.00	9.00		95.00
26	24	16,000	104.00	14.00	2.00	88.00
12-2	33	200,000	94.75	4.75	2.00	88.00
11-30	33	20,000	97.00	9.00		88.00
29	33	23,000	93.00	6.50		86.50
29	33	10,000	93.50	Mill	2.00	91.50
12-2	33	5,000	93.50	Mill		93.50
11-28	49	30,000	107.50	22.50	2.00	83.00
30	49	3,000	90.00	Mill	2.00	88.00
12-1	49	5,200	98.50	8.50	2.00	88.00
1	49	10,000	112.50	22.50	2.00	88.00
11-29	5	2,000	99.50	9.50	2.00	88.00
30	5	75,000	108.00	21.00	1.50	85.50
12-3	5	25,000	99.50	9.50	2.00	88.00
11-29	5	8,000	96.50	9.50	2.00	85.00
29	14	10,000	93.00	6.00	2.00	85.00 (1)
30	14	30,000	109.50	22.50	2.00	85.00 (1)
12-1	26	5,000	90.00	3.50	2.00	84.50
11-28	30	34,000	91.25		2.00	89.25
11-30	30	17,000	93.75	6.75		87.00
12-2	30	2,400	99.00	Mill		99.00
11-25	47	250,000	90.00	6.50		83.50 (2)
12-1	47	20,000	99.00	9.00		90.00 (3)
11-29	4	5,000	93.50	4.75	1.50	87.25
12-1	4	10,000	96.00	6.00	1.50	88.50
3	4	8,000	102.00	12.00	1.50	86.50
3	7	3,000	96.00	6.00		90.00
3	42	10,000	96.00	6.00	2.00	88.00
3	42	5,000	96.00	6.00	2.00	88.00
11-29	50	1,000	96.00	6.00		90.00
28	1	2,800	96.50	Warehouse		96.50
28	1	1,000	98.00	4.75		93.25
28	1	2,300	98.00	4.75		93.25
12-3	48	4,125	98.00	4.75		93.25
~~3~~	~~48~~	~~2,650~~	~~76.00~~	~~4.75~~		~~71.25~~
3	48	200,000	93.00	Warehouse		93.00

HIGH LOW.

(1) Protested on old price list

(2) Quotation made 12/1, protested 3 days

(3) Old quotation.

4783-4785

AVERAGE COST FOR FOURTH QUARTER OF 1921.

13/16 x 2½ CLEAR MAPLE FLOORING.

Was $90.00 F.O.B. Cars AT FLOORING MILL, as shown by ASSOCIATION AVERAGE COST UNDER DATE OF November 17, 1921.

COMPILED FROM RECORD OF COMPLETED TRANSACTION OR REPORT OF SALES MADE DURING THE WEEK ENDING December 10, 1921.

3	Sales	@	$81.50	total	115,000 ft.	
2	Sales	@	82.25	"	40,000 ft.	
1	Sale	@	83.50	"	20,000 ft.	
3	Sales	@	85.00	"	36,000 ft.	
1	Sale	@	87.00	"	15,000 ft.	
1	Sale	@	87.50	"	9,000 ft.	
1	Sale	@	88.25	"	10,000 ft.	
1	Sale	@	88.75	"	3,050 ft.	
12	Sales				248,050 ft. =	61.2%
13	Sales	@	90.00	total	132,217 ft. =	32.6%
1	Sale	@	90.25	total	3,000 ft.	
1	Sale	@	90.75	"	8,000 ft.	
1	Sale	@	95.00	"	2,640 ft.	
1	Sale	@	96.00	"	1,000 ft.	
1	Sale	@	96.25	"	6,310 ft.	
1	Sale	@	103.25	"	1,561 ft.	
6	Sales				24,511 ft. =	6.2%
31	Sales				404,778 Ft. =	100%

4786

NET FACTORY PRICES MAPLE FLOORING 13/16x2¼

For week ending Dec. 10, 1921

CLEAR

Date	Mill	Quantity	Delivered Price	Freight Charged	Commissions	Net Factory Price
12-5	3	10,000	105.75	18.50	1.50	86.75
12-7	3	10,000	96.00	6.00	2.00	88.00
12-9	3	5,000	99.50	9.50	2.00	88.00
12-8	5	5,000	95.50	5.50	2.00	88.00
12-8	5	7,000	99.50	9.50	2.00	88.00
12-5	14	20,000	99.50	9.50	2.00	88.00
12-7	30	2,640	95.00			95.00
12-8	47	17,000	96.00	6.00	2.00	88.00
12-8	47	10,000	96.00	6.00	2.00	88.00
12-3	47	15,000	95.00	8.00		87.00
12-10	4	8,000	96.00	5.25	1.50	89.25
12-1	23	40,000	85.00	3.50		81.50
12-3	23	20,000	87.00	4.75	2.00	80.25
12-3	23	20,000	87.00	4.75	2.00	80.25
12-5	23	1,000	90.00			90.00
12-5	23	3,050	93.50	4.75	2.00	86.75
12-10	23	75,000	85.00	3.50	2.00	79.50
12-5	23	3,000	95.50	5.25		90.25
12-6	42	9,000	87.50		2.00	85.50
12-3	44	15,000	89.25	4.25	1.50	83.50
12-3	44	8,000	89.75	4.75	1.50	83.50
12-3	44	13,000	89.25	4.25	1.50	83.50
12-10	44	15,000	94.75	4.75	1.50	88.50
12-6	50	20,000	96.00	6.00	2.00	88.00
12-6	50	13,517	96.00	6.00	2.00	88.00
12-6	50	1,000	96.00			96.00
~~12-6~~	~~50~~	~~2,000~~	~~91.00~~	factory		~~91.00~~
12-6	50	700	90.00			90.00
12-10	48	1,561	108.00	4.75		103.25
12-10	48	8,310	101.00	4.75		96.25
11-30	51	20,000	91.00	8.50	2.00	80.50
12-9	51	8,000	99.50	9.50	2.00	88.00

90 y 775

HIGH

LOW

* On Quotations prior to 11/23/21

4787-4789

AVERAGE COST FOR FIRST QUARTER OF 1922.

13/16 x 2-1/4 **CLEAR** MAPLE FLOORING

was $90.00 F. O. B. Cars at Flooring Mills

as shown by Average Cost Chart dated November 17, 1921.

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Compiled from RECORD OF COMPLETED TRANSACTIONS.

REPORT OF SALES MADE DURING THE WEEK ENDING JANUARY 14, 1922.

1 Sale	@	$85.00	total	120,000 ft.	123,000 ft.	41.1%
1 "	@	89.50	"	3,000 "		
9 Sales	@	$90.00	total	131,100 ft.	131,100 ft.	43.8%
1 Sale	@	$91.00	total	25,000 ft.	45,395 ft.	15.1%
4 "	@	96.25	"	18,920 "		
1 "	@	99.50	"	1,475 "		
17 Sales				299,495 ft.	299,495 ft.	100%

4790

CLEAR

NET FACTORY PRICES MAPLE FLOORING 13/16 x 2¼

For Week Ending January 14, 1922.

Reports from 5 members in Eastern Lower Michigan.

Date	Mill	Delivered Quantity	Delivered Price	FREIGHT Rate	FREIGHT Charged	Commissions	Net Factory Price
1/14		5,000	94.00	.20	4.00	2.00	88.00
11		25,000	99.50	.47	8.50	2.00	89.00
13		*120,000	89.75	.24	4.75		85.00
13		8,600	96.25	.31	6.25	2.00	88.00

* [redacted] *Sold to member of MFMA.

Reports from 3 members in Western Lower Michigan. One other member in Western Lower Michigan reports "No Sales."

1/9		5,000	96.00	.30	6.00	1.50	88.50
12		80,000	99.00	.45	9.00	2.00	88.00

Reports from 2 Members in Upper Michigan and Wisconsin. 1 Other Member in Upper Michigan and Wisconsin reports "No Sales"

1/14		3,000	96.00	.30	6.00	1.50	88.50
14		3,000	94.50	.30	6.00	1.50	87.00
14		7,000	96.00	.30	6.00		90.00
14		7,500	96.00	.30	6.00	2.00	88.00
14		10,000	94.75	.24	4.75	1.50	88.50
14		5,000	96.50	.27	5.50	1.50	88.50

Reports from 3 other members. 1 Other member reports "No Sales"

1/14		3,340	101.00	.24	4.75		96.25
14		1,650	101.00	.24	4.75		96.25
14		1,825	101.00	.24	4.75		96.25
14		12,105	101.00	.24	4.75		96.25
14		1,475	99.50	Warehouse			99.50

799 49

4791-4793

AVERAGE COST FOR THE FOURTH QUARTER OF 1921.

13/16 x 2¼ CLEAR MAPLE FLOORING.

Was $90.00 F.C.B. CARS AT FLOORING MILL, as shown by AVERAGE COST CHART issued by the ASSOCIATION and dated 11-17-21.

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Compiled from RECORD OF COMPLETED TRANSACTIONS REPORT OF SALES MADE DURING THE WEEK ENDING DECEMBER 17th, 1921.

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1	@	$80.00	Total	3,000	Ft.		
1	@	85.00	"	81,000	"		
2	@	86.75	"	14,000	"		
3	@	87.00	"	33,000	"		
1	@	88.25	"	2,000	"	133,000 Ft. - -	45.5%
11	@	90.00	"	136,300	Ft	---	46.3%
1	@	90.25		15,600	Ft.		
1	@	92.00	"	2,000	"		
1	@	92.75	"	5,000	"		
1	@	94.75	"	1,000	"		
3	@	96.25	"	6,459	"		
1	@	99.00	"	5,200	"		
27						35,259 Ft. - -	8.2%
				294,559			100%

4794

NET FACTORY PRICES MAPLE FLOORING 13/16x2¼

For Week Ending Dec. 17, 1921

CLEAR

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions:	Net Factory Price
12-8	2	81,000	*89.25		4.25	---	85.00
12-13	2	10,000	98.50		8.50	2.00	88.00
12-9	24	25,000	94.00		4.00	2.00	88.00
12-13	24	2,800	97.50		7.50	2.00	88.00
12-10	49	9,000	95.50		5.50	2.00	88.00
12-16	3	5,000	99.50		9.50	2.00	88.00
12-15	3	5,000	99.50		9.50	2.00	88.00
12-14	3	2,500	96.00		6.00	2.00	88.00
~~12-12~~	~~5~~	~~12,500~~	~~91.00~~	Rush	~~6.00~~	~~1.50~~	~~73.50~~
12-15	5	2,000	91.00		2.75	---	88.25
12-14	26	3,000	90.00		10.00	---	80.00
12-12	30	5,200	99.00		Mill	---	99.00
12-12	30	12,000	101.00		14.25	2.00	84.75
12-12	30	2,000	108.00		21.25	2.00	84.75
12-14	30	15,600	102.00		11.75	2.00	88.25
12-15	30	20,000	109.50		22.50	2.00	85.00
12-17	30	30,000	112.50		22.50		90.00
12-16	30	5,000	96.50		9.50	2.00	85.00
12-16	47	27,000	95.50		5.50	2.00	88.00
12-16	47	2,000	94.75		4.75	2.00	90.00
12-16	47	5,000	99.00		6.25	2.00	90.75
12-15	47	8,000	91.75		4.75		87.00
12-14	4	5,000	96.00		6.00	1.50	88.50
12-15	34	5,000	96.00		6.00		90.00
12-12	1	1,100	101.00		4.75		96.25
12-12	1	1,000	99.50		4.75		94.75
12-12	1	4,300	101.00		4.75		96.25
12-17	48	1,059	101.00		4.75		96.25

HIGH LOW

* Old quotations.

4795—4797

AVERAGE COST FOR THE FIRST QUARTER OF 1922.

13/16 x 2¼ CLEAR MAPLE FLOORING

Was $90.00 F.O.B. CARS AT FLOORING MILL. as shown by

AVERAGE COST CHART issued by the ASSOCIATION and dated 11-17-21.

Compiled from RECORD OF COMPLETED TRANSACTIONS REPORT OF

SALES MADE DURING THE WEEK ENDING JANUARY 21st, 1922.

1	@	$83.50	Total	30,000 Ft.		
1	@	86.50	Total	20,000 Ft.		
1	@	87.25	Total	2,500 Ft.		
2	@	87.50	Total	29,000 Ft.		
2	@	87.75	Total	23,000 Ft.		
2	@	88.00	Total	27,000 Ft.		
1	@	88.25	Total	3,000 Ft.		
1	@	89.25	Total	4,800 Ft.		
				139,300 Ft.	-----	.423%
18	@	90.00	Total	179,000 Ft.	-----	.543%
1	@	93.00	Total	1,850 Ft.		
1	@	96.25	Total	3,460 Ft.		
2	@	99.50	Total	6,300 Ft.		
				11,010 Ft.	-----	.034%
32				329,310 Ft.		100%

4798

NET FACTORY PRICES MAPLE FLOORING 13/16x2¼

For Week Ending January 21, 1928.

CLEAR

Date	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price	
Reports from 2 members in Eastern Lower Michigan.							
1-20	18,000	104.00	.70	14.00	1.50	88.50	90
1-16	20,000	96.00	.47	9.50	2.00	84.50	86 50
1-17	8,000	91.50	.20	4.00	1.50	86.00	87 50
Reports from 6 Members in Western Lower Michigan.							
1-18	1,250	99.50	.33	6.50	93	93.00	93
1-19	16,000	98.75	.44	8.75	1.50	88.50	90
1-11	10,000	99.50	.47	9.50	2.00	88.00	90
1-12	2,000	99.50			2.00	97.50	97 50
1-16	10,000	94.75	.24	4.75		90.00	90
1-18	23,000	94.75	.32	6.50	1.50	86.75	87 50
1-18	2,000	99.50	.47½	9.50	2.00	88.00	90
1-21	30,000	107.00	.85	17.00	1.50	88.50	90
1-18	4,000	90.00	Mill		2.00	88.00	90
1-18	2,500	96.00	.44	8.75	2.00	85.25	87 50
1-16	4,800	102.00	.64	12.75		89.25	89 25
1-18	10,000	94.75	.24	4.75	1.50	88.50	90
1-18	18,000	99.50	.47½	9.50	2.00	88.00	90
1-19	12,000	99.50	.47½	9.50	2.00	88.00	90
1-6	1,000	96.00	.30	6.00		90.00	90
1-11	1,000	96.00	.30	6.00		90.00	90
1-19	30,000	92.00	.43	8.50	2.00	81.50	83 50
1-21	4,000	93.25	.28	5.50		87.75	87 75
1-21	12,000	96.25	.31	6.25		90.00	90
1-21	10,000	97.00	.45	9.00		88.00	88
1-20	5,000	94.75	.24	4.75	1.50	88.50	90
1-20	5,000	94.50	.22	4.50		90.00	90
1-20	5,000	96.00	.30	6.00		90.00	90
Reports from 3 other members.							
1-19	3,460	101.00	.24	4.75		96.25	96 25
1-19	4,300	99.50	Warehouse			99.50	99 50
Reports received late today from 2 other members in Upper Mich. & Wis.							
1-14	21,000	92.50	.25	5.00	2.00	85.50	87 50
1-14	17,000	100.00	.60	12.00	2.00	86.00	88
1-14	19,000	90.50	.14	2.75	2.00	85.75	87 50
1-18	15,000	96.75	.34	6.75	2.00	88.00	90
1-19	5,000	94.50	.22	4.50		90.00	90

HIGH LOW 4799 4801

AVERAGE COST FOR FIRST QUARTER OF 1922.

13/16 x 2-1/4 CLEAR MAPLE FLOORING

was $90.00 F.O.B. Cars at Flooring Mills

as shown by Average Cost Chart dated 11/17/21.

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Compiled from RECORD OF COMPLETED TRANSACTIONS.

REPORT OF SALES MADE DURING THE WEEK ENDING JANUARY 28, 1922.

1 Sale	@	$86.50	total	10,000 ft.		
2 Sales	@	87.00	"	36,000 "	72,200 ft.	19.7%
1 "	@	88.75	"	1,200 "		
1 "	@	89.50	"	25,000 "		
15 Sales	@	$90.00	total	280,700 ft.	280,700 ft.	76.6%
1 Sales	@	$91.00	total	1,800 ft.		
3 "	@	96.25	"	6,657 "	13,557 ft.	3.7%
1 "	@	99.50	"	3,600 "		
1 "	@	100.25	"	1,500 "		
24 Sales				366,457 ft.	366,457 ft.	100%

4802

CLEAR

NET FACTORY PRICES MAPLE FLOORING 13/16 x 2¼

For Week Ending January 28th, 1922.

Reports from 3 Members in Eastern Lower Michigan.

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight CHARGED	Commissions	Net Factory Price	
1/21		50,000	99.00	.45	9.00	2.00	88.00	4
16		25,000	96.75	.29	5.75	2.00	88.00	"
20		1,800	94.75	.24	4.75	---	91.00	4

Reports from 3 Members in Western Lower Michigan

1/25		2,000	96.00	.30	6.00	1.50	88.50	9
26		6,000	99.50	.47½	9.50	2.00	88.00	"
23		30,000	109.50	1.13	22.50	2.00	85.00	8
28		10,000	99.50	.47	9.50	2.00	88.00	9
24		1,200	95.00	.31½	6.25		88.75	8
21		39,000	90.00	Mill		2.00	88.00	6
23		20,000	90.00	Mill		2.00	88.00	"
25		100,000	99.50	.47	9.50	2.00	88.00	9
25		25,000	98.00	.42	8.50	2.00	87.50	8
26		4,000	99.50	.47½	9.50	2.00	88.00	9
28		5,000	99.50	.47½	9.50	2.00	88.00	"

Reports from 4 Members in Upper Michigan and Wisconsin

1/25		10,000	89.25	.14	2.75	2.00	84.50	8
27		4,500	90.00	Mill		2.00	88.00	9
27		10,200	96.50	.33	6.50	2.00	88.00	"
27		5,000	96.00	.30	6.00	2.00	88.00	"

Reports from 3 Other Members. 1 Other member reports "No Sales"

1/16		4,000	101.00	.24	4.75		96.25	9
16		1,500	101.00	.24	4.75		96.25	"
27		6,000	95.50	.43	8.50	2.00	85.00	8
21		1,500	105.00	.24	4.75		100.25	10
21		1,157	101.00	.24	4.75		96.25	9
21		3,600	99.50	Warehouse			99.50	9

4803-4805

366,917

AVERAGE COST FOR THE FIRST QUARTER OF 1922.

13/16 x 2¼ CLEAR MAPLE FLOORING.

Was $90.00 F.O.B. CARS AT FLOORING MILL, as shown by AVERAGE COST CHART issued by the ASSOCIATION and dated 11-17-21.

Compiled from RECORD OF COMPLETED TRANSACTIONS REPORT OF SALES MADE DURING THE WEEK ENDING FEBRUARY 4th, 1922.

2	@	$85.00	Total	60,000 Ft.		
2	@	85.25	Total	8,000 Ft.		
1	@	86.75	Total	3,000 Ft.		
1	@	87.00	Total	7,000 Ft.		
1	@	87.25	Total	12,000 Ft.		
2	@	88.50	Total	20,000 Ft.		
1	@	89.50	Total	10,000 Ft.		
				120,000 Ft.	---	54.5%
7	@	90.00	Total	84,187 Ft.	---	38.2%
4	@	98.25	Total	5,604 Ft.		
1	@	99.00	Total	2,500 Ft.		
2	@	99.50	Total	4,852 Ft.		
1	@	100.25	Total	3,000 Ft.		
				15,956 Ft.	---	7.3%
25				220,143 Ft.	---	100%

4806

CLEAR

NET FACTORY PRICES MAPLE FLOORING 13/16 x 2¼

FOR Week Ending February 4, 1922.

Report from 1 Member in Eastern Lower Michigan.

Date	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price
Reports from 6 Members in Western Lower Michigan						
2/1	12,000	99.50	.47	9.50	2.00	88.00
1	10,000	95.25	.26	5.25	2.00	88.00
1/31	10,000	99.00	.47	9.50	2.00	87.50
27	20,000	99.00	.45	9.00	2.00	88.00
27	10,000	94.00	.28	5.50		88.50
27	10,000	94.00	.28	5.50		88.50
2/3	5,000	90.00	.24	4.75		85.25
2	2,500	99.00	Mill			99.00
Reports from 3 Members in Upper Michigan and Wisconsin. 1 Member in Upper Michigan and Wisconsin reports "No Sales"						
2/1	10,000	96.00	.30	6.00	2.00	88.00
1	12,000	92.00	.24	4.75	1.50	85.75
1	3,000	90.00	.24	4.75	1.50	83.75
1/28	3,000	94.00	.36	7.25	2.00	84.75
28	7,000	92.50	.27	3.50	2.00	85.00
2/1	50,000	87.75	.14	2.75	2.00	83.00
3	10,000	94.50	.47	9.50	2.00	83.00
4	17,000	94.50	.22	4.50	2.00	88.00
Reports from 3 Other Members						
1/28	2,000	101.00	.24	4.75		96.25
1/4	1,700	99.50	Warehouse			99.50
4	3,000	105.00	.24	4.75		100.25
4	1,600	101.00	.24	4.75		96.25
4	1,000	101.00	.24	4.75		96.25
4	3,152	99.50	Warehouse			99.50
4	1,004	101.00	.24	4.75		96.25
Report received late today from another member in Eastern Lower Michigan						
1/27	5,187	96.25	.31	6.25	1.00	89.00
27	10,000	96.25	.31	6.25	2.00	88.00

4807-4809

AVERAGE COST FOR FIRST QUARTER OF 1922.

13/16 x 2-1/4 CLEAR MAPLE FLOORING

was $90.00 F. O. B. Cars at Flooring Mills

as shown by Average Cost Chart dated 11/17/21.

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Compiled from RECORD OF COMPLETED TRANSACTIONS.

REPORT OF SALES MADE DURING THE WEEK ENDING FEBRUARY 11, 1922.

1	Sale	@	$82.50	total	60,000 ft.	
2	"	@	84.75	"	13,000 "	
3	"	@	85.00	"	36,726 "	
2	"	@	85.25	"	42,000 "	
1	"	@	86.50	"	9,216 "	302,356 ft. 59.6%
2	"	@	86.75	"	37,000 "	
2	"	@	87.00	"	23,414 "	
2	"	@	88.50	"	36,000 "	
1	"	@	89.75	"	45,000 "	
21	Sales	@	$90.00	total...	177,000 ft.	177,000 ft. 34.9%
1	Sale	@	$94.75	"	6,750 ft.	
6	"	@	96.25	"	18,502 "	28,052 ft. 5.5%
1	"	@	110.25	"	2,800 "	
45	Sales				507,408	507,408 ft. 100%

4810

NET FACTORY PRICES MAPLE FLOORING

13/16 x 2-1/4 Clear

Compiled from Record of Completed Transactions for week ending February, 11, 1922.

Date	Group	Quantity	Delivered Price	Av.Frt. Rate	Act Frt. Allowed	Price F.O.B. cars at mill	Com.	Net Price F.O.B. cars at mill
2/1	1	9,216	95.50	.45	9.00	86.50	2.00	84.50
1/30	"	45,000	95.50	.29	5.75	89.75	1.50	88.25
2/4	"	15,726	99.25	.71	14.25	85.00	2.00	83.00
2/7	"	17,414	92.75	.29	5.75	87.00	2.00	85.00
2/6	"	17,000	92.00	.26	5.25	86.75	2.00	84.75
2/6	"	20,000	107.50	1.13	22.50	85.00	2.00	83.00
2/6	"	25,000	99.50	.47	9.50	90.00	2.00	88.00
2/10	"	4,000	96.00	.30	6.00	90.00	1.50	88.50
2/10	"	15,000	99.50	.47	9.50	90.00	2.00	88.00
2/7	"	5,000	99.50	.47	9.50	90.00	2.00	88.00
2/9	"	16,000	95.00	.33	6.50	88.50	-	88.50
2/9	"	9,000	99.50	.47	9.50	90.00	2.00	88.00
2/10	"	10,500	99.50	.47	9.50	90.00	2.00	88.00
2/11	"	7,000	99.00	.45	9.00	90.00	-	90.00
2/6	"	10,000	97.50	.38	7.50	90.00	2.00	88.00
2/6	3	25,000	90.00	.24	4.75	85.25	1.50	83.75
2/6	"	6,000	92.00	.25	5.00	87.00	1.50	85.50
2/8	"	20,000	94.00	.36	7.25	86.75	2.00	84.75
1/23	"	2,000	96.00	.30	6.00	90.00	-	90.00
1/25	"	3,000	97.75	.39	7.75	90.00	2.00	88.00
1/28	"	3,000	96.00	.30	6.00	90.00	2.00	88.00
1/28	"	1,000	96.00	.30	6.00	90.00	2.00	88.00
1/30	"	8,300	96.00	.30	6.00	90.00	2.00	88.00
2/1	"	8,000	94.75	.24	4.75	90.00	2.00	90.00
2/3	"	3,000	96.00	.30	6.00	90.00	-	90.00
2/3	"	3,000	96.00	.30	6.00	90.00	-	90.00
2/4	"	14,000	95.00	.25	5.00	90.00	2.00	88.00
1/28	"	5,000	93.25	.43	8.50	84.75	2.00	82.75
1/23	"	17,000	90.00	.24	4.75	85.25	-	
1/1	"	8,000	93.25	.43	8.50	84.75	2.00	82.75
1/4	"	12,000	107.00	.85	17.00	90.00	2.00	88.00
1/4	"	60,000	90.00	.38	7.50	82.50	2.00	80.50
1/4	4	4,152	101.00	.24	4.75	96.75	- - -	96.25
2/6	"	1,000	101.00	.24	4.75	96.25	- - -	96.25
2/6	"	8,000	102.00	.24	4.75	97.25	-	97.25

4811 – 4812

437308

AVERAGE COST FOR THE FIRST QUARTER OF 1922.

13/16 x 2¼ CLEAR MAPLE FLOORING.

Was $90.00 F.O.B. CARS AT FLOORING MILL, as shown by AVERAGE COST CHART issued by the ASSOCIATION and dated 11-17-21

Compiled from RECORD OF COMPLETED TRANSACTIONS REPORT OF SALES MADE DURING THE WEEK ENDING FEBRUARY 18th, 1922.

1	@	$81.00	Total	42,000 Ft.	
1	@	83.50	Total	17,000 Ft.	
1	@	87.00	Total	18,000 Ft.	
1	@	88.00	Total	28,000 Ft.	
1	@	88.75	Total	79,000 Ft.	
1	@	88.50	Total	2,300 Ft.	(6 below--184,300) --- 74.0%
7	@	90.00	Total	31,450 Ft.	(7 at 90-- 31,450) --- 12.6%
2	@	91.00	Total	15,000 Ft.	
1	@	95.00	Total	1,000 Ft.	
2	@	96.25	Total	10,410 Ft.	
1	@	99.50	Total	4,250 Ft.	
1	@	117.00	Total	1,080 Ft.	
1	@	138.00	Total	1,500 Ft.	(8 above-- 33,240 --- 13.4%
21				248,990 Ft.	100%

4813

NET FACTORY PRICES MAPLE FLOORING 13/16x2¼

For Week Ending Feb. 18, 1922

CLEAR

Date	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price
Reports from 2 members in Eastern Lower Michigan.						
2-14	1,500	155.00	.85	17.00		138.00
15	1,900	96.25	.31	6.25	2.00	88.00
15	8,550	94.50	.23	4.50	2.00	88.00
Reports from 6 members in Western Lower Michigan						
17	6,000	96.00	.30	6.00		90.00
14	1,080	128.75	.59	11.75	2.00	115.00
14	16,000	93.75	.34	6.75	2.00	85.00
17	6,000	97.50	.38	7.50	2.00	88.00
13	2,300	94.00	.27	5.50	2.00	86.50
13	79,000	92.25	.20	4.00		88.25
13	28,000	97.00	.45	9.00		88.00
13	5,000	97.50	.38	7.50	2.00	88.00
Reports from 4 Members in Upper Michigan and Wisconsin. 1 Member in Upper Michigan and Wisconsin reports "No Sales"						
15	3,000	94.75	.24	4.75	1.50	88.50
15	1,000	95.25	.26	5.25		90.00
13	1,000	95.00	Mill			95.00
15	42,000	87.50	.33	6.50	2.00	79.00
15	17,000	92.00	.43	8.50	2.00	81.50
13	10,000	100.00	.45	9.00	2.00	89.00
13	5,000	100.00	.45	9.00	2.00	89.00
Reports from 4 other members						
18	8,010	101.00	.24	4.75		96.25
18	4,250	99.50	Warehouse			99.50
18	2,400	101.00	.24	4.75		96.25

HIGH

LOW

4814-4816

AVERAGE COST FOR THE FIRST QUARTER OF 1922.

13/16 x 2¼ CLEAR MAPLE FLOORING.

Was $90.00 F.O.B. CARS AT FLOORING MILL, as shown by AVERAGE COST CHART issued by the ASSOCIATION and dated 11-17-21.

Compiled from RECORD OF COMPLETED TRANSACTIONS REPORT OF SALES MADE DURING THE WEEK ENDING FEBRUARY 25th, 1922.

1	@	$87.75	Total	7,500 Ft.			
2	@	88.00	Total	38,000 Ft.			
1	@	88.25	Total	11,000 Ft.			
1	@	88.75	Total	6,000 Ft.	(.368		62,500
11	@	90.00	Total	78,000 Ft.	(.460		78,000
1	@	90.50	Total	5,000 Ft.			
1	@	90.75	Total	1,000 Ft.			
1	@	93.00	Total	1,127 Ft.			
1	@	94.50	Total	7,000 Ft.			
2	@	95.00	Total	7,575 Ft.			
2	@	96.75	Total	7,575 Ft.	(.172		29,277
24				169,777 Ft.	100%		169,777

4817

NET FACTORY PRICES MAPLE FLOORING 13/16 x 2¼

For Week End ing February 25,1922.
Report from 2 members in Eastern Lower Michigan.

Date	Quantity	Clear Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price
2-23	5,000	96.25	.31	6.25	$2.00	$88.00
20	7,500	93.50	.29	5.75	2.00	85.75
22	1,127	97.00	.20	4.00	---	93.00
21	7,000	96.25	.31	6.25	1.50	88.50
25	6,000	99.50	.47	9.50	2.00	88.00
25	10,000	94.75	.24	4.75	2.00	88.00
20	28,000	97.50	.47	9.50	2.00	86.00
"	7,000	95.00	Mill	---	---	95.00
23	10,000	97.50	.47	9.50	2.00	86.00
20	11,000	93.00	.24	4.75		88.25
20	11,000	69.75	.24	4.75	2.00	88.00
20	7,000	94.50				94.50
24	14,000	99.50	.47	9.50	2.00	88.00
16	5,000	96.75	.41	8.25	2	88.50
17	6,000	94.75	.24	4.75	2.00	88.00
22	5,000	96.00	.30	6.00	2.00	88.00
27	1,000	94.75	.24	4.75	2.00	88.00
"	8,000	96.00	.30	6.00		90.00
"	5,000	95.50	.27	5.50	1.50	88.50
"	1,000	95.50	.24	4.75	1.50	89.25
22	6,000	98.25	.43	8.50	Mill	89.75
25	575	95.00	Mill			95.00
"	6,375	101.00	.24	4.75		96.25
"	1,200	101.00	.24	4.75		96.25

HIGH

LOW

4818 4820

13/16 x 2¼ CLEAR MAPLE FLOORING

Was $90.00 F.O.B. CARS AT FLOORING MILL, as shown by AVERAGE COST CHART issued by the ASSOCIATION and dated 11-17-21.

Compiled from RECORD OF COMPLETED TRANSACTIONS REPORT OF SALES MADE DURING THE WEEK OF MARCH 4th, 1922.

1	@	$85.00	Total	1,000 Ft.		
1	@	85.00	Total	5,000 Ft.		
2	@	86.25	Total	33,000 Ft.		
1	@	87.75	Total	4,000 Ft.		
2	@	88.00	Total	15,000 Ft.		
3	@	89.75	Total	28,000 Ft.		
				86,000 Ft.	--------	28.3%
18	@	90.00	Total	203,100 Ft.	--------	66.2%
1	@	95.00	Total	1,200 Ft.		
3	@	96.25	Total	11,435 Ft.		
1	@	99.50	Total	5,047 Ft.		
-				17,682 Ft.	--------	5.5%
33				306,782 Ft.	--------	100%

4821

NET FACTORY PRICES MAPLE FLOORING 13/16x2¼

For Week Ending March 4, 1922.

CLEAR

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price
Reports from 5 members in Western Lower Michigan							
3-1		8,000	99.50	.47	9.50	2.00	88.00
3-4		13,000	107.00	.85	17.00	2.00	88.00
3-4		4,000	97.50	.47	9.50		88.00
2-28		12,000	110.50	1.03	20.50	2.00	88.00
2-28		20,000	108.50	.93	18.50	1.50	88.50
2-27		5,000	104.00	.71	14.25		89.75
2-27		11,000	92.75	.24	4.75		88.00
3-1		4,000	92.00	.21	4.25		87.75
3-1		6,000	99.50	.47	9.50	2.00	88.00
3-3		17,000	95.75	.29	5.75	---	90.00
2-27		5,000	96.00	.30	6.00	1.50	88.50
3-1		10,000	93.50	.17	3.50	2.00	88.00
Reports from 5 members in Upper Michigan and Wisconsin							
3-20		5,000	91.00	.30	6.00		85.00
2-24		1,500	96.00	.30	6.00		90.00
2-24		600	96.00	.30	6.00		90.00
2-19		5,000	107.00	.85	17.00	1.50	88.50
2-24		1,000	71.00	.30	6.00	1.50	63.50
2-25		15,000	m95.75	.29	5.75		90.00
2-25		4,000	96.00	.30	6.00	1.50	88.50
2-25		16,000	96.00	.30	6.00	1.50	88.50
2-25		17,000	96.00	.30	6.00	1.50	88.50
2-25		3,000	104.25	.73	14.50	1.50	88.25
3-1		1,200	95.00	Mill			95.00
3-4		1,000	96.00	.30	6.00		90.00
3-4		2,000	96.00	.30	6.00		90.00
3-4		25,000	91.00	.24	4.75	1.50	84.75
2-25		8,000	97.50	.54	10.75	2.00	84.75
2-20		20,000	115.25	1.27	25.50	2.00	87.75
3-1		50,000	93.75	.19	3.75	2.00	88.00
Reports from 3 other members. One other member reports "No Sales"							
3-4		6,635	101.00	.24	4.75		96.25
3-4		5,047	99.50	Warehouse			99.50
2-27		1,300	101.00	.24	4.75		96.25
2-27		3,500	101.00	.24	4.75		96.25

HIGH LOW

SUPPLEMENT REPORT

For Week Ending March 4, 1922

CLEAR

Date	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price
Report received from another member in Western Lower Michigan						
2-25	10,000	94.50	.30	6.00		88.50
2-25	2,000	92.00	.32	6.50		85.50
2-25	5,000	92.00	.32	6.50		86.50
2-25	2,000	92.00	.32	6.50		85.50
2-25	14,750	90.00	.16	3.25		86.75
2-25	20,000	101.50	.52	10.50	2.00	89.00
2-25	25,000	93.00	.17	3.50	2.00	87.50
3-2	3,700	93.25	.17	3.50	2.00	87.75
3-2	4,000	90.00	Mill	2.00	2.00	88.00
2-27	1,000	94.75	.24	4.75	2.00	88.00
2-27	4,000	95.25	.26	5.25	2.00	88.00
2-28	2,000	96.00	.30	6.00	1.50	88.50
3-1	5,000	95.25	.26	5.25	2.00	88.00
3-2	1,000	96.00	.30	6.00	1.50	88.50
3-4	10,000	92.75	.24	4.75		88.00
3-4	20,000	92.75	.24	4.75		88.00
3-4	5,000	96.00	.30	6.00		90.00
2-28	4,000	96.00	.30	6.00		90.00

HIGH LOW

* Report received from two other members in Upper Michigan & Wis.

4823 4826

AVERAGE COST FOR THE FIRST QUARTER OF 1922.

13/16 x 2¼ CLEAR MAPLE FLOORING.

Was $90.00 F.O.B. CARS AT FLOORING MILL, as shown by AVERAGE COST CHART issued by the ASSOCIATION and dated 11-17-21.

Compiled from RECORD OF COMPLETED TRANSACTIONS REPORT OF SALES MADE DURING THE WEEK ENDING MARCH 11th, 1922.

1	@	$82.75	Total	15,000 Ft.		
2	@	87.00	Total	25,000 Ft.		
				40,000 Ft.	----	24.1%
9	@	90.00	Total	86,288 Ft	----	52.0%
1	@	91.25	Total	16,350 Ft.		
1	@	93.25	Total	2,414 Ft.		
4	@	96.25	Total	15,128 Ft.		
1	@	99.50	Total	5,750 Ft.		
				39,642 Ft.	----	23.9%
				165,930 Ft.	-----	100%

4827

NET FACTORY PRICES MAPLE FLOORING 13/16x2¼

For Week Ending March 11,1922[1]

Report from 2 Members in Eastern Lower Michigan.

Date	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price
3-9	15,000	$92.00	.41	8.25		$83.75
11	10,000	92.25	.61	6.25		87.00
27	6,260	99.50	.47	9.50	2.00	88.00
2	16,350	92.00	.29	5.75	2.00	89.25
	6,000	94.00	.20	4.00		90.00
	3,028	96.25	.31	6.25	2.00	88.00
6	2,414	101.00	.36	7.25	2.00	91.75
8	1,000	93.50	.17	3.50		90.00
8	3,000	99.50	.48	9.50	2.00	88.00
10	10,000	99.50	.48	9.50	2.00	88.00
11	12,000	99.50	.47	9.50	2.00	88.00
5	15,000	89.75	.14	2.75	2.00	85.00
"	30,000	92.75	.14	2.75	2.00	88.00
"	15,000	96.00	.30	6.00	2.00	88.00
	Report from 3 other members 1 Other member reports "No Sales"					
"	10,426	101.00	.24	4.75		96.25
"	5,750	99.50	Warehouse			99.50
6	1,300	101.00	.24	4.75		96.25
"	1,000	101.00	.24	4.75		96.25
"	2,400	101.00	.24	4.75		96.25

*1-Reports from 4 members in Western Lower Michigan.

*2- Reports from 4 members in Upper Michigan and Wisconsin.

4828-4830

AVERAGE COST FOR THE FIRST QUARTER OF 1922.

13/16 x 2¼ CLEAR MAPLE FLOORING

Was $90.00 F.O.B. CARS AT FLOORING MILL, as shown by AVERAGE COST CHART issued by the ASSOCIATION and dated 11-17-21.

Compiled from RECORD OF COMPLETED TRANSACTIONS REPORT OF SALES MADE DURING THE WEEK ENDING MARCH 18th, 1922.

1	@	$85.25	Total	20,000 Ft.		
1	@	85.50	Total	9,500 Ft.	(10 below-113,500 --	36.7%
1	@	86.25	Total	20,000 Ft.		
2	@	87.00	Total	30,000 Ft.		
1	@	88.50	Total	3,000 Ft.		
3	@	88.75	Total	16,000 Ft.	(23 @ 90 -122,872 --	39.7%
1	@	89.25	Total	25,000 Ft.		
23	@	90.00	Total	122,872 Ft.		
1	@	90.25	Total	4,000 Ft.		
1,	@	95.00	Total	1,200 Ft.	(7 above- 73,168 --	23.4%
1	@	95.25	Total	55,000 Ft.		
2	@	96.25	Total	4,389 Ft.		
1	@	99.50	Total	5,479 Ft.		
1	@	103.25	Total	3,100 Ft.		
40				309,540 Ft.	-----	100%

4831

NET FACTORY PRICES MAPLE FLOORING 13/16x2¼

For Week Ending March 18, 1922

CLEAR

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price
		Reports from 2 members in Eastern Lower Michigan.					
3-14		15,000	93.25	.31	6.25	2.00	85.00
15		8,872	94.75	.24	4.75		90.00
14		10,000	96.25	.31	6.25	2.00	88.00
		Reports from 4 members in Western Lower Michigan.					
18		10,000	99.50	.47	9.50	2.00	88.00
16		2,000	98.25	.41	8.25	2.00	88.00
14		5,000	99.50	.47	9.50	2.00	88.00
11		5,000	107.00	.85	17.00	2.00	88.00
19		20,000	91.00	.24	4.75	2.00	84.25
		Reports from 5 members in Upper Michigan and Wisconsin.					
16		2,000	96.00	.30	6.00		90.00
16		15,000	96.00	.30	6.00	2.00	88.00
16		4,000	95.00	.24	4.75	1.50	88.75
18		1,200	95.00	Mill			95.00
13		10,000	99.50	.47	9.50		90.00
13		5,000	103.00	.80	16.00	2.00	85.00
13		20,000	90.00	.24	4.75	2.00	83.25
6		5,000	94.75	.24	4.75	2.00	88.00
9		4,500	93.50	.24	4.75	2.00	86.75
9		4,000	94.75	.24	4.75	2.00	88.00
10		4,000	95.00	.28	5.00	2.00	88.00
11		10,000	95.50	.28	5.50	2.00	88.00
		Reports from 4 other members					
14		9,500	94.50	.45	9.00	2.00	83.50
13		2,000	101.00	.24	4.75		96.25
18		3,100	108.00	.24	4.75		103.25
18		55,000	100.00	.24	4.75		95.25
18		2,389	101.00	.24	4.75		96.25
18		5,479	99.50	Warehouse			99.50
Supplemental Report							
13		2,000	96.00	.30	6.00	2.00	88.00
13		6,500	99.00	.45	9.00		90.00
13		4,000	94.00	.20	4.00	2.00	88.00
14		2,500	96.00	.30	6.00		90.00
14		4,500	93.50	.24	4.75	2.00	86.75
15		3,000	95.50	.28	5.50	1.50	88.50
16		3,000	94.50	.30	6.00		88.50

4832

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price
3-16		6,000	95.25	.26	5.25		90.00
16		1,000	95.50	.27	5.50	1.50	88.50
17		5,000	96.00	.30	6.00	1.50	88.50
18		7,000	93.50	.24	4.75	2.00	86.75
18		4,000	93.50	.17	3.50	1.50	88.50
18		25,000	106.25	.85	17.00		89.25
18		3,000	96.00	.30	6.00	2.00	88.00

HIGH

LOW

4833 4836

AVERAGE COST FOR THE FIRST QUARTER OF 1922.

13/16 x 2¼ "CLEAR" MAPLE FLOORING.

Was $90.00 F.O.B. CARS AT FLOORING MILL, as shown by AVERAGE COST CHART issued by the ASSOCIATION and dated 11-17-21.

Compiled from RECORD OF COMPLETED TRANSACTIONS REPORT OF SALES MADE DURING THE WEEK ENDING MARCH 25th, 1922.

1	@	$84.50	Total	11,000 Ft.			
4	@	85.00	Total	99,000 Ft.			
1	@	85.50	Total	15,000 Ft.			
2	@	86.00	Total	5,000 Ft.			
2	@	86.25	Total	30,000 Ft.			
3	@	87.00	Total	33,000 Ft.			
2	@	87.50	Total	19,000 Ft.			
3	@	88.00	Total	52,500 Ft.			
1	@	88.50	Total	7,000 Ft.			
1	@	89.00	Total	18,000 Ft.			
2	@	89.50	Total	93,000 Ft.	(.359	382,500 Ft.	
20	@	90.00	Total	235,000 Ft.	(.583	235,000 Ft.	
1	@	90.25	Total	6,000 Ft.			
1	@	92.00	Total	5,820 Ft.			
2	@	95.25	Total	2,800 Ft.			
1	@	96.25	Total	11,977 Ft.			
3	@	99.00	Total	7,643 Ft.			
1	@	100.25	Total	3,500 Ft.	(.058	37,740 Ft.	
51				655,240 Ft.	100%	655,240 Ft.	

NET FACTORY PRICES MAPLE FLOORING 13/16x2¼

For Week Ending March 25, 1922

CLEAR

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price
Reports from 2 Members in Eastern Lower Michigan.							
3-17		5,820	101.00	.45	9.00	2.00	90.00
22		10,000	95.00	.44	8.75	2.00	84.25
Reports from 6 Members in Western Lower Michigan.							
20		5,000	99.50	.47	9.50	2.00	88.00
24		10,000	93.50	.17	3.50	2.00	88.00
25		15,000	99.50	.47	9.50	2.00	88.00
23		3,000	95.75	.29	5.75		90.00
24		6,000	99.50	.47	9.50	2.00	88.00
20		10,000	85.00	Mill			85.00
20		20,000	91.00	.24	4.75	2.00	84.25
13		1,500	109.50	.47	9.50	2.00	98.00
13		3,500	99.00	Mill			99.00
14		2,143	99.00	Mill.			99.00
14		15,000	104.00	.85	17.00	2.00	85.00
15		7,000	107.00	.85	17.00	2.00	88.00
17		7,000	97.00	.47	9.50	2.00	85.50
17		5,000	99.50	.47	9.50	2.00	88.00
18		27,500	105.00	.85	17.00		88.00
21		18,000	104.00	.85	17.00	1.00	86.00
21		15,000	105.00	.85	17.00	2.00	86.00
23		2,000	99.00	Mill			99.00
22		10,000	105.00	.85	17.00	2.00	86.00
23		6,000	99.50	.47	9.50	2.00	88.00
9		10,000	85.00	Mill			85.00
7		18,000	97.00	.40	8.00	2.00	87.00
7		2,000	90.00	.20	4.00	2.00	84.00
10		7,000	93.00	.22	4.50		88.50
10		36,000	96.50	.23	6.50	2.00	88.00
10		12,000	97.00	.47	9.50	2,00	85.50
14		18,500	99.00	.45	9.00	2.00	88.00
15		15,000	95.00	.47	9.50		85.50
15		90,000	93.00	.17	3.50	2.00	87.50
16		2,000	98.50	.42	8.50	2.00	88.00
18		11,000	93.00	.42	8.50		84.50
22		2,000	87.00	Mill			87.00
14		50,000	90.00	Mill			90.00
14		37,000	99.00	.45	9.00	2.00	88.00

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price
Reports from 5 Members in Upper Michigan and Wisconsin.							
3-20		4,000	91.00	.20	6.00		85.00
20		6,000	96.00	.29	5.75	2.00	88.25
20		3,000	95.50	.27	5.50	2.00	88.00
20		2,000	96.00	.30	6.00	2.00	88.00
21		3,000	94.75	.26	5.25	2.00	87.50
20		4,000	96.00	.30	6.00		90.00
25		7,000	96.00	.30	6.00	1.50	88.50
25		3,000	103.00	.85	17.00	2.00	84.00
25		75,000	89.75	.24	4.75	2.00	83.00
25		15,000	100.00	.50	10.00	2.00	88.00
25		2,000	99.50	.47	9.50	1.50	88.50
Reports from 3 other Members. 1 other Member reports "N o Sales"							
20		3,500	105.00	.24	4.75		100.25
20		1,200	100.00	.24	4.75		95.25
20		1,600	100.00	.24	4.75		95.25
25		11,977	101.00	.24	4.75		96.25

HIGH

LOW

4839-4842

AVERAGE COST SHEET FOR THE SECOND QUARTER OF 1922.

13/16 x 2¼ CLEAR MAPLE FLOORING

Was $90.00 F.O.B. CARS AT FLOORING MILL, as shown by AVERAGE COST CHART issued by the ASSOCIATION and dated 11-17-21.

Compiled from RECORD OF COMPLETED TRANSACTIONS REPORT OF SALES MADE DURING THE WEEK ENDING APRIL 1st, 1922.

1	@	$84.50	Total	18,000 Ft.		
2	@	85.00	Total	53,000 Ft.		
1	@	86.00	Total	31,000 Ft.		
1	@	87.50	Total	18,000 Ft.		
2	@	88.00	Total	11,500 Ft.		
1	@	89.50	Total	1,000 Ft.		
				132,500 Ft.	------	54.6%
10	@	90.00	Total	91,460 Ft.	--------	37.7%
1	@	92.00	Total	2,007 Ft.		
1	@	95.00	Total	2,000 Ft.		
1	@	96.25	Total	14,357 Ft.		
-				18,364 Ft.	-------	7.7%
21				242,324 Ft.	-------	100%

NET FACTORY PRICES MAPLE FLOORING 13/16 x 2¼

For Week Ending April 1, 1922.

CLEAR

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price	
3/25	2	15,621	95.75	.29	5.75	2.00	88.00	93
25	2	5,839	98.50	.42	8.50	2.00	88.00	
27	2	2,007	99.25	.36	7.25	2.00	90.00	94
30	24	8,000	96.50	.43	8.50	2.00	86.00	88
28	33	18,000	94.00	.33	6.50	2.00	85.50	87
29	33	18,000	94.00	.47	9.50	2.00	82.50	84
31	3	10,000	94.75	.24	4.75	1.50	88.50	90
4/1	3	6,000	99.50	.47	9.50	2.00	88.00	
1	3	3,000	99.50	.47	9.50	2.00	88.00	
~~3/27~~	~~5~~	~~5,000~~	~~98.85~~	~~.36~~	~~7.25~~	~~1.50~~	~~90.50~~ Rule	
27	5	4,000	97.25	.36	7.25	1.50	88.50	
29	5	17,000	99.50	.47	9.50	2.00	88.00	
29	5	10,000	99.50	.47	9.50	2.00	88.00	
27	26	2,000	95.00	Mill	...	2.00	93.00	95
29	47	51,000	94.50	.47	9.50	...	85.00	87
25	47	31,000	95.00	.45	9.00		86.00	88
28	7	3,500	93.50	.28	5.50	2.00	86.00	88
30	7	2,000	90.50	.27	5.50		85.00	87
31	7	1,000	94.50	.25	5.00	2.00	87.50	89
29	42	2,000	94.75	.24	4.75	2.00	88.00	90
29	42	18,000	96.00	.30	6.50	2.00	88.00	
4/1	48	14,357	101.00	.24	4.75		96.25	96

W 2,374

HIGH

LOW

AVERAGE COST FOR THE SECOND QUARTER OF 1922.

13/16 x 2¼ CLEAR MAPLE FLOORING

Was $90.00 F.O.B. CARS AT FLOORING MILL, as shown by AVERAGE COST CHART issued by the ASSOCIATION and dated 11-17-21/

Compiled from RECORD OF COMPLETED TRANSACTIONS, REPORT OF SALES MADE DURING THE WEEK ENDING APRIL 8th, 1922.

1	@	$84.50	Total	5,000 Ft.		
1	@	75.00	Total	3,000 Ft.		
1	@	83.00	Total	4,000 Ft.		
1	@	84.00	Total	20,000 Ft.		
1	@	84.50	Total	20,000 Ft.		
1	@	85.25	Total	10,000 Ft.		
2	@	86.00	Total	15,000 Ft.		
1	@	86.25	Total	17,000 Ft.		
1	@	87.00	Total	22,000 Ft.		
1	@	88.00	Total	20,000 Ft.		
1	@	88.50	Total	4,000 Ft.		
1	@	89.25	Total	12,000 Ft.		
2	@	89.50	Total	23,500 Ft.		
1	@	89.75	Total	78,000 Ft.		
				253,500 Ft.	------	49.1%
26	@	90.00	Total	240,500 Ft.	------	46.6%
1	@	91.50	Total	1,600 Ft.		
1	@	96.25	Total	6,280 Ft.		
1	@	97.75	Total	9,000 Ft.		
1	@	98.50	Total	5,000 Ft.		
—				21,880 Ft.	------	4.3%
46				515,880 Ft.	------	100%

NET FACTORY PRICES MAPLE FLOORING 13/16 x 2¼

For Week Ending April 8, 1922.

CLEAR

Date	Mill	QUANTITY	Delivered Price	Freight RATE	Freight CHARGED	Commissions	Net Factory Price	
4/1	24	5,000	107.00	.42	8.50	2.00	96.50	95 50
1	24	20,000	102.00	.70	14.00	1.50	86.50	85 -
4	33	10,000	91.00	.29	5.75	2.00	83.25	82 25
6	33	4,000	92.00	.45	9.00	2.00	81.00	80 -
8	33	5,000	90.00	.20	4.00	1.50	84.50	83 50
5	3	3,000	99.50	.47	9.50	2.00	88.00	87 "
5	5	5,000	99.50	.47	9.50	2.00	88.00	"
5	5	5,000	99.50	.47	9.50	2.00	88.00	"
7	5	12,000	96.00	.80	6.00	2.00	88.00	"
7	14	15,000	99.50	.47	9.50	2.00	88.00	"
3	30	15,000	107.00	.85	17.00	2.00	88.00	"
3	30	9,000	105.00	.36	7.25	2.00	95.75	95 75
3	30	12,000	98.75	.47	9.50	2.00	87.25	87 25
5	30	1,600	99.00	.38	7.50		91.50	91 50
8	30	5,000	100.50	.52	10.50	2.00	88.00	90 -
6	37	22,000	96.50	.47	9.50	2.00	85.00	87
7	37	17,000	93.00	.34	6.75	2.00	84.25	84 25
3/31	47	10,000	90.00	.20	4.00		86.00	86 -
31	47	6,500	95.00	.27	5.50	2.00	87.50	87 50
31	47	20,000	93.00	.45	9.00		84.00	84
31	47	17,000	100.50	.55	11.00		89.50	89 50
4/3	47	78,000	94.00	.21	4.25	2.00	87.75	87 75
3	47	26,500	90.00	Mill		2.00	88.00	90
3	47	20,000	91.00	.33	6.50		84.50	84 50
3	47	5,000	71.00	.33	6.50		64.50	64 50
3	34	7,000	96.00	.30	6.00	1.50	88.50	90 -
5	34	3,000	96.00	.30	6.00		90.00	"
8	42	8,000	93.50	.17-	3.50	2.00	88.00	"
8	44	15,000	96.00	.30	6.00	2.00	88.00	"
8	44	2,000	95.25	.26	5.25		90.00	"
8	48	6,280	101.00	.24	4.75		96.25	96 25
8	4	2,000	99.25	.46	7.25	1.50	89.50	90
8	4	1,000	96.00	.30	6.00		90.00	"
8	4	17,000	107.00	.85	17.00	1.50	88.50	"
8	4	3,000	84.50	.47	9.50		75.00	75 -
8	4	5,500	99.50	.47	9.50		90.00	90
8	4	4,000	96.00 -	.30	6.00	1.50	88.50	"
8	4	10,000	99.00	.45	9.00	1.50	88.50	"
8	4	25,000	93.50	.17	3.50	1.50	88.50	"
8	4	3,500	96.00	.30	6.00	1.50	88.50	"
8	4	10,000	101.00	.55	11.00	1.50	88.50	"
8	4	30,000	94.75	.24	4.75	1.50	88.50	"
8	4	4,000	96.00	.25	5.00	1.50	88.50	"

4846

NET FACTORY PRICES MAPLE FLOORING 13/16 x 2¼

For Week Ending April 8, 1922.

CLEAR

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commis-sions	Net Factory Price
4/8	4	4,000	94.75	.24	4.75	1.50	88.50
3	7	3,000	96.00	.30	6.00		90.00
3	7	4,000	105.50	.85	17.00		88.50
		~~4,000~~					

HIGH

LOW

4847-4850

AVERAGE COST FOR SECOND QUARTER OF 1922.

13/16 x 2-1/4 CLEAR MAPLE FLOORING

was $90.00 F.O.B. Cars at Flooring Mills

as shown by Average Cost Chart dated 11/17/21.

Compiled from RECORD OF COMPLETED TRANSACTIONS.

REPORT OF SALES MADE DURING THE WEEK ENDING APRIL 15, 1922.

1 Sale	@	$74.00	total	12,000 ft.		
1 "	@	81.00	"	20,000 "		
3 "	@	83.00	"	115,000 "		
1 "	@	83.50	"	50,000 "		
1 "	@	84.00	"	5,000 "		
2 "	@	84.50	"	36,600 "		
1 "	@	84.75	"	12,000 "		
5 "	@	85.00	"	66,000 "		
1 "	@	85.25	"	5,000 "	626,300 ft.	72.6%
2 "	@	85.50	"	39,700 "		
1 "	@	86.00	"	2,000 "		
1 "	@	86.50	"	21,000 "		
1 "	@	87.00	"	5,000 "		
3 "	@	88.00	"	40,000 "		
1 "	@	88.50	"	2,000 "		
2 "	@	89.00	"	163,000 "		
1 "	@	89.25	"	25,000 "		
1 "	@	89.75	"	7,000 "		
24 Sales	@	$90.00	total	216,700 ft.	216,700 ft.	25.2%
1 Sale	@	$91.25	total	3,000 ft.		
1 "	@	96.25	"	10,122 "	18,922 ft.	2.2%
1 "	@	97.25	"	5,800 "		
56 Sales				861,922 "	861,922 ft.	100%

4851

NET FACTORY PRICES MAPLE FLOORING 13/16x2¼

For Week Ending April 15, 1922

CLEAR

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price
4-8	2	12,700	94.25	.21	4.25	2.00	88.00
13	2	30,000	102.50	.85	17.00	2.00	83.50
10	24	13,000	94.75	.29	5.75	2.00	87.00
12	24	5,800	110.00	.64	12.75		97.25
13	3	13,000	99.50	.47	9.50	2.00	88.00
15	3	3,000	97.50	.38	7.50	2.00	88.00
11	5	8,000	94.75	.24	4.75		90.00
15	5	25,000	107.00	.85	17.00	2.00	88.00
11	5	3,000	94.75	.24	4.75		90.00
11	5	10,000	99.50	.47	9.50	2.00	88.00
15	5	5,000	95.25	.26	5.25	2.00	88.00
10	14	6,000	99.50	.47	9.50	2.00	88.00
14	14	10,000	99.50	.47	9.50	2.00	88.00
8	26	6,000	98.25	.51	10.25		88.00
12	26	3,000	90.00	Mill			90.00
10	30	10,000	99.50	.47	9.50	2.00	88.00
10	30	7,000	98.25	.43	8.50	2.00	87.75
11	37	5,000	91.00	.20	4.00	2.00	85.00
11	37	30,000	107.00	.85	17.00	2.00	88.00
13	37	21,000	92.75	.31	6.25	1.50	85.00
11	47	15,000	96.00	.40	8.00		88.00
11	47	5,000	92.50	.42	8.50		84.00
11	47	19,000	88.00	Mill			88.00
10	7	4,000	96.00	.30	6.00	2.00	88.00
10	7	3,000	97.25	.36	7.25		90.00
11	7	3,000	96.00	.30	6.00	2.00	88.00
11	7	25,000	106.25	.85	17.00		89.25
13	7	10,000	94.75	.24	4.75	2.00	88.00
13	7	2,000	95.25	.26	5.25	1.50	88.50
13	7	3,000	94.75	.17	3.50	2.00	89.25
13	7	15,000	99.00	.45	9.00	1.50	88.50
15	7	15,000	98.75	.44	8.75		90.00
11	34	4,000	96.00	.30	6.00	1.50	88.50
15	42	150,000	106.00	.85	17.00	2.00	87.00
15	42	10,000	99.00	.45	9.00	2.00	88.00
15	44	2,000	94.00	.28	5.50	1.50	87.00
15	44	9,700	91.00	.28	5.50	1.50	84.00
15	44	5,000	95.50	.27	5.50	1.50	88.50
14	45	31,000	94.25	.49	9.75	2.00	82.50
14	45	12,000	93.25	.43	8.50	2.00	82.75
15	45	50,000	86.50	.17	3.50		83.00

4852

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price
4-15	45	50,000	86.50	.17	3.50		83.00
5-16	45	12,000	80.00	.30	6.00	2.00	72.00
21	45	2,000	92.00	.30	6.00		86.00
22	45	5,000	90.00	.24	4.75	2.00	83.25
22	45	25,000	85.00	Mill			85.00
22	45	15,000	85.00	Mill			85.00
25	45	50,000	87.00	.17	3.50		83.50
27	45	15,000	86.50	.17	3.50		83.00
28	45	7,000	95.25	.26	5.25		90.00
31	45	5,600	94.00	.47	9.50		84.50
31	45	6,000	94.50	.47	9.50	2.00	83.00
31	45	20,000	87.00	.30	6.00		81.00
4-4	45	15,000	89.00				85.00
4	45	5,000	94.50	.47	9.50	2.00	83.00
15	48	10,122	101.00	.24	4.75		96.25

HIGH

LOW

4853-4856

AVERAGE COST FOR THE SECOND QUARTER OF 1922.

13/16 x 2¼ CLEAR MAPLE FLOORING.

Was $90.00 F.O.B. CARS AT FLOORING MILL, as shown by AVERAGE COST CHART issued by the ASSOCIATION and dated 11-17-21.

Compiled from RECORD OF COMPLETED TRANSACTIONS REPORT OF SALES MADE DURING THE WEEK ENDING APRIL 22nd, 1922.

1	@	$70.00	Total	4,000 Ft.		
2	@	85.00	Total	110,000 Ft.		
2	@	85.50	Total	60,000 Ft.		
2	@	86.00	Total	12,000 Ft.		
3	@	87.00	Total	78,000 Ft.		
1	@	87.25	Total	10,000 Ft.		
2	@	87.50	Total	32,000 Ft.		
2	@	88.00	Total	21,200 Ft.		
1	@	88.25	Total	17,000 Ft.		
1	@	88.75	Total	2,500 Ft.		
2	@	89.00	Total	23,000 Ft.		
1	@	89.50	Total	5,000 Ft.		
				374,700 Ft.	---	64.9%
22	@	90.00	Total	186,500 Ft.	---	32.3%
1	@	96.25	Total	14,545 Ft.		
1	@	99.00	Total	1,000 Ft.		
—				15,545 Ft.	---	2.8%
44				576,745 Ft.	---	100%

NET FACTORY PRICES MAPLE FLOORING 13/16x2¼

For Week Ending April 22, 1922

CLEAR

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price
4-21	2	4,000	77.00	.35	7.00		70.00
20	24	17,000	94.00	.29	5.75		88.25
20	24	1,200	92.00	.20	4.00		88.00
19	3	8,000	97.50	.38	7.50	2.00	88.00
19	3	12,000	99.00	.46	9.00	2.00	88.00
20	3	5,000	99.50	.47	9.50	2.00	88.00
21	3	10,000	94.75	.24	4.75		90.00
20	3	1,500	99.50	.47	9.50	2.00	88.00
22	3	4,000	99.50	.47	9.50	2.00	88.00
22	3	5,000	96.00	.30	6.00	1.50	88.50
22	3	5,000	99.50	.47	9.50	2.00	88.00
17	5	100,000	89.75	.24	4.75	2.00	83.00
22	5	5,000	99.50	.47	9.50	2.00	88.00
17	5	10,000	89.75	.24	4.75	2.00	83.00
22	14	7,000	96.25	.31	6.25	2.00	88.00
22	14	15,000	107.00	.86	17.00	2.00	88.00
22	26	5,000	94.00	.22	4.50	2.00	87.50
22	26	7,000	92.00	.24	4.50	2.00	85.50
22	26	25,000	92.00	.24	4.50	2.00	85.50
18	26	30,000	102.50	.86	17.00	2.00	83.50
17	30	2,000	107.00	.86	17.00	2.00	88.00
16	30	20,000	106.00	.86	17.00	2.00	87.00
18	30	10,000	99.50	.47	9.50	2.00	88.00
22	30	1,000	99.00	Mill			99.00
17	37	18,000	92.75	.29	5.75	2.00	85.00
24	37	20,000	96.00	.30	6.00	2.00	88.00
13	47	25,000	87.00	Mill			87.00
17	47	7,000	90.00	.20	4.00		86.00
22	47	3,000	97.00	.40	8.00	2.00	87.00
22	47	15,000	90.00	Mill		2.00	88.00
20	47	35,000	87.00	Mill			87.00
20	47	5,000	90.00	.20	4.00	2.00	84.00
17	34	2,500	94.75	.30	6.00	1.50	87.25
17	42	5,000	93.50	.17	3.50	2.00	88.00
17	42	20,000	97.00	.45	9.00	2.00	86.00
22	44	14,000	96.00	.30	6.00	2.00	88.00
22	44	10,000	96.00	.30	6.00	2.00	88.00
22	44	7,000	101.50	.67	11.50	2.00	88.00
22	44	6,000	96.00	.30	6.00		90.00
22	44	10,000	92.00	.24	4.75	1.50	85.75
22	44	30,000	102.50	.86	17.00	2.00	83.50
22	44	15,000	96.00	.30	6.00		90.00

4858

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price
4-17	50	5,000	96.00	.30	6.00		90.00
22	48	14,545	101.00	.24	4.75		96.25

HIGH

LOW

4859-4861

AVERAGE COST FOR SECOND QUARTER OF 1922.

13/16 x 2-1/4 CLEAR MAPLE FLOORING

was $90.00 F.O.B. Cars at Flooring Mills

as shown by Average Cost Chart dated 5/31/22.

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Compiled from RECORD OF COMPLETED TRANSACTIONS.

REPORT OF SALES MADE DURING THE WEEK ENDING APRIL 29, 1922.

2 Sales	@	$83.50	total	14,000 ft.		
1 "	@	84.00	"	30,000 "		
4 "	@	85.00	"	80,000 "		
1 "	@	85.25	"	6,000 "		
4 "	@	85.50	"	56,000 "	369,000	42.5%
1 "	@	85.75	"	10,000 "		
1 "	@	86.00	"	10,000 "		
2 "	@	86.50	"	22,000 "		
5 "	@	88.00	"	111,000 "		
1 "	@	89.50	"	30,000 "		
46 Sales	@	$90.00	total	461,700 ft.	461,700	53.2%
1 Sale	@	$90.50	total	3,000 ft.		
2 "	@	90.75	"	21,000 "	36,960	4.3%
1 "	@	96.25	"	12,980 "		
72 Sales				867,680 ft.	867,660	100%

4862

NET FACTORY PRICES MAPLE FLOORING13/16x2¼

For Week Ending April 29, 1922.

CLEAR

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commis-sions	Net Factory Price	
4-20	2	4,200	100.50	.53	10.50	2.00	88.00	90
4-26	2	30,000	107.00	.85	17.00	2.00	88.00	✓
4-25	2	14,000	102.50	.85	17.00		85.50	88
4-25	2	12,000	102.50	.85	17.00		85.50	✓
4-26	2	9,000	99.50	.47	9.50	2.00	88.00	90
4-24	24	20,000	94.00	.43	8.50	2.00	83.50	86
4-28	24	29,000	97.50	.47	9.50	2.00	86.00	88
4-28	49	17,000	99.00	.45	9.00	2.00	88.00	90
4-24	3	8,000	96.00	.30	6.00	1.50	88.50	✓
4-29	3	18,000	107.00	.85	17.00	1.50	88.50	✓
4-29	3	4,000	99.50	.47	9.50	2.00	88.00	✓
4-29	3	7,000	99.50	.47	9.50	2.00	88.00	✓
4-24	5	25,000	89.75	.24	4.75	2.00	83.00	85
4-26	5	12,000	99.50	.47	9.50	2.00	88.00	90
4-26	5	8,000	94.25	.21	4.25	2.00	88.00	✓
4-26	5	18,000	89.75	.24	4.75	2.00	83.00	85
4-27	5	10,000	95.25	.26	5.25	2.00	88.00	90
4-25	14	5,000	99.50	.47	9.50	2.00	88.00	✓
4-24	30	10,000	94.75	.24	4.75	2.00	88.00	✓
4-24	30	2,000	107.00	.85	17.00	2.00	88.00	✓
4-24	30	15,000	107.00	.85	17.00	2.00	88.00	✓
4-24	30	2,000	109.50	.47	9.50	2.00	88.00	✓
4-27	30	20,000	104.00	.70	14.00	2.00	88.00	✓
4-27	30	5,000	98.00	.40	8.00		90.00	✓
4-28	26	7,000	94.75	.24	4.75	2.00	88.00	✓
4-28	26	19,000	97.50	.47	9.50		88.00	88
4-28	26	15,000	94.75	.24	4.75	2.00	88.00	90
4-28	26	17,000	97.50	.47	9.50		88.00	88
4-29	37	54,700	107.00	.85	17.00	2.00	88.00	90
4-25	47	30,000	93.00	.45	9.00	2.00	82.00	84
4-25	47	2,000	92.00	.28	5.50	2.00	84.50	86
4-25	47	20,000	92.00	.27	5.50	2.00	84.50	✓
4-27	47	10,000	91.00	.25	5.00	2.00	84.00	86
4-27	47	20,000	94.50	.47	9.50	2.00	83.00	85
4-27	37	40,000	92.00	.20	4.50	2.00	86.00	88
4-24	7	5,000	94.75	.24	4.75	1.50	88.50	90
4-24	7	7,000	94.50	.23	4.50	1.50	88.50	✓
4-24	7	20,000	99.50	.47	9.50	1.50	88.50	✓
4-26	7	3,000	94.00	.20	4.00	2.00	88.00	✓
4-26	7	4,000	94.75	.24	4.75	2.00	88.00	✓
4-27	7	10,000	98.25	.41	8.25	2.00	88.00	✓
4-27	7	8,000	100.25	.51	10.25	2.00	88.00	✓
4-28	7	8,000	94.75	.24	4.75	2.00	88.00	✓

603.90

CLEAR

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price	
4-28	7	3,500	93.50	.17	3.50	2.00	88.00	90
4-29	7	8,000	95.00	.25	5.00		90.00	✓
4-29	7	2,800	96.00	.30	6.00	2.00	88.00	✓
4-29	7	8,000	94.75	.24	4.75	2.00	88.00	✓
4-29	7	20,000	96.00	.30	6.00	1.50	88.50	✓
4-29	7	3,000	96.00	.30	6.00	1.50	88.50	✓
4-29	7	3,000	96.00	.30	6.00	1.50	88.50	✓
4-26	7	10,000	96.00	.30	6.00	2.00	88.00	✓
4-29	42	3,000	93.50	.16	3.25		90.50	90
4-29	42	30,000	93.50	.20	4.00	1.50	88.00	89
4-29	42	14,000	107.00	.85	17.00	2.00	88.00	90
4-29	44	6,000	96.50	.43	8.50	2.00	86.00	87
4-29	44	10,000	98.00	.30	6.00	2.00	88.00	90
4-29	44	2,000	96.00	.30	6.00		90.00	✓
4-29	44	2,000	94.75	.24	4.75		90.00	✓
4-29	44	6,000	90.00	.24	4.75	1.50	83.75	85
4-29	44	16,000	95.50	.24	4.75	1.50	89.25	90
4-29	44	5,000	95.50	.24	4.75	1.50	89.25	✓
4-29	44	5,000	93.50	.17	3.50	1.50	88.50	90
4-24	45	30,000	98.50	.43	8.50	2.00	88.00	✓
4-29	48	12,980	101.00	.24	4.75		96.25	96
4-25	51	12,000	94.00	.52	10.50	2.00	81.50	93
		71980						

HIGH

LOW

SUPPLEMENT REPORT

4-18	7	1,000	96.00	.30	6.00		90.00	90
4-21	7	5,000	93.50	.17	3.50	2.00	88.00	✓
4-22	7	6,500	96.00	.30	6.00	1.50	88.50	✓
4-17	45	10,0009	90.00	.24	4.75	2.00	83.25	85
4-19	45	10,000	90.00	.24	4.75	2.00	83.25	85
4-21	45	17,000	99.50	.75	14.50	2.00	83.00	85
4-18	45	2,000	92.00	.43	8.50		83.50	83
		51500						

HIGH

LOW

4864-4868

AVERAGE COST FOR THE SECOND QUARTER OF 1922.

13/16 x 2¼ CLEAR MAPLE FLOORING

Was $90.00 F.O.B. CARS AT FLOORING MILL, as per REPORT ISSUED BY THE ASSOCIATION and dated 11-17-21.

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Compiled from RECORD OF COMPLETED TRANSACTIONS REPORT OF SALES MADE DURING THE WEEK ENDING MAY 6th, 1922.

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Sales	Quantity		Price		
2	8,000		80.00		
1	20,000		81.00		
4	33,000		85.00		
1	25,000		85.50		
1	8,000		85.75		
1	6,000		86.25		
1	5,000		86.50		
1	26,000		87.50		
7	152,000		88.00		
1	12,000		88.50		
1	20,000		88.75		
1	8,000		89.00		
1	4,000		89.75		
	327,000	Ft.		....	40.8%
29	436,700	Ft.	90.00	....	54.5%
2	15,000		90.50		
1	17,000		90.75		
1	1,000		92.00		
1	3,600		93.00		
	36,600	Ft.		....	4.7%
57	800,300	Ft.		....	100%

4869

NET FACTORY PRICES MAPLE FLOORING 13/16 x 2¼

For Week Ending May 6, 1922.

CLEAR

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight CHARGED	Commissions	Net FACTORY Price	
4/25	2	40,000	96.00	.30	6.00	2.00	88.00	90
5/1	2	17,000	94.25	.21	4.25	2.00	88.00	90
4/27	2	3,000	94.00	.20	4.00	2.00	88.00	90
5/4	2	3,600	98.25	.25	5.25		93.00	95
5/1	24	6,000	92.50	.31	6.25	1.00	85.25	87 45
5/3	24	5,000	84.75	.24	4.75		80.00	80
4/22	33	3,000	85.00				85.00	85
4/27	33	10,000	95.00	.35	7.00	2.00	86.00	87
5/1	33	1,000	100.00	.40	8.00		92.00	92
5/1	33	20,000	97.00	.41	8.25	2.00	86.75	87 75
5/1	33	8,000	94.00	.41	8.25	2.00	83.75	83 75
5/3	33	6,000	102.00	.60	12.00	2.00	88.00	90
5/4	33	10,000	99.00	.42	8.50	2.00	88.50	90 50
5/4	33	5,000	92.00	.20	4.00		88.00	88
5	33	10,000	89.50	.23	4.50	2.00	83.00	85
3	49	17,000	99.00	.45	9.00	2.00	88.00	90
3	49	20,000	90.00	.45	9.00	2.00	79.00	81
3	3	5,000	96.00	.30	6.00	2.00	88.00	90
3	3	15,000	99.50	.47	9.50	2.00	88.00	90
5	3	17,000	97.25	.36	7.25	1.50	88.50	90
5	3	88,000	98.50	.43	8.50	2.00	88.00	90
6	3	10,000	99.50	.47	9150	2.00	88.00	90
1	5	5,000	103.00	.62	12.50	2.00	88.50	90 50
1	5	8,000	99.50	.47	9.50	2.00	88.00	90
1	5	6,700	94.75	.24	4.75	—	90 —	90
1	5	13,000	98.50	.42	8.50	1.50	88.50	90
1	5	31,000	107.00	.85	17.00	2.00	88.00	90
4	5	35,000	106.50	.82	16.50	2.00	88.00	90
5	5	12,000	99.50	.47	9.50	2.00	88.00	90
6	5	5,000	97.25	.36	7.25	1.50	88.50	90
1	5	12,000	99.50	.47	9.50	2.00	88.00	90
1	5	10,000	89.75	.24	4.75	2.00	83.00	85
1	5	17,000	94.25	.17	3.50	1.50	89.25	90 75
2	14	6,000	95.75	.29	5.75		90.00	92
6	26	65,000	105.00	.85	17.00	2.00	86.00	88
6	26	25,000	102.50	.85	17.00	2.00	83.50	85 50
4	26	3,000	90.00	.50	10.00		80.00	80
4	26	15,000	105.00	.85	17.00	2.00	86.00	88
4	26	15,000	105.00	.85	17.00	2.00	86.00	88

4870

CLEAR

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price	
5/1	30	22,000	101.50	.58	11.50	2.00	88.00	90
2	30	15,000	107.00	.35	7.00	2.00	88.00	90
4/22	47	2,000	94.00	.20	4.00	2.00	88.00	90
5/2	47	5,000	90.50	.20	4.00		86.50	88.50
2	47	22,000	93.00	.25	5.00		88.00	88
28	47	20,000	92.00	.20	4.00		88.00	88
6	42	12,000	92.75	.21	4.25		88.50	88.50
6	42	5,000	103.75	.69	13.75	2.00	88.00	90
6	44	15,000	101.50	.57	11.50	2.00	88.00	90
6	44	4,000	100.00	.51	10.25	2.00	87.75	89.75
6	44	6,000	94. 50	.28	5.50	1.50	87.50	89
6	44	4,000	94.75	.24	4.75	1.50	88.50	90
6	44	5,000	101.50	.58	11.50	1.50	88.50	90
6	44	10,000	107.00	.85	17.00	1.50	88.50	90
6	44	2,000	96.00	.30	6.00		90.00	90
1	45	10,000	104.50	.73	14.50	2.00	88.00	90
1	45	10,000	94.50	.47	9.50	2.00	83.00	85
1	45	26,000	106.00	.92	18.50	2.00	85.50	87.50

NOTE

We understand from No. 45 that their sales of Birth flooring reported by them week ending April 29th were at ~~$1~~ $90.00 for Clear and $70.00 for No. 1, 47¢ rate.

Date	Mill	QUANTITY	Delivered Price	Freight Rate	Freight CHARGED	Commissions	Net Factory Price
5/1	50	4,000	96.00	.30	6.00		90.00
1	50	5,000	96.00	.30	6.00	90.00	
1	48	23,865	101.00	.24	4.75		96.25
3	51	9,480	96.00	.45	9.00	2.00	85.00

HIGH

LOW

4871-4874

13/16 x 2¼ CLEAR MAPLE FLOORING

was $90.00 F.O.B. CARS AT FLOORING MILL, as shown by REPORT issued by the ASSOCIATION and dated 11-17-21.

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Compiled from RECORD OF COMPLETED TRANSACTIONS REPORT OF SALES MADE DURING THE WEEK ENDING MAY 13th, 1922.

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1	@	$84.50	Total	55,000 Ft.	
3	@	85.00	"	58,000 Ft.	
1	@	86.25	"	20,000 Ft.	
1	@	88.00	"	22,000 Ft.	
1	@	88.75	"	5,000 Ft.	
1	@	89.00	"	18,000 Ft	
1	@	89.25	"	30,000 Ft	
1	@	89.50	"	17,000 Ft	
1	@	89.25	"	43,500 Ft	
12				268,500 Ft	..... 27.8%
42	@	90.00	"	528,000 Ft	..... 56.7%
1	@	90.25	"	3,000 Ft	
3	@	91.00	"	66,000 Ft	
1	@	91.25	"	10,000 Ft	
1	@	91.50	"	13,500 Ft	
1	@	91.75	"	6,000 Ft	
1	@	92.50	"	4,500 Ft	
1	@	92.25	"	8,300 Ft	
1	@	93.50	"	4,275 Ft	
1	@	95.00	"	4,000 Ft	
1	@	96.25	"	10,144 Ft	
1	@	98.50	"	3,800 Ft	
14			Total	133,519 Ft	..... 15.5%
78				930,019 Ft	..... 100%

NET FACTORY PRICES MAPLE FLOORING 13/16x2¼

For Week Ending May 13, 1922.

CLEAR

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price	
5-6	2	10,000	96.25	.31	6.25	2.00	88.00	90
5-11	2	4,275	97.75	.21	4.25	2.00	91.50	93.50
5-12	24	35,000	101.00	.70	14.00	1.50	88.50	90
5-12	24	22,000	97.00	.47	9.50	2.00	86.00	88
5-10	33	20,000	92.50	.31	6.25	2.00	84.25	86.25
5-13	33	30,000	95.50	.31	6.25	2.00	87.25	89.25
5-8	49	3,000	96.75	.34	6.75	2.00	88.00	90
5-8	3	12,000	98.50	.43	8.50	2.00	88.00	90
5-11	3	10,000	96.00	.30	6.00	1.50	88.50	90
5-10	3	12,000	99.50	.47	9.50	2.00	88.00	90
5-8	5	8,000	98.50	.42	8.50	1.50	88.50	90
5-10	5	17,000	94.75	.24	4.75	1.50	88.50	90
5-10	5	30,000	94.75	.24	4.75	1.50	88.50	90
~~5-12~~	~~5~~	~~30,000~~	~~63.75~~	~~.85~~	~~17.00~~	~~1.50~~	~~45.25~~	
5-12	5	20,000	107.00	.85	17.00	1.50	88.50	90
5-13	5	25,000	89.75	.24	4.75	2.00	83.00	85
5-13	5	120,000	94.75	.24	4.75	2.00	88.00	90
5-8	5	25,000	89.75	.24	4.75	2.00	83.00	85
5-9	5	10,000	94.75	.24	4.75		90.00	90
5-8	5	5,000	99.50	.47	9.50	2.00	88.00	90
5-8	30	20,000	107.00	.85	17.00	2.00	88.00	90
5-11	30	5,000	99.50	.47	9.50	2.00	88.00	90
5-12	30	20,000	99.50	.47	9.50	2.00	88.00	90
5-12	30	4,500	95.75	.29	5.75	2.00	90.00	92
5-13	30	7,000	107.00	.85	17.00	2.00	88.00	90
5-9	37	5,000	95.50	.27	5.50	2.00	88.00	90
5-13	37	12,000	99.50	.47	9.50	2.00	88.00	90
5-3	47	25,000	100.00	.45	9.00	2.00	89.00	91
5-6	47	9,000	97.00	.30	6.00		91.00	91
5-6	47	6,000	99.00	.36	7.25	2.00	89.75	91.25
5-6	47	15,000	95.00	.26	5.25	2.00	87.75	89.75
5-6	47	8,300	97.00	.24	4.75	2.00	90.25	92.25
5-11	47	4,000	90.00	Mill		2.00	88.00	90
5-8	47	32,000	108.00	.85	17.00	2.00	89.00	91
5-8	47	10,000	95.50	.41	4.25	2.00	89.25	91.25
5-3	47	55,000	90.00	.27	5.50		84.50	86.50
5-3	47	8,000	90.50	.27	5.50	2.00	83.00	85
5-3	47	5,000	90.00	Mill	~~0.00~~	2.00	88.00	90
5-3	47	18,000	103.50	.73	14.50	2.00	87.00	89
5-2	47	17,000	95.00	.27	5.50	2.00	87.50	89.50
5-6	34	3,500	96.00	.30	6.00	2.00	88.00	90
5-12	42	15,500	100.00	.43	8.50	2.00	89.50	91.50

4876

(CLEAR)

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price	
5-12	42	3,800	104.50	.30	6.00		98.50	98.50
5-12	42	13,000	93.50	.17	3.50		90.00	90
5-12	42	7,500	97.25	.38	7.50	1.50	88.25	88.75
5-12	42	13,000	93.50	.17	3.50		90.00	90
5-12	42	10,000	93.50	.17	3.50		90.00	90
5-12	44	10,000	96.00	.30	6.00	2.00	88.00	90
5-12	44	5,000	103.25	.66	13.25		90.00	90
5-12	44	25,000	94.75	.24	4.75	1.50	88.50	90
5-12	44	10,000	107.00	.85	17.00		90.00	90
5-12	44	2,000	96.00	.30	6.00	1.50	88.50	90
5-12	44	16,000	94.00	.20	4.00	1.50	88.50	90
5-8	45	5,000	95.50	.28	5.50		90.00	90
5-8	50.	2,500	96.00	.30	6100		90.00	90
5-8	50	5,000	96.00	.30	6.00		90.00	90
5-12	48	10,144	101.00	.24	4.75		96.25	96.25

HIGH

LOW

4877-4880

AVERAGE COST FOR THE SECOND QUARTER OF 1922.

13/16 x 2¼ CLEAR MAPLE FLOORING

Was $90.00 F.O.B. CARS AT FLOORING MILL, as shown by

AVERAGE COST CHART issued by the ASSOCIATION and dated 5-31-22.

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Compiled from RECORD OF COMPLETED TRANSACTIONS REPORT OF

SALES MADE DURING THE WEEK ENDING MAY 20th, 1922.

- - - - - - - - -

	Footage	Price		
1	15,000	$ 55.00		
1	13,000	83.50		
3	14,000	85.00		
2	25,000	85.75		
2	27,000	88.00		
1	576	89.00		
1	3,000	89.25		
1	3,000	89.50		
2	9,000	89.75		
	109,576 Ft		.....	12.9%
55	664,450 Ft.	90.00	.....	78.1%
3	16,500 Ft.	90.25	.....	
1	12,000 Ft.	90.50		
1	12,000	91.00		
1	810	92.00		
1	3,800	93.00		
2	14,000	93.75		
1	16,908	98.25		
	76,018 Ft.		.....	9.0%
79	850,044 Ft		...	100%

4881

NET FACTORY PRICES MAPLE FLOORING 13/16 x 2¼

For Week Ending May 20, 1922.

Date	Mill	Quantity	Delivered Price	CLEAR Freight Rate	Freight Charged	Commissions	Net Factory Price	
5/11	2	10,000	99.50	.47	9.50	2.00	88.00	90
13	2	20,000	94.25	.25	4.25	2.00	88.00	90
16	2	25,000	95.75	.29	3.75	2.00	88.00	90
17	2	20,000	98.50	.43	8.50	2.00	88.00	90
15	24	5,000	92.50	.34	6.75		85.75	85.75
19	24	10,000	93.50	.27	5.50	2.00	86.00	88
15	33	20,000	90.50	.24	4.75		85.75	85.75
15	33	29,000	105.00	.85	17.00		88.00	90
14	49	3,000	95.75	.31	6.25	2.00	87.50	89.50
16	3	15,000	60.25	.26	5.25	2.00	53.00	55.0
18	3	6,000	99.50	.47	9.50	2.00	88.00	90
18	3	25,000	93.50	.17	3.50	2.00	88.00	90
18	3	25,000	93.50	.17	3.50	2.00	88.00	90
20	3	5,000	99.50	.47	9.50	2.00	88.00	90
15	5	10,000	99.50	.47	9.50	2.00	88.00	90
18	5	10,000	93.50	.17	3.50	2.00	88.00	90
19	5	2,000	96.75	.45	9.00	2.00	87.75	89.75
19	5	2,500	98.25	.40	8.00	1.50	88.75	90.25
16	5	25,000	107.00	.18	17.00	1.50	88.50	90
17	5	6,000	94.75	.24	4.75	1.50	88.50	90
15	14	5,000	96.00	.30	6.00	2.00	88.00	90
17	14	23,000	98.75	.44	8.75	2.00	88.00	90
19	14	12,000	94.75	.24	4.75	1.50	88.50	90
19	26	15,000	94.75	.24	4.75	2.00	88.00	90
19	26	10,000	94.75	.24	4.75	2.00	88.00	90
20	37	8,000	94.75	.24	4.75	2.00	88.00	90
3	4	6,000	94.50	.23	4.50	1.50	88.50	90
3	4	8,000	96.00	.30	6.00	1.50	88.50	90
3	4	4,000	91.00	.30	6.00	1.50	83.50	85
3	4	20,000	99.50	.47	9.50	2.00	88.00	90
3	4	23,700	101.25	.56	11.25	1.50	88.50	90
5	4	8,000	90.25	.26	5.25	1.50	83.50	85
8	4	5,000	95.00	.25	5.00		90.00	90
8	4	5,000	95.25	.26	5.25		90.00	90
8	4	2,000	90.25	.26	5.25		85.00	85
8	4	10,000	96.00	.30	6.00	1.50	88.50	90
8	4	2,000	96.00	.30	6.00		90.00	90
8	4	17,600	104.00	.70	14.00	1.50	88.50	90
8	4	10,000	96.00	.30	6.00	1.50	88.50	90
8	4	14,000	93.50	.18	3.50	1.50	88.50	90
8	4	10,000	94.75	.22	4.50		90.25	90.25
13	4	6,000	96.00	.30	6.00	1.50	88.50	90

CLEAR

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price	
5/9	4	4,000	96.50	.27	5.50	1.50	88.50	90
16	4	6,000	95.50	.27	5.50	1.50	88.50	90
16	4	5,000	95.50	.27	5.50	1.50	88.50	90
16	4	3,000	97.25	.36	7.25		90.00	90
16	4	6,500	101.00	.55	11.00	1.50	88.50	90
16	4	3,000	96.00	.34	6.75	1.50	87.75	89
17	4	17,000	91.50	.17	3.50		88.00	88
17	4	5,000	107.00	.85	17.00	1.50	88.50	90
18	4	10,000	109.50	.79	15.75	1.50	92.25	93
15	4	4,000	109.50	.79	15.75	1.50	92.25	93
17	7	10,000	95.25	.26	5.25	2.00	88.00	90
17	7	2,000	94.75	.24	4.75	2.00	88.00	90
17	7	12,000	94.75	.24	4.75	2.00	88.00	90
17	7	7,500	94.25	.21	4.25	2.00 -	88.00	90
18	7	75,000	94.75	.24	4.25	2.00	88.00	90
19	7	6,000	96.00	.30	6.00	1.50	88.50	90
19	7	4,000	96.00	.30	6.00	2.00	88.00	90
19	7	10,000	94.75	.24	4.75	1.50	88.50	90
19	7	3,000	95.25	.26	5.25	1.50	88.50	90
20	7	15,000	94.75	.24	4.75	2.00	88.00	90
20	7	6,000	95.50	.28	5.50	2.00	88.00	90
15	34	3,650	89.50	.42	8.50	2.00 -	88.00	90
18	34	3,000	99.50	.47	9.50	1.50	88.50	90
20	34	12,000	96.00	.30	6.00	2.00	88.00	90
20	34	2,000	98.25	.41	8.25		90.00	90
20	42	3,800	93.00	Mill		2.00	91.00	93
20	44	12,000	95.75	.24	4.75		91.00	91
20	44	4,000	95.00	.24	4.75		90.25	90
20	44	32,000	93.50	.17	3.50		90.00	90
20	44	12,000	94.25	.19	3.75		90.50	90
13	45	13,000	92.00	.43	8.50	2.00	81.50	83
13	45	8,500	98.50	.43	8.50	2.00	88.00	90
17	45	7,000	98.25	.43	8.50	2.00	87.75	89
17	82	810	98.00	.30	6.00		92.00	92
20	22	576	95.00	.30	6.00		89.00	89
20	48	16,908	101.00	.24	4.75	2.00	96.25	98
20	44	8,000	96.00	.30	6.00		90.00	90

HIGH

LOW

4883-4887

AVERAGE COST FOR THE SECOND QUARTER OF 1922.

13/16 x 2¼ CLEAR MAPLE FLOORING.

Was $90.00 F.O.B. CARS AT FLOORING MILL, as shown by AVERAGE COST CHART published by the ASSOCIATION 11-17-21.

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Compiled from RECORD OF COMPLETED TRANSACTIONS REPORT OF SALES MADE DURING THE WEEK ENDING MAY 27th, 1922.

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Sales	Quantity	Price			
2	30,000	$ 70.00			
3	54,320	85.00			
1	25,000	85.50			
1	20,000	86.50			
2	35,000	87.50			
1	20,000	87.75			
3	46,000	88.00			
1	20,000	88.75			
1	10,000	89.00			
2	21,000	89.50	281,320 Ft	..	20.7%
74	834,400	90.00	834,400 Ft	..	61.3%
2	14,000	90.25			
3	50,000	90.50			
2	77,000	90.75			
1	3,700	91.00			
2	39,000	91.75			
1	9,000	92.00			
1	17,000	93.75			
1	4,000	95.00			
2	13,000	96.00			
2	12,128	96.25	244,828 Ft	..	18.0%
107			1,360,548 Ft	....	100%

4888

NET FACTORY PRICES MAPLE FLOORING 13/16x 2¼

For Week Ending May 27,1922.

Clear

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price
5-19	2	4,000	$99.25	.21	4.25	$2.00	$93.00
23	2	40,000	96.75	.34	6.75	2.00	88.00
23	2	9.320	93.25	.41	8.25		85.00
23	2	5,000	96.25	.31	6.25		90.00
24	2	25,000	96.50	.43	8.50	2.00	86.00
22	33	20,000	97.00	.41	8.25	2.00	86.75
22	33	8,000	92.50	.23	4.50	2.00	86.00
22	33	13,000	92.50	.23	4.50	2.00	86.00
26	33	20,000	92.25	.23	4.50		87.75
22	33	17,000	99.50	.62	12.50	2.00	89.75
22	49	10,000	95.50	.27	5 .50	2.00	68.00
22	49	20,000	99.50	.47	9.50	2.00	88.00
27	49	5,000	96.00	Mill		2.00	94.00
22	3	17,000	99.50	.47	8.50	2.00	88.00
22	3	5,000	99.50	.47	9.50	2.00	88.00
22	3	2,000	99.50	.47	9.50	2.00	88.00
26	3	15,000	107.00	.85	17.00	1.50	88.50
26	3	20,000	89.75	.24	4.75	2.00	83.00
26	3	25,000	99.50	.47	9.50	2.00	88.00
24	5	13,000	104.00	.70	14.00	1.50	88.00
24	5	18,000	107.50	.88	17.50	2.00	88.00
24	5	12,000	99.50	.47	9.50	2.00	88.00
23	5	17,000	94.25	.18	3.50	1.50	89.25
25	5	17,000	111.00	1.05	21.00	2.00	88.00
25	5	31,000	107.00	.85	17.00	2.00	88.50
25	5	30,000	107.00	.85	17.00	1.50	88.50
26	5	6,000	96.00	.30	6.00		90.00
27	5	25,000	89.75	.24	4.75	2.00	83.00
24	5	5,000	99.50	.47	9.50	2.00	88.00
22	14	10,000	99.50	.47	9.50	2.00	88.00
22	14	10,000	99.50	.47	9.50	2.00	88.00
22	14	5,000	88.00	.47	9.50	2.00	88.00
22	14	15,000	99.50	.47	9.50	2.00	88.00
22	14	8,000	99.50	.47	9.50	2.00	88.00
27	14	10,000	99.50	.47	9.50	2.00	88.00
27	14	15,000	99.50	.47	9.50	2.00	88.00
27	26	10,000	1 07.00	.85	17.00	2.00	88.00
27	26	15,000	107.00	.85	17.00	2.00	88.00
26	26	25,000	102.50	.85	17.00	2.00	83.50
15	30	12,000	97.00	.33	6. 50	2.00	88.50
17	30	17,000	94.75	.24	4.75	2.00	88.00

4880

41 60637

CLEAR 1

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price	
6-17	30	7,000	$99.50	.45	9.00	2.00	88.50	90 50
15	30	4,000	107.00	.85	17.00	2.00	88.00	90
22	30	9,000	105.00	.60	12.00	2.00	90.00	92
22	30	17,000	98.50	.42	8.50		90.00	90
23	30	30,000	107.00	.85	17.00	2.00	88.00	90
24	30	6.000	100.25	.51	10.25		90.00	90
25	30	11,000	107.00	.85	17.00	2.00	88.00	90
25	30	9,000	98.50	.42	8.50	2.00	88.00	90
25	30	8,000	95.00	.25	5.00	2.00	88.00	90
24	37	6,000	107.00	.85	17.00	2.00	88.00	90
24	37	30,000	107.00	.85	17.00	2.00	88.00	90
24	37	5,000	99.50	.47	9. 50	2.00	88.00	90
22	47	12,000	98.50	.43	8.50	2.00	88.00	90
22	47	3,700	99.00	.40	8.00	2.00	89.00	91
23	47	16,000	91.50	.20	4.00		87.50	87 50
22	47	2,500	90.00	Mill		2.00	88.00	90
24	47	20,000	92.00	.27	5.50		86.50	86 50
24	47	18,000	95.00	.25	5.00	2.00	88.00	90
22	47	10,000	93.00	.20	4.00		89.00	89
23	47	20,000	91.50	.20	4.00		87.50	87 50
23	4	17,000	107.00	.85	17.00	1.50	88.50	90
23	4	10,000	98.75	.44	8.75	1.50	88.50	90
23	4	15,000	99.50	.47	9.50	1.50	88.50	90
23	4	18,000	91.50	.17	3.50		88.00	90
23	4	15,000	98.50	.43	8.50		90.00	90
23	4	25,000	107.00	.85	17.00	1.50	88.50	90
23	4	16,400	96.25	.31	6.25		90.00	90
23	4	10,000	107.00	.85	17.00	1.50	88.50	90
23	4	7,000	96.00	.30	6.00		90.00	90
23	4	3,000	96.00	.30	6.00		90.00	90
25	4	15,000	99.50	.48	9.50	1.50	88.50	90
25	4	2,000	96.00	.30	6.00	1.50	88.50	90
25	4	7,000	96.00	.30	6.00	1.50	88.50	90
25	4	5,000	96.25	.31	6.00	1.50	88.75	90 25
25	4	8,000	94.50	.23	4.50	1.50	88.50	90
25	4	9,000	95.50	.26	5.25	1.50	88.75	90 25
25	4	5,000	94.50	.23	4.50	1.50	88.50	90
25	4	5,000	98.50	.43	8.50	1.50	88.50	90
25	4	8,000	96.00	.30	6.00	1.50	88.00	89 50
25	4	2,000	96.00	.30	6.00	[illegible]	90.00	90
22	34	7,000	98.00	.40	8.00	2.00	88.00	90
24	"	6,000	96.00	.30	6.00	1.50	88.50	90
24	42	17,000	110.75	.85	17.00	$ .00	91.75	93 75
24	"	60,000	107.75	.85	17.00	2.00	88.75	90 75
"	"	30,000	107.00	.85	17.00	2.00	88.00	90
	"	20,000	74.75	.24	4.75	2.00	68.00	70
	"	40,000	94.75	.24	4.75	2.00	88.00	90

4890

#1 64560

CLEAR B

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price	
5-24	44	1,000	$96.00	.30	6.00		$90.00	90
	"	5,500	95.50	.27	5.50		90.00	90
	"	5,000	95.25	.26	5.25		90.00	90
	22	18,128	101.00	.24	4.75		96.25	96.25

Supplemental Report

5-22	50	8,000	96.00	.30	6.00		96.00	96
19	"	5,000	94.75	.24	4.75		90.00	90
20	"	15,000	96.00	.30	6.00	2.00	88.00	88
	"	4,000	96.00	.30	6.00		90.00	90
	"	2,000	96.00	.30	6.00		90.00	90
22	"	5,000	96.00	.30	6.00	2.00	88.00	88
"	7	4,000	96.00	.30	6.00		90.00	90
"	"	5,000	98.25	.41	8.25		90.00	90
"	"	3,000	98.25	.41	8.25		90.00	90
"	"	7,000	95.25	.26	5.25	2.00	88.00	88
"	"	22,000	96.00	.21	4.25	2.00	89.75	89.75
24	"	2,000	96.00	.30	6.00		90.00	90
26	"	5,000	95.25	.26	5.25	2.00	88.00	88
"	"	5,000	94.00	.20	4.00		90.00	90
27	"	4,000	95.50	.27	5.50	2.00	88.00	90

17868

HIGH

LOW

19

4891-4895

AVERAGE COST FOR THE SECOND QUARTER OF 1922.

13/16 x 2¼ CLEAR MAPLE FLOORING.

Was $90.00 F.O.B. CARS AT FLOORING MILL, as shown by AVERAGE COST CHART issued by the ASSOCIATION and dated 5-31-22.

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Compiled from RECORD OF COMPLETED TRANSACTIONS REPORT OF SALES MADE DURING THE WEEK ENDING JUNE 3rd, 1922.

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Sales	Quantity	Price		
1	25,000	$ 86.00		
1	24,500	87.50		
1	14,800	87.75		
1	5,000	88.00		
1	6,000	88.50		
1	17,000	89.00		
4	140,500	89.50		
1	40,000	89.75	272,800 Ft . .	21.1%
5	914,865	90.00	914,865 Ft . .	70.7%
1	15,000	90.25		
1	5,000	91.00		
1	18,000	91.25		
1	2,000	92.00		
1	17,000	92.25		
1	3,000	93.50		
1	25,000	95.00		
1	12,789	96.25		
2	2,660	97.00		
1	4,000	99.25		
1	1,000	99.50	105,449 Ft . .	8.2%
78	12,931,14		1,293,114 Ft . .	100%

4896

NET FACTORY PRICES MAPLE FLOORING 13/16x2¼

For Week Ending June 3, 1922

CLEAR

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price
5-31	2	4,000	105.00	.29	5.75	2.00	97.25
31	2	3,000	97.75	.21	4.25		93.50
26	24	10,000	95.00	.25	5.00	2.00	88.00
6-1	24	100,000	95.00	.27	5.50	2.00	87.50
1	24	58,000	95.50	.27	5.50	2.00	88.00
5-29	33	17,000	100.00	.39	7.75	2.00	90.25
29	33	18,000	99.50	.41	8.25	2.00	89.25
29	33	6,000	98.50	.50	10.00		88.50
6-1	33	3,500	97.25	.36	7.25	2.00	88.00
1	33	20,000	92.50	.12	2.50	2.00	88.00
5-29	49	2,000	92.00	Mill		2.00	90.00
29	49	15,000	95.75	.29	5.75	2.00	88.00
29	49	7,000	98.50	.43	8.50	2.00	88.00
29	49	10,000	96.50	.33	6.50		90.00
31	3	26,000	107.00	.85	17.00	1.50	88.50
6-3	3	25,000	96.00	.30	6.00	2.00	88.00
3	3	7,000	99.00	.45	9.00	2.00	88.00
5-29	5	22,000	107.75	.89	17.75	2.00	88.00
29	5	5,000	96.00	.30	6.00	2.00	88.00
29	5	25,000	99.50	.47	9.50	2.00	88.00
29	5	11,000	99.50	.47	9.50	2.00	88.00
29	5	20,000	97.50	.38	7.50	2.00	88.00
31	5	15,000	99.50	.47	9.50	2.00	88.00
6-1	5	64,465	94.75	.24	4.75		90.00
2	5	30,000	107.00	.85	17.00	2.00	88.00
3	5	4,000	100.00	.50	10.00	2.00	88.00
3	5	14,000	99.50	.47	9.50	2.00	88.00
5-29	5	30,000	99.50	.47	9.50	2.00	88.00
30	14	10,000	99.50	.47	9.50	2.00	88.00
30	14	10,000	99.50	.47	9.50	2.00	88.00
31	14	20,000	98.50	.42	8.50	2.00	88.00
6-3	14	25,000	93.50	.17	3.50	1.50	88.50
3	14	15,000	96.00	.30	6.00	2.00	88.00
5-29	30	40,000	107.00	.85	17.00	2.00	88.00
29	30	18,000	107.00	.85	17.00	2.00	88.00
29	30	1,160	97.00	Mill			97.00
31	30	25,000	101.50	.58	11.50		90.00
6-1	30	20,000	107.00	.85	17.00	2.00	88.00
2	30	1,500	106.50	.47	9.50	2.00	95.00
2	30	17,000	94.75	.24	4.75	2.00	88.00
3	30	10,000	107.00	.85	17.00	3.00	87.00
3	30	17,000	99.50	.47	9.50	2.00	88.00

4897

Clear 2 June 3, 1922

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price	
5-26	47	24,500	93.00	.27	5.50		87.50	87 50
~~27~~	~~47~~	~~30,000~~	~~79.00~~	~~.45~~	~~9.00~~	~~2.00~~	~~68.00~~	
27	47	5,000	96.00	.40	8.00	2.00	86.00	88
27	47	40,000	97.25	.37	7.50	2.00	87.75	87 75
25	47	17,000	103.50	.73	14.50	2.00	87.00	87
25	47	6,500	93.00	.17	3.50		89.50	89 50
27	47	400	90.00	Mill		2.00	88.00	90
6-1	47	20,000	96.75	.34	6.75	2.00	88.00	90
1	47	28,000	93.00	.17	3.50	2.00	87.50	89 50
5-26	47	19,000	99.50	.47	9.50	2.00	88.00	90
29	7	9,000	95.00	.25	5.00	2.00	88.00	90
29	7	34,000	96.00	.30	6.00	1.50	88.50	90
29	7	18,000	94.75	.24	4.75	2.00	88.00	90
31	7	6,000	94.75	.26	5.25	2.00	87.50	89 50
31	7	25,000	104.00	.45	9.00		95.00	95
6-1	7	7,000	94.75	.24	4.75	2.00	88.00	90
1	7	8,000	100.25	.51	10.25		90.00	90
2	7	3,000	95.25	.26	5.25	1.50	88.50	90
5-31	34	5,000	97.50	.38	7.50		90.00	90
6-1	34	4,000	96.00	.30	6.00		90.00	90
3	42	20,000	99.00	.45	9.00	2.00	88.00	90
3	44	60,000	96.00	.30	6.00	2.00	88.00	90
3	44	5,000	97.50	.38	7.50	2.00	88.00	90
3	44	12,789	101.00	.24	4.75		96.25	96 25
5-31	51	14,800	96.25	.43	8.50	2.00	85.75	87 75
6-1	51	1,000	99.50	Mill		2.00	97.50	99 50
Supplemental Report								
5-30	4	20,000	96.00	.30	6.00		90.00	90
31	4	10,000	96.00	.30	6.00		90.00	90
31	4	5,000	95.50	.22	4.50		91.00	91
6-1	4	13,000	96.00	.30	6.00		90.00	90
1	4	3,000	97.75	.39	7.75	1.50	88.50	90
1	4	1,500	97.75	.39	7.75	1.50	88.50	90
1	4	2,000	107.00	.85	17.00	2.00	88.00	90
5-26	45	25,000	92.00	.30	6.00		86.00	86
6-2	50	15,000	95.00	.24	4.75		90.25	90 25
2	50	2,000	96.00	.30	6.00		90.00	90
2	50	2,000	94.50	.23	4.50		90.00	90

HIGH

LOW

4898-4901

AVERAGE COST FOR THE SECOND QUARTER OF 1922.

13/16 x 2¼ CLEAR MAPLE FLOORING

Was $90.00 F.O.B. CARS AT FLOORING MILL, as shown by AVERAGE COST CHART issued by the ASSOCIATION and dated 5-31-22.

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Compiled from RECORD OF COMPLETED TRANSACTIONS REPORT OF SALES MADE DURING THE WEEK ENDING JUNE 10th, 1922.

- - - - - - - - - - -

Sales	Quantity	Price		
1	40,000	$ 87.00		
2	37,000	88.00		
2	18,000	88.50		
1	17,000	88.75		
1	4,500	89.00		
4	130,400	89.75	246,900 Ft . .	22.7%
49	634,840	90.00	634,840 Ft	58.4%
1	7,000	91.00		
3	33,000	91.50		
1	22,000	92.00		
1	4,000	92.25		
4	70,000	92.50		
1	1,000	93.75		
9	68,200	95.00	205,200 Ft . .	18.9%
89	1,086,940		. .	100%

4902

NET FACTORY PRICES MAPLE FLOORING 13/16x2¼

For Week Ending June 10, 1922

CLEAR

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price	
6-5	2	8,000	99.25	.21	4.25	2.00	93.00	15
6	2	10,000	104.50	.47	9.50	2.00	93.00	93
6	3	3,000	100.00	.43	8.50		91.50	50
5	24	22,000	99.50	.47	8.50	2.00	88.00	90
6	24	17,000	95.00	.31	6.25	2.00	86.75	8875
5	3	10,000	97.50	.39	7.75	2.00	87.75	8975
5	3	22,000	94.50	.12	2.50	2.00	90.00	90
5	3	15,000	98.50	.42	8.50	2.00	88.00	90
5	49	5,000	94.75	.24	4.75		90.00	90
5	49	25,000	105.00	.85	17.00	2.00	86.00	88
5	49	7,000	91.00	Mill		2.00	89.00	91
5	49	12,000	92.75	.24	4.75		88.00	90
5	49	3,500	104.00	.70	14.00	2.00	88.00	90
9	3	25,000	93.50	.17	3.50	2.00	88.00	90
9	3	5,000	96.00	.30	6.00	1.50	88.50	90
9	3	6,000	98.50	.43	8.50	2.00	88.00	90
5	3	13,000	99.50	.47	9.50	2.00	88.00	90
5	3	5,000	99.50	.47	9.50	2.00	88.00	90
5	5	5,000	95.25	.26	5.25	2.00	88.00	90
6	5	15,000	94.75	.24	4.75	1.50	88.50	90
9	5	20,000	95.25	.26	5.25	2.00	88.00	90
6	5	19,500	107.00	.85	17.00	2.00	88.00	90
5	14	12,500	99.50	.47½	9.50	2.00	88.00	90
9	14	30,000	93.50	.17	3.50	1.50	88.50	90
5	30	23,000	95.75	.29	5.75	2.00	88.00	90
5	30	6,500	95.50	.27	5.50	2.00	88.00	90
7	30	20,000	95.00	.25	5.00	2.00	88.00	90
7	30	20,000	94.75	.24	4.75	2.00	88.00	90
8	30	17,000	96.25	.24	4.75	2.00	89.50	90 50
9	30	8,000	99.50	.47	9.50	2.00	88.00	90
9	30	6,000	97.50	.38	7.50		90.00	90
7	37	32,000	107.00	.85	17.00	2.00	88.00	90
3	47	41,500	97.25	.38	7.50	2.00	87.75	8775
5	47	18,900	97.25	.38	7.50	2.00	87.75	8775
6	47	20,000	95.50	.27	5.50	2.00	88.00	90
7	47	4,500	95.00	.30	6.00		89.00	89
7	47	60,000	94.50	.24	4.75	2.00	87.75	8775
6	47	16,800	96.00	.30	6.00	2.00	88.00	90
5	4	30,000	107.00	.85	17.00	1.50	88.50	90
6	4	200	95.00	Mill			95.00	95
6	4	17,000	93.50	.17	3.50	2.00	88.00	90
6	4	14,000	99.50	.47	9.50	1.50	88.50	90

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price	
6-8	4	5,000	110.75	1.04	20.75	1.50	88.50	90
8	4	75,000	96.00	.30	6.00	1.50	88.50	90
9	4	8,000	96.00	.30	6.00	1.50	88.50	90
9	4	4,000	97.50	.26	5.25	1.50	90.75	92.25
9	4	8,000	100.50	.52	10.50	1.50	88.50	90
9	4	1,000	101.75	.59	11.75	1.50	88.50	90
9	4	6,000	101.75	.59	11.75	1.50	88.50	90
9	4	13,000	95.00	.18	3.50	1.50	90.00	91.50
9	4	25,000	96.00	.30	6.00	1.50	88.50	90
9	4	20,000	102.00	.47	9.50	2.00	90.50	92.50
9	4	17,000	96.00	.17	3.50	2.00	90.50	92.50
9	4	15,000	96.00	.17	3.50	2.00	90.50	92.50
9	4	18,000	96.00	.17	3.50	2.00	90.50	92.50
9	4	1,000	98.50	.24	4.75	1.50	92.25	93.75
5	4	5,000	94.75	.24	4.75	1.50	88.50	90
5	7	4,000	99.00	.20	4.00	2.00	93.00	95
5	7	2,000	96.00	.30	6.00	2.00	88.00	90
6	7	3,500	95.50	.27	5.50	1.50	88.50	90
6	7	3,000	95.50	.27	5.50	1.50	88.50	90
6	7	2,500	95.50	.27	5.50	1.50	88.50	90
6	7	5,640	104.50	.72	14.50		90.00	90
6	7	20,000	104.00	.45	9.00		95.00	95
7	7	2,000	96.00	.30	6.00		90.00	90
7	7	2,000	96.00	.30	6.00		90.00	90
8	7	3,000	101.00	.63	12.50		88.50	88.50
8	7	15,000	97.50	.45	9.00		88.50	88.50
8	7	8,000	99.25	.21	4.25	1.50	93.50	95
8	7	9,000	98.50	.17	3.50	1.50	93.50	95
8	7	6,000	98.50	.17	3.50	1.50	93.50	95
9	7	3,000	101.00	.30	6.00	2.00	93.00	95
6	34	5,000	101.50	.58	11.50	1.50	88.50	90
10	34	12,000	96.00	.30	6.00	2.00	88.00	90
10	44	10,000	99.00	.45	9.00	2.00	88.00	90
10	44	2,000	101.50	.57	11.50	2.00	88.00	90
10	44	12,000	96.00	.30	6.00	2.00	88.00	90
7	50	5,400	96.00	.30	6.00		90.00	90
10	50	20,000	96.00	.30	6.00	2.00	88.00	90
10	51	40,000	96.00	.45	9.00	2.00	85.00	87.50

HIGH

LOW

4904-4907

AVERAGE COST FOR SECOND QUARTER OF 1922.

13/16 x 2-1/4 CLEAR MAPLE FLOORING

was $90.00 F.O.B. Cars at Flooring Mills

as shown by Average Cost Chart dated 5/31/22.

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Compiled from RECORD OF COMPLETED TRANSACTIONS.

REPORT OF SALES MADE DURING THE WEEK ENDING JUNE 17, 1922.

1 Sale	@	$87.00	total	9,000 ft.	29,000 ft.	4.0%
2 "	@	88.00	"	20,000 "		
37 Sales	@	$90.00	total	557,250 ft.	557,250 ft.	77.2%
1 Sale	@	$90.25	total	40,000 ft.	135,141 ft.	18.8%
2 "	@	90.50	"	9,000 "		
2 "	@	91.25	"	31,600 "		
1 "	@	92.00	"	4,800 "		
1 "	@	92.50	"	3,000 "		
1 "	@	93.00	"	5,160 "		
4 "	@	95.00	"	21,000 "		
1 "	@	98.25	"	18,475 "		
1 "	@	100.50	"	2,106 "		
54 Sales.				721,391 ft.	721,391 ft.	100%

4908

NET FACTORY PRICES MAPLE FLOORING 13/16 x 2¼

For Week Ending ~~July 15~~ June 17, 1922.

CLEAR

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price	
6-17	2	2,106	$109.50	.45	$9.00		100.50	100
14	2	3,000	$94.00	.18	3.50		90.50	91
10	24	5,000	98.50	.43	8.50	2.00	88.00	90
14	24	22,000	99.50	.47	9.50	2.00	88.00	90
16	24	10,500	96.50	.32	6.50	2.00	88.00	90
16	24	14,600	97.50	.31	6.25	1.50	89.75	91
12	33	12,000	104.00	.70	14.00	2.00	88.00	90
16	33	17,000	98.50	.36	7.25		91.25	91
16	33	16,000	93.50	.18	3.50	2.00	88.00	90
16	33	6,000	99.50	.45	9.00	2.00	88.50	90
13	49	12,000	109.00	.70	14.00	2.00	93.00	95
13	49	5,160	107.00	.70	14.00	2.00	91.00	93
12	3	20,000	97.50	.38	7.50	2.00	88.00	90
12	3	4,880	96.25	.31	6.25	2.00	90.00	92
14	3	6,000	99.50	.47	9.50	2.00	88.00	90
15	3	11,000	99.50	.47	9.50	2.00	88.00	90
15	3	25,000	94.75	.24	4.75		90.00	90
17	3	25,000	99.50	.47	9.50	2.00	88.00	90
17	3	20,000	104.50	.75	14.50	1.50	88.50	90
16	3	4,000	99.50	.47	9.50	2.00	88.00	90
12	3	12,000	99.00	.45	9.00		90.00	90
14	3	25,000	94.75	.24	4.75		90.00	90
16	3	1,000	99.50	.47	9.50	2.00	88.00	90
15	3	40,000	94.25	.20	4.00	1.50	88.75	90
16	5	15,000	99.50	.47	9.50	2.00	88.00	90
12	5	17,000	90.00	Mill		2.00	88.00	90
12	14	13,000	99.50	.47½	9.50	2.00	88.00	90
12	14	14,000	99.50	.47½	7.50	2.00	88.00	90
12	14	22,000	99.50	.47½	9.50	2.00	88.00	90
14	14	25,000	93.50	.17	3.50	1.50	88.50	90
17	14	39,000	96.00	.30	6.00	2.00	88.00	90
15	30	30,000	107.00	.85	17.00	3.00	87.00	90
15	30	18,000	104.00	.70	14.00		90.00	90
16	30	3,000	106.00	.35	7.00		88.00	90
16	30	30,000	107.00	.85	17.00	2.00	88.00	90
16	30	20,000	99.50	.47	9.50	2.00	88.00	90
17	30	20,000	99.50	.47	9.50	2.00	88.00	90
17	30	15,000	99.75	.49	9.75	2.00	88.00	90

4909

#2

Clear

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price	
6-17	37	26,000	98.25	.41	8.25	2.00	88.00	90
7	47	10,000	94.75	.24	4.75	2.00	88.00	90
14	47	10,000	94.75	.24	4.75	2.00	88.00	90
14	47	4,000	90.00	Mill		2.00	88.00	90
16	47	1,760	107.00	.45	9.00	2.00	96.00	90
14	31	5,000	96.00	.30	6.00		90.00	90
12	45	17,000	97.25	.46	9.25	2.00	86.00	88
12	44	3,000	96.00	.17	3.50	1.50	91.00	92.50
13	50	2,000	96.00	.30	6.00		90.00	90
14	50	2,000	96.00	.30	6.00		90.00	90
15	48	18,475	103.00	.24	4.75		98.25	91.25
14	51	9,000	96.50	.47	9.50	2.00	86.00	87
				Supplemental Report				
12	7	4,000	96.00	.30	6.00	2.00	88.00	90
14	7	2,000	101.00	.30	6.00	1.50	93.50	95
14	7	4,000	101.00	.30	6.00		95.00	95
17	7	3,000	99.50	.23	4.50	1.50	93.50	95

HIGH

low

4910-4913

AVERAGE COST FOR SECOND QUARTER OF 1922.

13/16 x 2-1/4 CLEAR MAPLE FLOORING

was $90.00 F.O.B. Cars at Flooring Mills

as shown by Average Cost Chart dated 5/31/22.

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Compiled from RECORD OF COMPLETED TRANSACTIONS.

REPORT OF SALES MADE DURING THE WEEK ENDING JUNE 24, 1922.

1 Sale	@	$86.00	total	18,000 ft.	
2 "	@	88.00	"	15,400 "	
1 "	@	89.25	"	16,000 "	67,400 ft. 9.8%
1 "	@	89.50	"	5,000 "	
3 "	@	89.75	"	13,000 "	
32 Sales	@	90.00	"	485,210 ft.	485,210 ft. 71.3%
3 "	@	90.50	"	50,000 ft.	
1 "	@	90.75	"	22,000 "	
1 "	@	91.00	"	25,000 "	
3 "	@	92.00	"	17,750 "	127,750 ft. 19.5%
1 "	@	92.25	"	1,000 "	
1 "	@	94.00	"	12,000 "	
50 Sales.				680,360 ft.	680,360 ft. 100%

4914

NET FACTORY PRICES MAPLE FLOORING 13/16/x2¼

For Week Ending June 24, 1922.

CLEAR

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price
6-16	2	25,000	94.75	.24	4.75	2.00	88.00 90
6-20	2	12,000	100.25	.31	6.25	2.00	92.00 92
6-17	24	9,000	106.00	.70	14.00	2.00	90.00 90
6-21	24	5,000	94.75	.24	4.75	2.00	88.00 90
6-21	24	18,000	96.25	.31	6.25	2.00	88.00 90
6-22	24	4,000	111.00	1.06	21.00	2.00	88.00 90
6-22	24	16,000	100.00	.47	9.50	2.00	88.50 90 50
6-20	33	25,000	97.50	.33	6.50	2.00	89.00 91
6-22	33	22,000	94.75	.20	4.00	2.00	88.75 90 75
6-22	33	3,000	92.00	Warehouse			92.00 92
6-19	49	13,000	96.75	.34	6.75	2.00	88.00 90
6-19	49	10,000	92.75	.24	4.75		88.00 88
6-22	49	2,000	90.00	Mill			90.00 90
6-23	49	4,000	94.00	.21	4.25		89.75 89 75
6-23	49	5,400	92.75	.24	4.75		88.00 88
6-23	49	8,600	96.50	.33	6.50	2.00	88.00 90
6-20	3	25,000	93.50	.17	3.50	2.00	88.00 90
6-20	3	25,000	93.50	.17	3.50	2.00	88.00 90
6-22	3	2,000	98.50	.43	9.50	2.00	88.00 90
6-20	3	6,000	99.50	.49	9.75	2.00	87.75 89 75
6-24	3	30,000	107.00	.85	17.00	1.50	88.50 90
6-21	5	6,000	99.50	.47	9.50	2.00	88.00 90
6-19	5	15,000	107.00	.85	17.00	1.50	88.50 90
6-19	5	4,000	97.25	.36	7.25	1.50	88.50 90
6-20	5	1,000	95.00	.14	2.75	1.50	90.75 92 25
6-21	5	18,000	99.50	.47	9.50	2.00	86.00 90
6-23	14	9,000	99.50	.47	9.50	2.00	88.00 90
6-23	14	57,000	97.50	.38	7.50	2.00	88.00 "
6-20	30	19,000	95.75	.29	5.75	2.00	88.00 "
6-23	37	42,000	96.75	.34	6.75	2.00	88.00 "
6-23	37	3,000	94.75	.25	5.00	1.50	88.25 89 75
6-24	37	3,000	95.50	.27	5.50	2.00	88.00 90
6-24	37	10,000	96.00	.30	6.00	2.00	88.00 "
6-19	47	15,000	98.50	.42	8.50	2.00	88.00 "
6-8	47	19,500	99.50	.47	9.50	2.00	88.00 "
6-21	47	18,000	93.00	.15	3.00	2.00	88.00 "
6-22	47	5,750	98.00	.30	6.00	2.00	90.00 92
6-22	47	4,000	94.75	.24	4.75	2.00	88.00 90
6-24	7	4,000	105.00	.72	14.50	2.00	88.50 90 50
6-19	34	10,000	90.00	Mill		1.50	88.50 90
6-22	34	4,000	94.50	.23	4.50		90.00 "
6-23	34	1,000	96.00	.30	6.00		90.00 "
6-23	34	5,000	98.25	.43	8.50	2.00	87.50 89 50

4915

CLEAR

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price
6-20	44	5,000	94.75	.24	4.75		90.00
6-20	44	16,000	94.00	.24	4.75	1.50	87.75
6-20	44	6,000	94.75	.24	4.75	1.50	88.50
6-20	44	12,000	95.25	.26	5.25		90.00
6-19	51	30,000	96.50	.45	9.00	2.00	88.50
6-20	51	50,000	99.00	.45	9.00	2.00	88.00
6-22	51	18,000	95.00	.45	9.00	2.00	84.00

HIGH

LOW

4916-4918

AVERAGE COST FOR THE THIRD QUARTER OF 1922.

13/16 x 2¼ CLEAR MAPLE FLOORING.

Was $90.00 F.O.B. CARS AT FLOORING MILL, as shown by AVERAGE COST CHART issued by the ASSOCIATION and dated 5-31-22.

Compiled from RECORD OF COMPLETED TRANSACTIONS REPORT OF SALES MADE DURING THE WEEK ENDING JULY 1st, 1922.

1	@	$81.50	Total	1,275 Ft.	
3	@	87.00	Total	38,000 Ft.	
1	@	88.00	Total	1,500 Ft.	
1	@	89.00	Total	10,000 Ft.	
1	@	89.50	Total	22,000 Ft.	
1	@	89.75	Total	11,000 Ft.	
				83,775 Ft.	-------- 7.6%
41	@	90.00	Total	577,552 Ft.	-------- 52.9%
2	@	90.50	Total	28,000 Ft.	
2	@	90.75	Total	30,000 Ft.	
1	@	91.00	Total	5,200 Ft.	
1	@	91.50	Total	14,500 Ft.	
11	@	92.00	Total	116,000 Ft.	
12	@	92.50	Total	138,000 Ft.	
2	@	93.00	Total	7,000 Ft.	
9	@	95.00	Total	64,007 Ft.	
1	@	96.00	Total	800 Ft.	
1	@	98.25	Total	24,000 Ft.	
1	@	100.00	Total	2,836 Ft.	
				430,042 Ft.	-------- 39.5%
92				1,091,349 Ft.	-------- 100%

4919

NET FACTORY PRICES MAPLE FLOORING 13/16x2¼

For Week Ending July 1, 1922

CLEAR

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price
6-23	2	3,032	94.75	.24	4.75	2.00	88.00
26	2	2,535	108.50	.43	8.50		100.00
27	2	4,007	101.50	.33	6.50	2.00	93.00
27	2	18,000	98.50	.43	8.50	2.00	88.00
28	2	10,000	99.00	.42	8.50		90.50
29	2	3,000	95.75	.29	5.75	2.00	88.00
24	24	21,000	96.50	.33	6.50	2.00	88.00
24	24	25,000	99.50	.47	9.50	2.00	88.00
27	24	17,000	95.50	.37	6.50	2.00	86.00
28	24	11,000	96.00	.31	6.25	2.00	87.75
7-1	24	10,000	95.00	.25	5.00	2.00	88.00
6-26	33	15,000	94.25	.21	4.25	2.00	88.00
6-27	33	10,000	93.00	.20	4.00	1.00	88.00
27	33	25,000	94.75	.20	4.00	2.00	88.75
27	33	18,000	99.50	.47	9.50	2.00	88.00
27	33	5,000	99.00	.41	8.25	2.00	88.75
28	49	10,000	95.50	.27	5.50	2.00	88.00
30	49	25,000	99.50	.47	9.50	2.00	88.00
7-1	49	5,000	90.00	Mill		2.00	88.00
1	49	5,000	97.50	.38	7.50	2.00	88.00
6-30	3	5,000	101.00	.30	6.00	1.50	93.50
7-1	3	2,000	98.25	.16	3.25		95.00
6-29	3	10,000	101.50	.47	9.50	2.00	90.00
26	5	17,000	104.50	.73	14.50	2.00	88.00
26	5	5,000	106.50	.73	14.50	2.00	90.00
26	5	5,000	109.00	.85	17.00	1.50	90.50
27	5	20,000	104.50	.73	14.50	2.00	88.00
27	5	10,000	100.25	.41	8.25	2.00	90.00
28	5	13,000	101.50	.47	9.50	2.00	90.00
28	5	12,000	96.75	.24	4.75	2.00	90.00
30	5	10,000	102.50	.38	7.50	2.00	93.00
27	5	20,000	104.50	.73	14.50	2.00	88.00
27	5	10,000	100.25	.41	8.25	2.00	90.00
28	5	13,000	101.50	.47	9.50	2.00	90.00
28	5	12,000	96.75	.24	4.75	2.00	90.00
30	5	10,000	102.50	.38	7.50	2.00	93.00
27	5	20,000	101.50	.47	9.50	2.00	90.00
7-1	5	6,000	103.50	.43	8.50	2.00	93.00
1	5	8,000	112.00	.85	17.00	1.50	93.50
6-27	5	2,500	107.00	.85	17.00	1.50	88.50
27	14	7,000	99.50	.47	9.50	2.00	88.00

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price	
6-27	14	20,000	99.50	.47	9.50	2.00	88.00	90
29	14	25,000	94.50	.17	3.50	1.50	89.50	90
29	14	12,000	99.50	.47	9.50	2.00	88.00	90
30	14	18,000	99.50	.47	9.50	2.00	88.00	90
26	30	5,000	104.50	.47	9.50	2.00	93.00	95
30	30	14,000	109.50	.73	14.50	2.00	93.00	95
29	37	18,000	97.00	.33	6.50	2.00	88.50	90.50
7-1	37	22,000	95.25	.29	5.75	2.00	87.50	89.50
1	37	20,000	95.75	.29	5.75	2.00	88.00	90
6-23	47	10,000	94.75	.24	4.75	2.00	88.00	90
23	47	20,000	94.75	.24	4.75	2.00	88.00	90
24	47	5,000	90.00	Mill		2.00	88.00	90
24	47	20,000	96.00	.30	6.00	2.00	88.00	90
28	47	15,000	90.00	Mill		2.00	88.00	90
27	47	6,000	98.00	.30	6.00		92.00	94
28	47	8,000	90.00	Mill		2.00	88.00	90
26	47	27,000	95.50	.27	5.50	2.00	88.00	90
13	4	14,500	104.00	.63	12.50	2.00	89.50	91.50
13	4	30,000	109.50	.85	17.00		92.50	94.50
14	4	1,000	98.50	.30	6.00	1.50	91.00	93.00
14	4	2,000	98.50	.27	5.50		93.00	95
19	4	8,000	96.00	.18	3.50	1.50	91.00	93.00
20	4	10,000	98.50	.30	6.00	1.50	91.00	93.00
20	4	25,000	93.50	.17	3.50	1.50	88.50	90
20	4	25,000	93.50	.17	3.50	1.50	88.50	90
20	4	25,000	100.75	.41	8.25	1.50	91.00	93.00
20	4	3,000	98.50	.30	6.00	1.50	91.00	93.00
28	4	5,000	97.50	.25	5.00		92.50	94.50
28	4	5,000	101.50	.45	9.00		92.50	94.50
7-1	4	20,000	98.50	.30	6.00	1.50	91.00	93.00
1	4	20,000	98.50	.30	6.00	1.50	91.00	93.00
1	4	6,000	100.25	.39	7.75		92.50	94.50
1	4	1,275	100.25	.39	7.75		81.50	81.50
1	4	5,000	100.50	.38	7.50		93.00	95
6-28	23	10,000	99.50	.47	9.50	2.00	88.00	90
29	23	30,000	93.50	.17	3.50	2.00	88.00	90
28	34	6,000	96.00	.30	6.00	1.50	88.50	90
30	42	15,000	96.00	.30	6.00	2.00	88.00	90
30	44	1,500	98.00	.40	10.00		88.00	88
30	44	6,000	93.50	.17	3.50	1.50	88.50	90
30	44	5,000	99.50	.47	9.50	1.50	88.50	90
29	44	2,000	96.00	.30	6.00		90.00	90
7-1	50	2,000	96.00	.30	6.00		90.00	90
1	50	800	96.00	Mill			96.00	96
1	48	24,000	103.00	.24	4.75		98.25	98.25
6-27	51	8,000	96.50	.47	9.50	2.00	85.00	87

45121

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price	
6-28	51	10,000	96.50	.47	9.50	2.00	85.00	87
30	51	5,200	99.50	.42	8.50	2.00	89.00	91
30	51	20,000	96.00	.45	9.00	2.00	85.00	87
30	14	10,000	99.50	.47	9.50	2.00	88.00	90
28	4	5,000	103.50	.55	11.00	1.50	91.00	92.50
	HIGH							
	LOW							

4922-4925

AVERAGE COST FOR SECOND QUARTER OF 1922.

13/16 x 2-1/4 CLEAR MAPLE FLOORING
was $90.00 F.O.B. Cars at Flooring Mills
as shown by Average Cost Chart dated 5/31/22.

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Compiled from RECORD OF COMPLETED TRANSACTIONS.
REPORT OF SALES MADE DURING THE WEEK ENDING JULY 8, 1922.

1 Sale @	$88.50	total	22,000 ft.	22,000 ft.	3.2%
25 Sales @	$90.00	total	456,926 ft.	456,926 ft.	67.2%
1 Sale @	$90.50	total	2,600 ft.		
1 " @	91.00	"	20,000 "		
1 " @	91.50	"	9,650 "		
1 " @	91.75	"	5,000 "		
6 " @	92.00	"	39,650 "		
2 " @	92.50	"	33,000 "	200,437 ft.	29.6%
1 " @	93.00	"	4,500 "		
2 " @	94.00	"	34,000 "		
4 " @	95.00	"	33,000 "		
1 " @	98.25	"	17,037 "		
1 " @	111.50	"	2,000 "		
47 Sales.			679,363 ft.	679,363 ft.	100%

4926

NET FACTORY PRICES MAPLE FLOORING 13/16x2¼

For Week Ending July 8, 1922

CLEAR

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price
6-28	2	5,000	94.00	.20	4.00		90.00
7-7	2	25,076	94.00	.20	4.00		90.00
6-28	24	2,000	122.00	.53	10.50	5%	105.40
30	24	3,000	106.00	.70	14.00	2.00	90.00
30	24	3,500	106.00	.70	14.00	2.00	90.00
7-3	24	17,000	95.75	.29	5.75	2.00	88.00
3	24	9,000	99.50	.47	9.50	2.00	88.00
5	24	10,000	93.50	.18	3.50	2.00	88.00
6	24	7,500	99.50	.47	3.50	2.00	94.00
3	3	10,500	104.50	.73	14.50	2.00	88.00
3	49	60,000	98.50	.43	8.50	2.00	88.00
3	49	5,000	92.00	Mill		2.00	90.00
3	49	4,000	99.50	.47	9.50	2.00	88.00
3	49	12,000	99.50	.47	9.50	2.00	88.00
3	49	17,000	102.50	.50	10.00		92.50
3	49	750	92.00	Mill			92.00
5	49	23,000	107.00	.85	17.00	2.00	88.00
3	3	14,000	97.50	.27	5.50	2.00	90.00
5	5	13,400	92.00	Mill		2.00	90.00
3	14	20,000	99.50	.47	9.50	2.00	88.00
5	14	10,000	99.50	.43	8.50	2.00	89.00
8	14	10,000	99.50	.43	8.50	2.00	89.00
5	30	20,000	105.50	.58	11.50	2.00	92.00
6	30	3,000	102.50	.38	7.50		95.00
5	37	25,000	103.00	.65	13.00	2.00	88.00
8	37	60,000	107.00	.85	17.00	2.00	88.00
5	47	3,800	90.00	Mill		2.00	88.00
3	47	7,500	90.00	Mill		2.00	88.00
5	47	9,650	99.50	.40	8.00	2.00	89.50
5	47	5,000	98.75	.35	7.00	2.00	89.75
3	47	7,000	98.00	.40	8.00	2.00	88.00
7	4	16,000	98.50	.30	6.00	1.50	91.00
8	4	1,000	101.00	.30	6.00		95.00
8	4	11,000	101.00	.30	6.00		95.00
8	4	18,000	99.75	.24	4.75	2.00	93.00
8	7	14,000	97.50	.18	3.50	1.50	92.50
8	7	4,500	98.50	.27	5.50	2.00	91.00
1	23	80,000	93.50	.17	3.50	2.00	88.00
5	23	20,000	94.75	.24	4.75	2.00	88.00
5	34	22,000	92.75	.21	4.25		88.50
5	44	2,600	99.00	.42	8.50		90.50

4927

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price
7-5	44	5,000	94.75	.24	4.75	1.50	88.50
5	44	20,000	96.00	.30	6.00	1.50	88.50
5	44	3,100	98.50	.42	8.50	1.50	88.50
6-26	45	17,000	99.50	.47	9.50	2.00	88.00
7-8	50	3,000	90.00	Mill			90.00
8	48	17,037	103.00	.24	4.75		98.25
7	51	150,000	96.00	.45	9.00	2.00	85.00

HIGH

LOW

4928-4930

AVERAGE COST FOR THIRD QUARTER OF 1922.

13/16 x 2-1/4 CLEAR MAPLE FLOORING
was $90.00 F.O.B. Cars at Flooring Mills
as shown by Average Cost Chart dated 5/21/1922.

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Compiled from RECORD OF COMPLETED TRANSACTIONS.
REPORT OF SALES MADE DURING THE WEEK ENDING JULY 15, 1922.

1 Sale	@ $84.50	total	6,000 ft.		
2 Sales	@ 86.00	"	50,000 "	127,000 ft.	23.0%
1 "	@ 88.75	"	18,000 "		
3 "	@ 89.00	"	53,000 "		
11 Sales	@ $90.00	total	175,373 ft.	175,373 ft.	31.7%
4 Sales	@ $90.50	total	61,500 ft.		
1 "	@ 92.50	"	3,000 "		
1 "	@ 93.00	"	2,000 "		
13 "	@ 95.00	"	141,861 "	249,186 ft.	45.3%
2 "	@ 95.50	"	14,500 "		
1 "	@ 98.25	"	25,025 "		
1 "	@ 104.00	"	1,300 "		
41 Sales.			551,559 ft.	551,559 ft.	100%

NET FACTORY PRICES MAPLE FLOORING 13/16x2¼

For Week Ending July 15,1922.

CLEAR

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price	
7-10	2	20,000	$96.00	.30	$6.00	$2.00	$88.00	90 —
	2	18,123	98.50	.43	8.50	2 .00	88.00	90 —
	2	20,000	94.00	.30	6.00		88.00	88
12	2	5,011	98.50	.17	3.50		95.00	95
	2	2,500	100.75	.29	5.75	2.00	93.00	95 —
	2	28,000	95.25	.31	6.95	2.00	87.00	89 —
10	2	18,000	103.00	.70	14.00	2.00	87.00	89 —
13	24	10,000	95.50	.28	5. 50		90.00	90 —
	24	17,000	99.50	.47	9.50	2.00	88.00	90 —
11	24	10,000	97.75	.39	7.75	1.00	89.00	90 —
12	24	35,000	96.00	.28	5.50	2.00	88.50	90 50
10	33	30,000	105.00	.85	17.00		86.00	88 —
	33	7,000	93.00	.20	4.00	1.00	88.00	89 —
	3	30,000	112.00	.85	17.00	1.50	93.50	95 —
	3	8,000	112.00	.85	17.00	1.50	93.50	95 —
15	3	40,000	103.50	.43	8.50	2.00	93.00	94 —
14	5	10,000	99.25	.21	4.25	2.00	93.00	95 —
15	5	1,000	100.50	.27	5.50	1.50	93.50	95 —
10	30	8,000	108.00	.63	12.50	2.00	93.50	95 50
13	30	10,000	103.50	.42	8.50	2.00	93.00	94 —
15	30	1,300	104.00		Mill		104.00	104
8	47	19,250	99.50	.47	9.50	2.00	88.00	90 —
10	47	6,500	100.50	.30	6.00	2.00	93.50	95 50
11	1	3,850	100.75	.29	5.75	1.50	93.50	95 50
11	1	3,000	98.25	.29	5.75		92.50	94 50
11	1	2,000	98.50	.27	5.50	1.50	91.50	93 —
14	1	5,000	101.00	.30	6.00	1.50	93.50	95 —
14	1	6,000	100.25	.26	5.25	1.50	93.50	95 —
14	1	20,000	96.00	.30	6.00	1.50	88.50	90 —
10	23	7,000	97.00	.35	7.00		90.00	90 —
12	23	50,000	93.50	.18	3.50	2.00	88.00	91 —
10	34	18,000	96.25	.38	7.50		88.75	88 75
11	34	4,500	96.00	.27	5.50	1.50	89.00	91 50
12	34	7,000	96.00	.27	5.50		90.50	92 50
10	42	6,000	62.00	.27	5.50	2.00	54.50 ?	56 50
10	5	1,000	96.00	.30	6.00		90.00	90 —
15	48	25,025	103.00	.24	4.75		98.25	98 25

High

Low

4932 4936

AVERAGE COST FOR THIRD QUARTER OF 1922.

13/16 x 2-1/4 CLEAR MAPLE FLOORING

was $90.00 F.O.B. Cars at Flooring Mills

as shown by Average Cost Chart dated 5/31/22.

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Compiled from RECORD OF COMPLETED TRANSACTIONS.

REPORT OF SALES MADE DURING THE WEEK ENDING JULY 22, 1922

1 Sale	@	$89.75	total	5,000 ft.	5,000 ft.	00.9%
15 Sales	@	$90.00	total	252,043 ft.	252,043 ft.	39.2%
1 Sale	@	$90.25	total	10,000 ft.		
5 "	@	90.50	"	53,000 ft.		
1 "	@	91.00	"	12,000 "		
1 "	@	91.25	"	25,000 "		
1 "	@	91.50	"	4,000 "		
1 "	@	92.00	"	7,500 "		
5 "	@	92.50	"	66,000 "		
1 "	@	93.50	"	3,350 "	384,939 ft.	59.9%
1 "	@	94.00	"	5,900 "		
1 "	@	94.25	"	5,000 "		
2 "	@	94.50	"	10,000 "		
14 "	@	95.00	"	129,450 "		
1 "	@	95.50	"	6,000 "		
1 "	@	97.50	"	2,000 "		
1 "	@	98.25	"	43,089 "		
1 "	@	104.00	"	2,650 "		
54 Sales				641,982 ft.	641,982 ft.	100%

NET FACTORY PRICES MAPLE FLOORING 13/16 x 2¼

For Week Ending July 22d, 1922.

Date	Mill	Quantity	Delivered Price	CLEAR Freight Rate	Freight Charged	Commissions	Net Factory Price	
7/13	2	17,543	96.25	.31	6.25	2.00	88.00	90
17	2	30,000	107.00	.85	17.00	2.00	88.00	90
22	2	40,000	94.75	.24	4.75	2.00	88.00	90
17	24	5,000	94.00	.20	4.00		90.00	90
17	24	5,000	94.00	.20	4.00		90.00	90
17	24	3,000	98.00	.37	7.50	2.00	88.50	90 50
18	33	12,000	96.00	.25	5.00	2.00	89.00	91 -
19	33	10,000	98.50	.41	8.25	2.00	88.25	90 25
19	33	7,500	105.00	.65	13.00	2.00	90.00	92
19	33	70,000	90.00	Warehouse			90.00	90
19	33	25,000	94.75	.17	3.50	2.00	89.25	91 25
18	5	20,000	112.00	.85	17.00	2.00	93.00	95
17	30	6,000	107.00	.85	17.00	2.00	88.00	90
19	30, 2,450	24, 50	112.00	.85	17.00	2.00	93.00	95
21	30	2,650	104.00	Mill			104.00	104
22	37	20,000	101.50	.45	9.00	2.00	90.50	92 50
22	37	20,000	98.00	.38	7.50	2.00	88.50	90 50
17	47	5,900	102.00	.40	8.50	2.00	92.00	94
17	47	11,000	96.00	.30	6.00	2.00	88.00	90
13	47	6,000	110.00	.72	14.50	2.00	93.50	95 50
20	47	7,000	94.00	.20	4.00	2.00	88.00	90
18	4	2,000	97.50	Mill			97.50	97 50
18	4	3,000	101.00	.30	6.00	1.50	93.50	95 50
18	4	8,000	97.25	.24	4.75	1.50	91.00	92 50
18	4	5,000	100.50	.27	5.50		95.00	95
18	4	20,000	98.50	.30	6.00		92.50	92 50
16	4	3,000	98.00	.27	5.50	1.50	91.00	92 50
18	4	2,000	101.00	.30	6.00	1.50	93.50	95
20	4	3,000	99.00	.23	4.50	1.50	93.00	94 50
20	4	5,000	99.75	.27	5.50	1.50	92.75	94 25
22	4	10,000	103.25	.41	8.25	1.50	93.50	95
20	4	10,000	103.25	.41	8.25	1.50	93.50	95
22	4	7,000	100.50	.30	6.00	1.50	93.00	94 50
22	4	4,000	101.00	.30	6.00	1.50	93.50	95
22	4	8,000	101.00	.30	6.00	1.50	93.50	95
15	7	14,000	101.00	.30	6.00		95.00	95
16	7	5,000	94.75	.30	6.00	1.50	87.25	88 75
19	7	7,000	100.25	.26	5.25		95.00	95
19	7	2,000	99.75	.24	4.75	1.50	93.50	95
20	7	7,000	100.25	.26	5.25	1.50	93.50	95
~~17~~	~~84~~	~~10,000~~	~~91.00~~	~~.27~~	~~8.00~~	-		

F7 7243

Date	Mill	Quantity	Delivered Price	CLEAR Freight Rate	Freight Charged	Commis-sions	Net Factory Price	
7/17	.34	15,000	96.00	.27	5.50	2.00	88.50	90
18	34	12,000	96.00	.27	5.50	1.50	89.00	90
20	34	3,000	96.00	.27	5.50	2.00	88.50	90
17	44	16,000	96.75	.34	6.75	1.50	88.50	90
17	44	4,500	101.00	.55	11.00		90.00	90
17	44	4,000	101.00	.47	9.50	1.50	90.00	91
17	44	15,000	98.50	.30	6.00	2.00	90.50	92
17	44	5,000	96.00	.30	6.00		90.00	90
17	44	10,000	96.00	.30	6.00	2.00	88.00	90
17	50	15,000	100.50	.52	10.50	2.00	88.00	90
20	48	43,089	103.00	.24	4.75		98.25	98
17	56	3,350	103.00	.47	9.50	2.00	91.50	92
17	26	10,000	107.00	.85	17.00		90.00	90
21	26	35,000	112.00	.85	17.00	2.00	93.00	95

HIGH

LOW

AVERAGE COST FOR THIRD QUARTER OF 1922.

13/16 x 2-1/4 CLEAR MAPLE FLOORING

was $90.00 F.O.B. Cars at Flooring Mills

as shown by Average Cost Chart dated 5/31/22.

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Compiled from RECORD OF COMPLETED TRANSACTIONS.

REPORT OF SALES MADE DURING THE WEEK ENDING JULY 29, 1922.

1 Sale	@	$89.50	total	9,000 ft.	9,000 ft.	1.9%
12 Sales	@	$90.00	total	139,500 ft.	139,500 ft.	23.5%
1 Sale	@	$90.25	total	18,000 ft.		
2 "	@	90.50	"	16,000 "		
1 "	@	91.00	"	10,000 "		
1 "	@	91.25	"	14,000 "		
1 "	@	91.50	"	5,000 "		
1 "	@	92.50	"	17,000 "		
1 "	@	93.00	"	18,000 "	445,100 ft.	74.6%
1 "	@	93.50	"	5,000 "		
1 "	@	94.00	"	30,000 "		
13 "	@	95.00	"	269,800 "		
1 "	@	95.25	"	17,000 "		
2 "	@	95.50	"	16,000 "		
1 "	@	106.50	"	5,000 "		
1 "	@	109.25	"	4,300 "		
41 Sales				593,600 ft.	593,600 ft.	100%

4942

NET FACTORY PRICES MAPLE FLOORING 13/16x2¼

For Week Ending July 29, 1922

CLEAR

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price
7-25	2	3,500	100.75	.29	5.75	2.00	93.00
26	2	20,000	99.50	.47	9.50	2.00	88.00
24	2	17,000	102.50	.50	10.00	1.50	91.00
28	33	14,000	97.50	.31	6.25	2.00	89.25
28	33	11,000	96.75	.31	6.25	2.00	88.50
24	3	17,000	103.50	.43	8.50	2.00	93.00
28	5	7,000	98.75	.19	3.75	2.00	93.00
28	5	152,000	99.25	.21	4.25	2.00	93.00
24	5	10,000	103.50	.43	8.50	2.00	93.00
25	14	10,000	99.50	.43	8.50	2.00	89.00
24	30	4,300	116.75	.38	7.50	2.00	107.25
25	30	14,000	99.50	.23	4.50		95.00
25	30	17,000	100.50	.26	5.25	2.00	93.25
29	30	9,000	95.75	.31	6.25	2.00	87.50
29	30	18,000	112.00	.85	17.00	2.00	93.00
21	47	18,000	98.50	.41	8.25	2.00	88.25
21	47	4,300	101.00	.30	6.00	2.00	93.00
24	47	18,000	99.00	.30	6.00	2.00	91.00
27	47	5,000	96.00	.25	5.00	2.00	89.00
25	47	10,000	98.00	.40	8.00	2.00	88.00
24	4	10,000	112.50	.85	17.00	1.50	94.00
24	4	5,000	100.00	.42	8.50		91.50
26	4	5,000	101.00	.30	6.00	1.50	93.50
~~26~~	~~4~~	~~5,000~~	~~41.00~~	~~.30~~	~~6.00~~	~~1.50~~	~~88.50~~
24	7	4,500	101.00	.30	6.00	2.00	93.00
27	7	15,000	101.00	.30	6.00	1.50	93.50
27	7	15,000	104.00	.45	9.00	1.50	93.50
29	23	7,500	95.25	.26	5.25		90.00
24	34	6,000	90.00	Mill			90.00
24	34	5,000	95.00	Mill	1.50		93.50
28	34	6,000	101.00	.28	5.50	2.00	93.50
29	34	5,000	96.00	.28	5.50	2.00	88.50
24	42	30,000	111.00	.85	17.00	2.00	92.00
27	44	12,000	96.00	.30	6.00		90.00
27	44	8,000	94.75	.24	4.75		90.00
27	44	10,000	96.00	.30	6.00		90.00
27	44	25,000	94.75	.24	4.75	1.50	88.50
27	44	4,500	101.00	.30	6.00		95.00
27	44	30,000	93.50	.17	3.50	1.50	88.50
27	44	5,000	94.50	.23	4.50	1.50	88.50
27	44	3,000	96.00	.30	6.00	1.50	88.50
27	46	5,000	106.50				106.50

HIGH LOW

AVERAGE COST FOR THIRD QUARTER OF 1922.

13/16 x 2-1/4 CLEAR MAPLE FLOORING

was $90.00 F.O.B. Cars at Flooring Mills

as shown by Average Cost Chart dated 5/31/22.

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Compiled from RECORD OF COMPLETED TRANSACTIONS.

REPORT OF SALES MADE DURING THE WEEK ENDING AUGUST 5, 1922.

1 Sale	@	$87.00	total	10,000 ft.	28,000 ft.	4.9%
1 "	@	89.50	"	18,000 "		
14 Sales	@	$90.00	total	211,500 ft.	211,500 ft.	36.6%
1 Sale	@	$90.75	total	10,000 ft.		
1 "	@	91.00	"	21,000 "		
1 "	@	91.50	"	17,000 "		
1 "	@	91.75	"	17,000 "		
1 "	@	92.00	"	7,000 "		
1 "	@	92.50	"	3,000 "	337,290 ft.	58.5%
1 "	@	93.25	"	17,500 "		
1 "	@	94.00	"	10,000 "		
11 "	@	95.00	"	200,000 "		
1 "	@	98.25	"	17,790 "		
1 "	@	101.00	"	7,000 "		
1 "	@	103.00	"	8,000 "		
1 "	@	110.00	"	2,000 "		
39 Sales.				576,790 ft.	576,790 ft.	100%

4946

NET FACTORY PRICES MAPLE FLOORING 13/16x2¼

For Week Ending Aug. 5, 1922

CLEAR

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price
7-28	2	10,000	99.50	.47	9.50	2.00	88.00
8-1	2	3,000	99.75	.49	9.75		90.00
4	2	17,500	99.75	.32	6.50		93.25
3	2	40,000	101.25	.31	6.25	2.00	93.00
4	2	6,000	99.25	.21	4.25		95.00
1	24	5,000	96.00	.30	6.00	2.00	88.00
7-31	24	2,000	95.75	.29	5.75	2.00	88.00
31	24	1,000	95.75	.29	5.75	2.00	88.00
31	33	17,000	96.00	.21	4.25	2.00	89.75
8-1	33	18,000	95.75	.31	6.25	2.00	87.50
7-31	5	25,000	103.50	.43	8.50	2.00	93.00
8-5	5	15,000	106.50	.57	11.50	2.00	93.00
5	26	20,000	107.00	.85	17,00	2.00	88.00
7-31	39	10,000	112.00	.85	17.00	2.00	85.00
8-3	30	20,000	103.50	.42	8.50	2.00	93.00
5	37	17,000	97.75	.31	6.25	2.00	89.50
7-27	47	2,000	96.00	.30	6.00	2.00	88.00
29	47	10,000	95.50	.24	4.75	2.00	88.75
29	47	7,000	97.00	.25	5.00	2.00	90.00
8-4	47	3,000	98.50	.30	6.00	2.00	90.50
1	47	20,000	106.00	.80	16.00	2.00	88.00
2	47	21,000	96.00	.25	5.00	2.00	89.00
7-31	4	2,000	100.50	.26	5.50	1.50	93.50
8-4	4	4,000	100.00	.25	5.00		95.00
4	4	30,000	112.00	.85	17.00	1.50	93.50
7-31	7	10,000	101.25	.31	6.25	1.50	93.50
8-3	7	10,000	103.00	.45	9.00		94.00
4	7	30,000	112.00	.85	17.00	1.50	93.50
4	23	100,000	93.50	.17	3.50	2.00	88.00
4	23	20,000	94.75	.24	4.75	2.00	88.00
4	23	4,500	96.00	.30	6.00		90.00
4	23	10,000	94.75	.24	4.75	2.00	88.00
4	34	18,000	101.00	.30	6.00	2,00	93.00
2	44	8,000	96.00	.30	6.00	2.00	88.00
2	44	6,000	94.75	.24	4.75	1.50	88.50
7-29	48	17,790	103.00	.24	4.75		98.25
8-5	48	8,000	103.00				103.00
5	48	7,000	101.00				101.00
5	48	2,000	110.00				110.00

HIGH

LOW

4947-4950

576.790

AVERAGE COST FOR SECOND QUARTER OF 1922.

13/16 x 2-1/4 CLEAR MAPLE FLOORING
was $90.00 F.O.B. Cars at Flooring Mills
as shown by Association Average Cost Chart dated 5/31/22.

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Compiled from RECORD OF COMPLETED TRANSACTIONS.
REPORT OF SALES MADE DURING THE WEEK ENDING AUGUST 12,1922.

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8 Sales @	$90.00	total	122,000 ft.	122,000 ft.	23.6%	
2 Sales @	91.00	total	27,000 ft.			
2 " @	92.00	"	43,500 "			
2 " @	92.50	"	19,500 "			
2 " @	93.00	"	53,000 "			
1 " @	94.50	"	12,000 "	394,000 ft.	76.4%	
2 " @	94.75	"	28,000 "			
15 " @	95.00	"	203,000 "			
1 " @	96.00	"	2,500 "			
1 " @	103.00	"	3,000 "			
1 " @	104.00	"	2,500 "			
37 Sales.			516,000 ft.	516,000 ft.	100%	

NET FACTORY PRICES MAPLE FLOORING 13/16 x 2¼

For Week ENDING AUGUST 19, 1922

Date	Mill	Quantity	Delivered Price	CLEAR Freight RATE	Freight Charged	Commissions	Net Factory Prices
8/10	2	20,000	98.50	.43	8.50	2.00	88.00
7	24	15,000	100.50	.28	5.50		95.00
10	49	18,000	109.00	.71	14.25	2.00	92.75
10	49	25,000	110.00	.85	17.00	2.00	91.00
10	49	10,000	105.50	.43	8.50	2.00	93.00
11	49	25,000	100.75	.29	5.75	2.00	93.00
7	3	50,000	100.50	.27	5.50	2.00	93.00
11	3	15,000	105.25	.41	8.25		96.00
11	3	20,000	98.00	.15	3.00	2.00	93.00
7	5	5,000	99.50	.23	4.50	2.00	93.00
7	5	10,000	99.25	.21	4.25	2.00	93.00
7	5	5,000	103.50	.43	8.50	2.00	93.00
7	5	1,000	112.00	.85	17.00	1.50	93.50
8	26	35,000	107.00	.85	17.00	2.00	88.00
12	26	15,000	107.00	.85	17.00		90.00
7	30	17,000	98.25	.41	8.25	2.00	88.00
7	30	2,500	104.00	Mill			104.00
9	30	10,000	101.00	.31	6.25	2.00	92.75
10	30	8,000	103.50	.42	8.50	2.00	93.00
10	30	3,000	113.50	.42	8.50	2.00	103.00
8	47	2,500	102.00	.30	6.00	2.00	94.00
7	47	23,500	97.00	.25	5.00	2.00	90.00
9	47	12,000	95.00	.20	4.00	2.00	89.00
10	47	10,000	90.00	Mill		2.00	88.00
7	4	12,000	103.25	.44	8.75	1.50	93.00
12	4	4,000	101.00	.30	6.00	1.50	93.50
8	4	15,000	112.00	.85	17.00		95.00
8	4	8,000	98.50	.18	3.50	1.50	93.50
8	4	12,000	104.50	.47	9.50	1.50	93.50
10	4	28,000	110.00	.85	17.00	1.50	91.50
4	23	13,000	92.50	Mill			92.50
4	23	8,000	94.75	.24	4.75	2.00	88.00
10	23	6,500	92.50	Mill			92.50
11	23	10,000	94.75	.24	4.75	2.00	88.00
11	23	7,000	94.75	.24	4.75	2.00	88.00
12	44	20,000	96.75	.24	4.75	1.50	90.50
12	44	15,000	107.00	.80	15.00		91.00
		516.000					

HIGH - LOW

4952-4954

AVERAGE COST FOR SECOND QUARTER OF 1922

13/15 x 2-1/4 CLEAR MAPLE FLOORING
was $90.00 F.O.B. Cars at Flooring Mills
as shown by Association Average Cost Chart dated 5/31/22.

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Compiled from RECORD OF COMPLETED TRANSACTIONS.
REPORT OF SALES MADE DURING THE WEEK ENDING AUGUST 19 1922.

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13	Sales	@	$90.00	total	150,000 ft.	150,000 ft.	25.3%
1	Sale	@	91.00	total	5,000 ft.		
1	"	@	91.50	"	8,500 "		
1	"	@	92.50	"	16,500 "		
1	"	@	93.00	"	6,000 "		
1	"	@	93.25	"	2,000 "		
1	"	@	93.50	"	280 "		
3	"	@	94.00	"	38,240 "		
1	"	@	94.75	"	8,000 "	442,171 ft.	74.7%
18	"	@	95.00	"	157,400 "		
1	"	@	95.25	"	25,000 "		
1	"	@	95.50	"	4,000 "		
1	"	@	95.75	"	20,000 "		
1	"	@	96.75	"	34,000		
1	"	@	98.00	"	1,500		
2	"	@	98.25	"	80,751		
1	"	@	99.00	"	8,000		

4955

AVERAGE COST FOR SECOND QUARTER OF 1922.

Continued.

REPORT OF SALES MADE DURING THE WEEK ENDING AUGUST 19, 1922.

1 Sales	@	$101.00	total	4,000 ft.	)	
1 "	@	103.00	"	23,000 "	)	
51 Sales				592,171 "		592,171 ft. 100%

NET FACTORY PRICES MAPLE FLOORING 13/16x2¼

For Week Ending August 19, 1922.

CLEAR

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price	
8-10	2	8,000	106.00	.35	7.00		99.00	99
8-16	2	20,000	99.50	.47	9.50	2.00	88.00	90
8-16	24	34,000	100.75	.20	4.00	2.00	94.75	96 75
8-17	24	6,240	94.00				94.00	94
8-18	3	17,000	103.50	.43	8.50	2.00	93.00	95
8-18	3	2,900	103.25	.41	8.25		95.00	95
8-19	3	10,0000	103.50	.43	8.50	2.00	93.00	95
8-18	5	25,000	99.50	.21	4.25	2.00	93.25	95 25
8-15	5	5,000	116.00	1.05	21.00	2.00	93.00	95
8-17	5	17,000	103.50	.43	8.50	2.00	93.00	95
8-11	14	10,000	103.50	.43	8.50	2.00	93.00	95
8-11	14	5,000	99.50	.43	8.50	2.00	89.00	91
8-17	14	15,000	103.50	.43	8.50	2.00	93.00	95
8-14	47	1,500	103.00	.40	8.00	2.00	93.00	95
8-16	47	8,000	94.00	.20	4.00	2.00	88.00	90
8-16	47	5,000	94.00	.20	4.00	2.00	88.00	90
8-16	47	6,000	98.00	.40	8.00	2.00	88.00	90
8-14	47	12,000	98.00	.40	8.00	2.00	88.00	90
8-16	47	8,500	104.00	.63	12.50	2.00	89.50	91 50
8-17	47	17,000	90.00	Mill		2.00	88.00	90
8-18	4	4,000	101.00	.30	6.00	1.50	93.50	95
8-18	4	4,000	101.00	.30	6.00	1.50	93.50	95
8-16	4	16,000	97.50	.18	3.50	1.50	92.50	94
8-16	4	16,000	97.50	.18	3.50	1.50	92.50	94
8-15	4	8,000	99.75	.25	5.00		94.75	94 75
8-15	4	4,000	101.00	.30	6.00	1.50	93.50	95
8-19	4	5,000	101.00	.30	6.00	1.50	93.50	95
8-14	7	215,000	95.00	.50	9.50		87.50	
8-14	7	15,000	104.50	.47	9.50		95.00	95
8-14	7	6,000	97.50	.22	4.50	1.50	91.50	93
8-14	7	30,000	112.00	.85	17.00	1.50	93.50	95
8-16	7	20,000	103.50	.39	7.75		95.75	95 75
8-17	7	4,000	101.00	.27	5.50	1.50	94.00	95 00
8-17	7	50,000	94.00	.24	4.75		98.25	98 25
8-19	7	3,500	99.75	.24	4.75	1.50	93.50	95
8-19	7	2,000	99.00	.29	5.75	1.50	91.75	93 25
8-13	23	280	93.50	Mill			93.50	93 50
8-13	23	11,000	101.50	.57	11.50	2.00	88.00	90
8-13	23	6,000	101.50	.57	11.50	2.00	88.00	90
8-16	23	25,000	94.75	.24	4.75	2.00	88.00	90
8-16	23	10,000	94.75	.24	4.75	2.00	88.00	90
8-16	23	16,500	92.50	Mill			92.50	92 50
8-16	23	5,000	101.50	.57	11.50	2.00	88.00	90

494,440 495

CLEAR

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price	
8-18	23	20,000	96.50	.33	6.50	2.00	88.00	90
8-18	23	5,000	96.50	.32	6.50	2.00	88.00	90
8-16	34	4,000	102.50	.38	7.50		95.00	97
8-18	34	4,500	101.00	.30	6.00	2.00	93.00	95
8-18	34	1,500	98.00	Mill			98.00	98
8-16	44	5,000	99.75	.24	4.75	1.50	93.50	95
8-16	48	23,000	103.00	-84-			102.00	104
8-16	48	4,000	101.00				101.00	
8-16	48	30,751	103.00	.24	4.75		98.25	98
		97751						

HIGH

LOW

4958-4960

AVERAGE COST FOR SECOND QUARTER OF 1922.

13/16 x 2-1/4 CLEAR MAPLE FLOORING

was $90.00 F.O.B. Cars at Flooring Mills

as shown by Association Average Cost Chart dated 5/31/22.

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Compiled from RECORD OF COMPLETED TRANSACTIONS.

REPORT OF SALES MADE DURING THE WEEK ENDING AUGUST 26,1922.

6 Sales	@	$90.00	total	179,000 ft.	179,000 ft.	25.2%
1 Sale	@	$90.50	total	20,000 ft.		
1 "	@	91.00	"	10,000 "		
3 "	@	91.50	"	45,000 "		
2 "	@	92.50	"	19,000 "		
1 "	@	92.75	"	30,000 "		
1 "	@	93.00	"	1,275 "		
1 "	@	93.50	"	30,000 "		
2 "	@	94.75	"	27,000 "		
19 "	@	95.00	"	161,865 "		
1 "	@	95.25	"	75,000 "	570,879 ft.	74.8%
4 "	@	95.50	"	15,500 "		
1 "	@	95.75	"	14,500 "		
1 "	@	97.00	"	2,000 "		
1 "	@	97.25	"	25,000 "		
1 "	@	97.75	"	10,000 "		
1 "	@	98.00	"	1,500 "		

708,879 (Aug '22)

4961

AVERAGE COST FOR SECOND QUARTER OF 1922.

Continued. #2.

REPORT OF SALES MADE DURING THE WEEK ENDING AUGUST 26, 1922.

1 Sale	@	$98.25	total	19,739 ft.		
1 "	@	99.00	"	1,000 "		
1 "	@	99.50	"	4,500 "		
1 "	@	100.00	"	8,000 "		
1 "	@	104.00	"	1,000 "		
52 Sales				708,879 ft.	708,879 ft.	100%

NET FACTORY PRICES MAPLE FLOORING 13/16 x 2¼

For Week Ending August 31, 1922.

CLEAR

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price	
8/24	2	8,000	106.50	.23	6.50	2.00	98.00	100
8	2	10,000	99.50	.43	8.50	2.00	89.00	91
24	24	8,000	99.00	.20	4.00	2.00	93.00	95
21	49	10,000	103.50	.29	5.75	2.00	95.75	97 75
21	5	75,000	99.50	.21	4.25	2.00	93.25	95 25
23	5	10,000	103.50	.43	8.50	2.00	93.00	95
23	5	17,000	103.50	.43	8.50	2.00	93.00	95
24	5	25,000	99.50	.21	4.25	2.00	95.25	97 25
24	5	13,000	102.50	.39	7.50	1.50	93.50	95 -
25	5	5,000	101.50	.32	6.50	1.50	93.50	95
26	5	1,000	102.50	.16	3.50		99.00	99
19	14	10,000	112.00	.85	17.00	2.00	93.00	95
26	14	20,000	103.50	.43	8.50	2.00	93.00	95
19	26	20,000	99.00	.31	6.25		92.75	95 75
19	26	10,000	99.50	.22	4.50	2.00	93.00	95
16	26	20,000	103.25	.42	8.50	2.00	92.75	94 75
14	26	15,000	107.00	.85	17.00		90.00	90
14	30	12,000	112.00	.85	17.00	2.00	93.00	95 -
15	30	2,000	100.50	.18	3.50		97.00	97
14	30	8,000	100.50	.27	5.50		95.00	95 -
21	30	5,000	100.50	.27	5.50	2.00	93.00	95 -
26	30	1,000	104.00	Mill			104.00	104
21	37	30,000	101.25	.39	7.75	2.00	91.50	93 50
21	47	20,000	95.50	.25	5.00	2.00	88.50	90 50
21	47	15,000	90.00	Mill		2.00	88.00	90
21	47	4,500	105.00	.27	5.50	2.00	97.50	99 50
23	47	20,000	100.00	.43	8.50		91.50	91 50
21	4	14,500	104.00	.41	8.25		95.75	95 75
22	4	5,000	101.00	.30	6.00	1.50	93.50	95 -
23	4	1,365	102.75	.39	7.75	1.50	93.50	95 -
23	4	1,275	100.25	.39	7.75	1.50	91.50	93 -
23	4	6,000	100.25	.39	7.75	1.50	91.00	92 50
24	4	10,000	98.75	.36	7.25	1.50	90.00	91 50
24	4	13,000	98.50	.30	6.00	1.50	91.00	92 50
26	4	11,000	101.00	.30	6.00	1.50	93.50	95
21	7	10,000	99.25	.21	4.25	1.50	93.50	95
22	7	4,000	101.00	.27	5.50	1.50	94.00	95 50
22	7	2,500	101.00	.30	6.00	1.50	93.50	95
22	7	2,500	101.00	.27	5.50	1.50	94.00	95 50
							4963	

$7564

CLEAR

Date	Mill	Quantity	Delivered Price	Freight Rate	FREIGHT Charged	Commis-sions	Net FACTORY Price	
8/25	7	15,000	98.00	.15	3.00	2.50	92.50	95-
25	7	15,000	104.00	.45			95.00	95
26	7	2,000	101.00	.27	5.50		95.50	95 50
26	7	4,000	98.00	Mill			95.00	95
23	23	81,000	93.50	.17	3.50	2.00	88.00	90
24	23	13,000	94.75	.24	4.75	2.00	88.00	90
24	23	15,000	94.75	.24	4.75	2.00	88.00	90
24	23	40,000	94.75	.24	4.75	2.00	88.00	90
23	34	1,500	m98.00	Mill			98.00	98
26	44	15,000	96.00	.22	4.50	1.50	90.00	91 50
26	44	7,000	100.25	.27	5.50		94.75	94 75
26	44	5,000	101.00	.27	5.50	1.50	94.00	95 50
26	48	19,739	103.00	.24	4.75		98.25	98 25
		273 273						

HIGH

LOW

4964-4967

AVERAGE COST FOR THIRD QUARTER OF 1922.

13/16 x 2-1/4 CLEAR MAPLE FLOORING

was $90.00 F.O.B. Cars at Flooring Mills

as shown by Average Cost Chart dated 5/31/22.

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Compiled from RECORD OF COMPLETED TRANSACTIONS.

REPORT OF SALES MADE DURING THE WEEK ENDING September 2, 1922.

1 Sale	@ $89.75	total	16,000 ft.	16,000 ft.	1.9%
5 Sales	@ $90.00	total	53,450 ft.	53,450 ft.	6.6%
1 Sale	@ $90.25	total	20,000 ft.		
1 "	@ 91.50	"	20,000 "		
2 "	@ 92.00	"	75,000 "		
1 "	@ 92.50	"	20,000 "		
1 "	@ 93.00	"	8,000 "		
2 "	@ 94.00	"	111,000 "		
1 "	@ 94.75	"	60,000 "	734,695 ft.	91.5%
18 "	@ 95.00	"	241,472 "		
4 "	@ 95.25	"	32,000 "		
3 "	@ 95.50	"	32,000 "		
2 "	@ 95.75	"	45,000 "		
1 "	@ 96.00	"	5,000 "		
2 "	@ 96.50	"	17,500 "		
1 "	@ 98.00	"	800 "		
1 "	@ 98.25	"	38,883 "		
1 "	@ 100.00	"	5,240 "		
1 "	@ 102.75	"	1,800 "		
49 Sales			804,145 ft.	804,145 ft.	100%

NET FACTORY PRICES MAPLE FLOORING 13/16x2¼

For Week Ending Sept. 2, 1922

CLEAR

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price
8-24	2	6,240	108.50	.43	8.50	2.00	98.00
26	2	18,576	103.50	.43	8.50	2.00	93.00
28	2	24,896	99.50	.22	4.50	2.00	93.00
28	2	5,000	100.25	.26	5.25	2.00	93.00
9-1	33	11,000	101.50	.38	7.50	2.00	92.00
1	33	60,000	99.50	.24	4.75	2.00	92.75
2	49	5,000	103.50	.37	7.50	2.00	94.00
8-31	49	100,000	99.50	.27	5.50	2.00	92.00
31	49	1,800	107.00	.21	4.25		102.75
31	49	20,000	101.50	.29	5.75	2.00	93.75
28	3	25,000	98.00	.15	3.00	2.00	93.00
31	3	25,000	98.00	.15	3.00	2.00	93.00
9-2	3	15,000	103.50	.43	8.50	2.00	93.00
8-30	3	7,500	103.50	.43	8.50	2.00	93.00
29	5	25,000	99.50	.21	4.25	2.00	93.25
29	5	25,000	100.25	.24	4.75	2.00	93.50
9-1	5	25,000	100.75	.25	5.00		95.75
1	5	12,000	100.25	.26	5.25	2.00	93.00
8-26	14	20,000	103.50	.43	8.50	2.00	93.00
30	14	3,000	99.50	.21	4.25	1.50	93.75
30	14	2,000	99.50	.21	4.25	1.50	93.75
30	37	5,000	112.00	.85	17.00	2.00	93.00
31	37	7,000	100.00	.25	5.00	2.00	93.00
9-1	37	18,000	107.50	.62	12.50	2.00	93.00
8-22	47	10,000	103.00	.40	8.00	2.00	93.00
29	47	15,000	103.50	.35	7.00	2.00	94.50
19	47	8,000	109.00	.80	4.00	2.00	91.00
31	47	4,000	95.00	Mill		2.00	93.00
30	4	20,000	98.50	.30	6.00	1.50	91.00
31	4	18,150	96.25	.31	6.25		90.00
28	7	25,000	95.00	.15	3.00	1.50	90.50
28	7	50,000	95.00	.15	3.00	1.50	90.50
30	7	20,000	99.50	.22	4.50	1.75	93.25
30	7	15,000	99.50	.22	4.50	1.75	93.25
9-1	7	1,000	101.00	.27	5.50	1.50	94.00
2	7	2,000	95.25	Mill			95.25
8-28	23	5,300	101.50	.57	11.50	2.00	88.00
28	23	20,000	99.00	.44	8.75	2.00	88.25
28	23	10,000	101.50	.57	11.50	2.00	88.00
28	23	16,000	110.75	1.05	21.00	2.00	87.75
28	23	20,000	95.75	.21	4.25	2.00	89.50
29	23	10,000	94.75	.24	4.75	2.00	88.00

736,467

4969

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price
8-29	23	2,500	100.00	.17	3.50		96.50
28	34	5,000	100.50	.27	5.50		95.00
31	34	10,000	98.50	.43	8.50	2.00	88.00
9-1	34	800	98.00	Mill			98.00
8-20	42	4,500	99.50	.23	4.50	2.00	93.00
20	44	6,000	102.00	.38	7.50	2.00	93.50
9-2	48	38,883	103.00	.24	4.75		98.25

67.683
736.463
804.145

HIGH

LOW

AVERAGE COST FOR THE SECOND QUARTER OF 1922.

13/16 x 2¼ CLEAR MAPLE FLOORING

Was $90.00 F.O.B. CARS AT FLOORING MILL, as shown by AVERAGE COST CHART issued by the ASSOCIATION and dated 5-31-22.

Compiled from RECORD OF COMPLETED TRANSACTIONS REPORT OF SALES MADE DURING THE WEEK ENDING SEPTEMBER 16th, 1922.

1	@	$90.00	Total	1,500 Ft.	---	00.3%
1	@	93.25	"	17,000	"	
2	@	94.00	"	17,000	"	
1	@	94.25	"	17,000	"	
1	@	94.75	"	13,000	"	
21	@	95.00	"	257,800	"	
1	@	95.25	"	5,000	"	
2	@	95.50	"	20,000	"	
1	@	95.75	"	20,000	"	
2	@	96.00	"	24,000	"	
1	@	98.00	"	9,000	"	
1	@	98.25	"	22,811	"	
1	@	99.25	"	13,128	"	
1	@	100.50	"	800	"	
44				436,339 Ft.	---	99.7%
45				437,839 Ft.	---	100 %

4974

NET FACTORY PRICES MAPLE FLOORING 13/16x2¼

For Week Ending Sept. 16, 1922

CLEAR

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price	
9-8	2	9,000	103.50	.28	5.50	2.00	96.00	98
7	2	30,000	112.00	.85	17.00	2.00	93.00	95
7	2	30,000	112.00	.85	17.00	2.00	93.00	95
12	2	20,000	103.50	.39	7.75	2.00	93.75	95.75
13	24	10,000	103.50	.42	8.50	2.00	93.00	95
16	24	17,000	102.50	.36	7.25		94.25	96.25
14	33	4,000	102.75	.34	6.75	2.00	94.00	96
14	33	1,500	93.50	.18	8.50	2.00	88.00	90
14	33	3,000	102.75	.39	7.75	2.00	93.00	95
14	33	11,000	103.25	.41	8.25	2.00	93.00	95
11	49	5,000	99.75	.22	4.50	2.00	93.25	95.25
14	3	5,000	103.50	.43	8.50	2.00	93.00	95
12	5	20,000	96.00	Mill		2.00	94.00	96
13	5	25,000	98.00	.15	3.00	1.50	93.50	95
15	5	8,000	103.50	.43	8.50	2.00	93.00	95
12	5	5,000	100.25	.24	4.75	2.00	93.50	95.50
14	26	5,000	112.00	.85	17.00	2.00	93.00	95
11	30	17,000	112.00	.94	18.75	2.00	91.25	93.25
11	30	9,000	105.50	.52	10.50		95.00	95
15	30	6,000	103.50	.43	8.50	2.00	93.00	95
15	30	13,000	103.25	.43	8.50	2.00	92.75	94.75
14	37	18,000	103.50	.43	8.50	2.00	93.00	95
11	47	12,000	99.50	.22	4.50	2.00	93.00	95
13	47	11,600	99.00	.20	4.00	2.00	93.00	95
7	4	15,000	104.50	.47	9.50	1.50	93.50	95
11	7	5,000	99.25	.21	4.25	1.50	93.50	95
11	7	12,000	99.50	.27	5.50		94.00	96
14	7	15,000	100.25	.26	5.25		96.00	98
14	44	20,000	99.50	.22	4.50	1.50	93.50	95
14	44	15,000	100.00	.22	4.50	1.50	94.00	95.50
14	44	5,000	98.50	.22	4.50	1.50	92.50	94
14	44	15,000	99.50	.22	4.50	1.50	93.50	95
11	50	2,000	100.50	.27	5.50		95.00	97
11	50	2,000	100.50	.27	5.50		95.00	97
11	50	800	100.50	Mill			100.50	100.50
11	48	22,611	103.00	.24	4.75		98.25	98.25
11	48	13,128	104.50	.24	4.75		99.75	99.75

HIGH 437,839 LOW

4975-4977

AVERAGE COST FOR THE SECOND QUARTER OF 1922.

13/16 x 2¼ CLEAR MAPLE FLOORING

Was $90.00 F.O.B. CARS AT FLOORING MILL, as shown by AVERAGE COST CHART ISSUED BY THE ASSOCIATION and DATED May 31, 1922.

COMPILED FROM RECORD OF COMPLETED TRANSACTIONS, OR REPORT OF SALES MADE DURING THE WEEK ENDING September 9, 1922.

1	Sale	@	$92.25	total	7,000 ft.
1	Sale	@	93.00	"	50,000 ft.
1	Sale	@	94.00	"	15,000 ft.
17	Sales	@	95.00	"	227,818 ft.
1	Sale	@	95.25	"	10,000 ft.
5	Sales	@	95.50	"	62,000 ft.
1	Sale	@	96.50	"	5,000 ft.
1	Sale	@	97.25	"	8,600 ft.
1	Sale	@	97.50	"	27,363 ft.
1	Sale	@	98.25	"	25,571 ft.
2	Sales	@	98.50	"	15,200 ft.
1	Sale	@	100.00	"	3,600 ft.
1	Sale	@	104.00	"	2,000 ft.
1	Sale	@	105.00	"	10,035 ft.
35	Sales				469,187 ft. = 100 %

4978

NET FACTORY PRICES MAPLE FLOORING 13/16 x 2¼

For WEEK Ending September 9, 1922.

CLEAR

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price
8/22	2	3,800	104.75	.24	4.75	2.00	98.00
9/2	2	10,035	115.25	.51	10.25		105.00
8	2	20,118	101.50	.33	6.50	2.00	93.00
7	2	31,000	112.00	.85	17.00	2.00	93.00
8/31	24	50,000	98.25	.26	5.25	1.00	92.00
9/5	49	8,600	109.00	.64	12.75	2.00	94.25
7	49	10,000	99.50	.22	4.50		95.00
7	49	10,000	99.00	.18	3.50		95.50
4	5	7,000	101.75	.34	6.75	1.50	93.50
4	5	10,000	99.50	.23	4.50	2.00	93.00
8	5	22,500	101.50	.32	6.50	1.50	93.50
6	14	10,000	95.00			2.00	93.00
5	30	8,000	103.50	.43	8.50	2.00	93.00
8	30	17,000	104.00	Mill			104.00
5	37	25,000	102.75	.39	7.75	2.00	93.00
1	47	25,000	95.00	Mill		2.00	93.00
7	47	20,000	104.00	.43	8.50	2.00	93.50
7	47	3,200	101.50	.15 -	3.00	2.00	96.50
9	4	2,000	101.00	.30	6.00	1.50	93.50
5	4	5,000	100.00	.18	3.50	1.50	95.00
4	4	12,000	100.00	.18	1.50		98.50
5	4	15,000	100.00	.30	6.00	1.50	92.50
5	4	4,000	100.25	.24	4.75	1.50	94.00
5	4	10,000	105.00	.50	10.00		95.00
5	4	17,000	115.75	1.04	20.75		95.00
7	4	10,000	100.50	.27	5.50		95.00
5	4	27,363	107.50	.50	10.00		97.50
5	4	3,000	100.25	.26	5.25	1.50	93.50
5	7	7,000	98.00	.29	5.75	1.50	90.75
9	34	7,000	100.50	.27	5.50	1.50	93.50
5	42	10,000	99.00	.20	4.00		95.00
5	44	25,000	101.00	.27	5.50	2.00	93.50
5	44	3,000	101.00	.27	5.50		95.50
5	44	10,000	99.50	.22	4.25		95.25
5	48	25,571	103.00	.24	4.75		98.25

869.1

HIGH

LOW

AVERAGE COST FOR THE SECOND QUARTER OF 1922.

13/16 x 2-1/4 CLEAR MAPLE FLOORING

was $90.00 F.O.B. CARS AT FLOORING MILL, as shown by AVERAGE COST CHART issued by the ASSOCIATION and dated 5-31-22.

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Compiled from RECORD OF COMPLETED TRANSACTIONS REPORT OF SALES MADE DURING THE WEEK ENDING SEPTEMBER 23rd, 1922.

1 Sale	@	$76.00	total	5,000 ft.	
1 "	@	83.50	"	6,500 "	14,500 ft. 2.2%
1 "	@	89.25	"	3,000 "	
1 Sale	@	$90.50	total	10,000 ft.	
1 "	@	92.00	"	10,000 "	
1 "	@	93.00	"	17,000 "	
1 "	@	94.50	"	25,000 "	
1 "	@	94.75	"	4,000 "	
31 "	@	95.00	"	415,500 "	668,630 ft. 97.8%
6 "	@	95.50	"	48,000 "	
1 "	@	95.75	"	16,000 "	
4 "	@	96.00	"	76,000 "	
1 "	@	96.50	"	5,000 "	
1 "	@	96.75	"	16,000 "	
1 "	@	96.25	"	29,130 "	
53 Sales.				683,130 ft.	683,130 ft. 100%

NET FACTORY PRICES MAPLE FLOORING 13/16x2¼

For Week Ending Sept. 23, 1922

CLEAR

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price		
9-21	2	10,000	95.75	.26	5.25	2.00	88.50	90	50
22	26	30,000	103.25	.41	8.25	2.00	93.00	95	
18	26	5,000	93.00	.85	17.00		76.00	76	
18	33	3,000	101.75	.34	6.75	2.00	93.00	95	
22	33	10,000	97.00	.25	5.00	1.00	91.00	92	
22	33	20,000	98.50	.12	2.50	2.00	94.00	96	
19	49	5,000	99.00	.18	3.50		95.50	95	50
20	49	3,000	99.50	.22	4.50		95.00	95	
21	49	30,000	103.50	.38	7.50	2.00	94.00	96	
22	49	9,000	103.50	.38	7.50	2.00	94.00	96	
21	3	5,000	100.50	.27	5.50	1.50	93.50	95	
22	3	10,000	103.50	.45	8.50	2.00	93.00	95	
18	3	5,000	103.50	.43	8.50	2.00	93.00	95	
18	5	17,000	109.50	.73	14.50	2.00	93.00	95	
18	5	15,000	112.00	.85	17.00	1.50	93.50	95	
19	5	22,500	108.25	.66	13.25	2.00	93.00	95	
21	5	15,000	112.00	.85	17.00	1.50	93.50	95	
22	5	10,000	99.75	.24	4.75		95.00	95	
18	14	10,000	103.50	.43	8.50	2.00	93.00	95	
19	14	10,000	103.50	.43	8.50	2.00	93.00	"	
21	30	13,000	100.00	.25	5.00		95.00	"	
21	37	15,000	99.50	.22	4.50	2.00	93.00	"	
21	37	18,000	103.25	.32	6.50	2.00	94.75	96	75
22	37	20,000	98.00	.15	3.00	1.50	93.50	95	
22	37	30,000	112.00	.85	17.00	2.00	93.00	"	
22	37	15,000	98.00	.15	3.00	1.50	93.50	"	
12	47	10,000	101.50	.30	6.00	2.00	93.50	95	50
19	47	5,000	95.00	Mill		2.00	93.00	95	
20	47	6,000	103.50	.40	8.00	2.00	93.50	95	50
20	47	25,000	95.00	Mill		2.00	93.00	95	
14	47	17,000	110.00	.70	14.00	2.00	94.00	96	
20	47	5,000	104.50	.40	8.00	2.00	94.50	96	50
20	47	5,000	103.50	.40	8.00	2.00	93.50	95	50
18	4	14,000	100.25	.26	5.25	1.50	93.50	95	
20	4	16,000	115.75	1.04	20.75		95.00	"	
21	4	4,000	100.00	.26	5.25	1.50	93.25	94	75
22	4	5,000	101.00	.30	6.00	1.50	93.50	95	
18	7	9,000	98.50	.15	3.00	1.50	94.00	95	50
18	7	8,000	103.50	.43	8.50		95.00	95	
19	7	10,000	100.50	.27	5.50		95.00	"	
22	7	10,000	98.75	.19	3.75	1.50	93.50	"	
23	7	7,000	101.00	.27	5.50	1.50	94.00	95	50

54 1, 500

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price
9-23	23	16,000	101.75	.30	6.00	2.00	93.75
18	42	3,000	95.00	.29	5.75		89.25
19	44	6,500	99.00	.27	5.50		83.50
19	44	10,000	99.50	.22	4.50	1.50	93.50
19	44	17,000	96.50	.18	3.50	1.50	91.50
19	44	15,000	98.00	.15	3.00	1.50	93.50
19	44	25,000	99.00	.22	4.50	2.00	92.50
19	50	43,000	100.50	.27	5.50	2.00	93.00
22	50	2,000	100.50	.27	5.50		95.00
23	50	5,000	100.50	.27	5.50		95.00
23	48	29,130	103.00	.24	4.75		98.25
		171630					

HIGH

LOW

AVERAGE COST FOR SECOND QUARTER OF 1922

13/16 x 2-1/4 CLEAR MAPLE FLOORING
was $90.00; for FOURTH QUARTER OF 1922 was $95.00,
F.O.B. CARS AT FLOORING MILL, as shown by
AVERAGE COST CHART dated May 31, 1922, and by
REPORT OF ASSOCIATION dated Oct. 25, 1922, Captioned
AVERAGE COST - BASED ON THREE TEST RUNS OF 1921.

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Compiled from RECORD OF COMPLETED TRANSACTIONS.
REPORT OF SALES MADE DURING THE WEEK ENDED SEPTEMBER 30, 1922.

- -

3 Sales	@ $93.00	total	44,000 ft.		
1 "	" 93.50	"	3,500 "	98,500 ft. = .126%	
2 "	" 94.00	"	48,000 "		
1 "	" 94.50	"	3,000 "		
41 Sales	@ $95.00----------			561,000 ft. = .718%	
1 Sale	@ $95.25	total	18,000 ft.		
4 "	" 95.50	"	55,000 "		
1 "	" 95.75	"	21,000 "	122,100 ft. = .156%	
1 "	" 98.00	"	2,100 "		
1 "	" 98.25	"	26,000 "		
56 Sales				781,500 ft. = 1.00%	

4985

NET FACTORY PRICES MAPLE FLOORING 13/16 x 2¼

For Week Ending September 30, 1922.

CLEAR

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price
9/27	2	29,000	101.75	.34	6.75	2.00	93.00
27	2	3,000	103.50	.43	8.50	2.00	93.00
27	2	2,000	103.50	.43	8.50	2.00	93.00
25	33	16,000	103.50	.43	8.50	2.00	93.00
25	33	7,000	95.00				
25	49	5,000	100.50	.38	7.50	2.00	91.00
28	49	11,200	110.00	.85	17.00	2.00	91.00
29	49	21,000	103.50	.39	7.75	2.00	93.75
26	3	25,000	98.00	.15	3.00	2.00	93.00
26	3	25,000	98.00	.15	3.00	2.00	93.00
26	3	18,000	98.00	.15	3.00	2.00	93.00
26	3	8,000	101.75	.34	6.75	2.00	93.00
29	3	20,000	103.25	.41	8.25		95.00
29	3	8,000	103.50	.43	8.50	2.00	93.00
26	5	30,000	99.50	.20	4.00	2.00	93.50
27	5	4,000	100.50	.27	5.50		95.00
27	5	2,500	99.00	.20	4.00		95.00
28	5	4,000	98.50	.18	3.50		95.00
29	5	6,000	103.50	.43	8.50	2.00	93.00
29	5	10,000	98.75	.19	3.75	1.50	93.50
29	5	1,000	105.00	.50	10.00	1.50	93.50
29	5	2,000	105.00	.50	10.00	1.50	93.50
30	14	20,000	103.50	.43	8.50	2.00	93.00
26	26	3,500	102.50	.45	9.00		93.50
26	26	26,000	98.50	.27	5.50		93.00
28	26	8,000	100.25	.26	6.25		95.00
23	47	46,000	103.00	.40	8.00	2.00	93.00
23	47	30,000	102.50	.38	7.50	2.00	93.00
26	4	3,000	98.50	.23	4.50	1.50	92.50
26	4	3,000	100.00	.27	5.50	1.50	93.00
26	7	20,000	98.00	.15	3.00		95.00
26	7	15,000	98.00	.15	3.00	1.50	93.50
26	7	10,000	102.50	.37	7.50		95.00
27	7	12,000	99.25	.21	4.25	1.50	93.50
28	7	16,000	98.00	.15	3.00	1.50	93.50
28	7	8,000	98.00	.15	3.00	1.50	93.50
28	7	8,000	97.75	.14	2.75		95.00
29	7	24,500	100.50	.27	5.50		95.00
29	7	4,000	101.00	.27	5.50	1.50	94.00
29	7	10,000	101.75	.34	6.75		95.00

4986

60-26-110

CLEAR

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price
9/26	23	15,000	96.50	.17	3.50	2.00	93.00
9/20	23	15,000	101.75	.34	6.75	2.00	93.00
28	23	15,000	98.50	.17	3.50	2.00	93.00
27	23	45,000	97.50	.17	3.50	2.00	92.00✓
28	34	2,100	98.00	Mill			98.00✓
28	34	15,000	98.50	.18	3.50	2.00	93.00
29	34	10,000	100.50	.28	5.50	2.00	93.00
25	42	19,000	112.00	.85	17.00		95.00
27	44	15,000	100.00	.22	4.50	1.50	94.00✓
27	44	5,000	98.50	.18	3.50	1.50	93.50
27	44	6,000	99.00	.20	4.00		95.00
27	45	1,500	95.00	Mill			95.00
27	45	18,000	100.00	.24	4.95		95.25
29	50	2,000	100.50	.27	5.50		95.00
29	48	26,604	103.00	.24	4.75		98.25✓
25	30	6,000	103.50	.43	8.50	2.00	93.50✓
28	30	15,000	98.00	.15	3.00	2.00	93.00

HIGH 98.25

LOW 91.-

4987-4989

AVERAGE COST FOR SECOND QUARTER OF 1922

13/16 x 2-1/4 CLEAR MAPLE FLOORING

was $90.00; For FOURTH QUARTER OF 1922 was $95.00.

F. O. B. CARS AT FLOORING MILLS, as shown by

AVERAGE COST CHART dated May 31, 1922, and by

REPORT OF ASSOCIATION dated Oct. 25, 1922, Captioned

AVERAGE COST - BASED ON THREE TEST RUNS OF 1921.

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Compiled from RECORD OF COMPLETED TRANSACTIONS,

REPORT OF SALES MADE DURING THE WEEK ENDING OCTOBER 7, 1922.

- -

1 Sale	@ $94.00	total	18,000 ft.	93,000 ft. = .185%	
3 "	" 94.75	"	75,000 "		
17 Sales	@ $95.00----------			220,322 ft. = .437%	
2 Sales	@ $95.50	total	23,000 ft.	190,000 ft. = .378%	
1 "	" 96.00	"	8,000 "		
1 "	" 96.75	"	12,500 "		
2 "	" 97.00	"	28,000 "		
1 "	" 99.75	"	6,000 "		
28 Sales			→	503,322 ft. = 100%	

4990

NET FACTORY PRICES MAPLE FLOORING 13/16x2¼

For Week Ending Oct. 7, 1922

CLEAR

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price
10-2	2	40,000	100.25	.28	5.50	2.00	92.75
3	2	25,022	103.25	.41	8.25	2.00	93.00
2	33	10,000	102.75	.41	8.25	2.00	92.50
5	3	20,000	103.50	.43	8.50	2.00	93.00
2	5	10,000	101.75	.34	6.75		95.00
5	5	17,000	102.50	.38	7.50	1.50	93.50
6	5	10,000	112.00	.85	17.00	1.50	93.50
6	5	18,000	100.25	.24	4.75	2.00	93.50
6	47	20,000	100.00	.25	5.00	2.00	93.00
4	4	6,000	103.00	.30	6.00		97.00
4	4	22,000	114.00	.85	17.00		97.00
7	4	8,000	100.00	.18	3.50	1.50	95.00
6	7	12,000	100.50	.27	5.50	1.50	93.50
6	7	18,000	99.25	.21	4.25	1.50	92.50
4	23	8,000	104.50	.43	8.50	2.00	94.00
3	14	20,000	95.00	Mill		2.00	93.00
4	14	15,000	103.50	.43	8.50	2.00	93.00
6	26	25,000	99.50	.24	4.75	2.00	92.75
2	30	25,000	112.00	.85	12.00	2.00	93.00
2	30	7,000	103.50	.43	8.50	2.00	93.00
6	37	12,500	105.00	.41	8.25	2.00	94.75
6	34	11,000	101.50	.33	6.50	2.00	93.00
6	34	5,000	100.50	.28	5.00	2.00	93.50
5	42	25,000	95.00	Mill		2.00	93.00
5	44	10,000	112.00	.85	17.00		95.00
5	44	3,300	100.50	.28	5.50	1.50	93.50
5	44	2,000	100.50	.27	5.50		95.00
7	48	29,000	103.50				103.00
2	51	6,000	108.00	.41	8.25	2.00	97.75

HIGH 103.

LOW 92.50.

4991-4993

60-26-110

AVERAGE COST FOR SECOND QUARTER OF 1922

13/16 x 2-1/4 CLEAR MAPLE FLOORING

was $90.00; for FOURTH QUARTER OF 1922 was $95.00,

F. O. B. CARS AT FLOORING MILLS, as shown by

AVERAGE COST CHART dated May 31, 1922, and by

REPORT OF ASSOCIATION dated Oct. 25, 1922, Captioned

AVERAGE COST - BASED ON THREE TEST RUNS OF 1921.

- - - - - - - - - - - - - - -

Compiled from RECORD OF COMPLETED TRANSACTIONS,

REPORT OF SALES MADE DURING THE WEEK ENDED OCTOBER 14, 1922.

- -

1 Sale	@	$92.75	total	10,000 ft.	
1 "	"	93.00	"	25,000 "	
1 "	"	93.25	"	10,000 "	148,000 ft. = .181%
2 "	"	94.50	"	51,000 "	
1 "	"	94.75	"	52,000 "	
32 Sales	@	$95.00		526,800 ft.	= .647%
2 Sales	@	$95.25	total	25,000 ft.	
2 "	"	95.50	"	55,000 "	
1 "	"	96.50	"	10,000 "	
1 "	"	98.25	"	20,000 "	
1 "	"	100.00	"	1,500 "	140,300 ft. = .172%
1 "	"	101.25	"	1,000 "	
2 "	"	104.00	"	22,800 "	
1 "	"	115.00	"	5,000 "	
49 sales					4994

815,100 ft = 1.00%

NET FACTORY PRICES MAPLE FLOORING 13/16x2¼

For Week Ending Oct. 14, 1922

CLEAR

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price
10-10	2	10,000	102.75	.39	7.75	2.00	93.00
6	24	10,000	100.50	.28	5.50		95.00
9	33	15,000	99.75	.22	4.50	2.00	93.25
12	33	6,000	103.50	.41	8.25	2.00	93.00
12	33	23,000	99.75	.24	4.75	2.00	93.00
12	33	8,000	103.25	.41	8.25	2.00	93.00
12	49	25,000	93.00	Mill		2.00	91.00
2	49	25,000	98.25	.16	3.25		95.00
2	49	1,500	104.00	.20	4.00		100.00
5	49	1,000	106.50	.26	5.25	2.00	99.25
7	49	15,000	112.50	.85	17.00	2.00	93.50
14	49	50,000	99.00	.22	4.50	2.00	92.50
9	5	5,000	132.00	.85	17.00	1.50	113.50
9	5	9,000	103.25	.41	8.25	1.50	93.50
11	5	90,000	98.00	.15	3.00	1.50	93.50
9	5	2,000	99.50	.23	4.50	2.00	93.00
12	14	2,500	99.50	.23	4.50	2.00	93.00
10	26	5,000	95.00	Mill			95.00
9	30	8,000	103.50	.43	8.50	2.00	93.00
9	30	5,000	103.50	.43	8.50	2.00	93.00
10	30	6,300	112.00	.85	17.00	2.00	93.00
11	30	15,000	103.25	.41	8.25	2.00	93.00
11	30	30,000	98.00	.15	3.00	2.00	93.00
11	30	30,000	98.00	.15	3.00	2.00	93.00
11	30	30,000	112.00	.85	17.00	2.00	93.00
11	30	1,300	104.00	Mill			104.00
11	30	52,000	100.00	.26	5.25	2.00	92.75
12	30	8,100	100.25	.26	5.75	2.00	93.00
14	30	1,000	99.50	.23	4.50		95.00
7	47	17,000	100.00	.25	5.00	2.00	93.00
9	47	10,000	102.00	.22	4.50	2.00	94.50
12	4	21,500	121.00	.85	17.00	1.50	102.50
9	7	20,000	98.00	.15	3.00	1.50	93.50
10	7	4,000	99.50	.22	4.50	1.50	93.50
12	7	2,000	100.25	.26	5.25		95.00
12	7	9,000	100.50	.27	5.50	1.50	93.50
7	23	2,000	95.00	Mill			95.00
13	23	40,000	98.50	.15	3.00	2.00	93.50
11	34	5,000	100.50	.28	5.50		95.00
10	44	1,000	100.00	.27	5.50	1.50	93.00

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price
10-10	44	3,000	98.50	.18	3.50	1.50	93.50
11	45	25,000	103.25	.41	8.25	2.00	93.00
11	48	20,000	103.00	.24	4.75		98.25
9	51	15,000	103.00	.41	8.25	2.00	93.00
12	51	10,000	101.50	.41	8.25	2.00	91.25
12	51	10,000	101.00	.41	8.25	2.00	90.75
14	30	17,000	104.00	.45	9.00	2.00	93.00
14	30	10,000	98.00	.14	2.75		95.25
10	44	11,000	100.00	.25	5.00		95.00

HIGH 103.50.

LOW 90.75.

4996-4999

13/16 x 2-1/4 CLEAR MAPLE FLOORING
was $90.00; For FOURTH QUARTER OF 1922 was $95.00,
F. O. B. CARS AT FLOORING MILL, as shown by
AVERAGE COST CHART dated May 31, 1922, and by
REPORT OF ASSOCIATION dated Oct. 25, 1922, Captioned
AVERAGE COST - BASED ON THREE TEST RUNS OF 1921.

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Compiled from RECORD OF COMPLETED TRANSACTIONS,
REPORT OF SALES MADE DURING THE WEEK ENDED OCTOBER 21, 1922.

2 Sales	@	$90.25	total	125,000 ft.	
1 "	"	92.75	"	5,000 "	198,000 ft. = .213%
1 "	"	93.00	"	50,000 "	
1 "	"	93.75	"	18,000 "	
29 Sales	@	$95.00	total----------		480,436 ft. = .519%
4 Sales	@	$95.50	total	90,000 ft.	
1 "	"	96.00	"	10,000 "	
2 "	"	96.25	"	6,000 "	
1 "	"	97.00	"	60,000 "	
3 "	"	97.50	"	33,000 "	
1 "	"	98.00	"	15,000 "	245,745 ft. = .268%
1 "	"	98.25	"	34,645 "	
1 "	"	100.00	"	3,000 "	
1 "	"	104.00	"	1,100 "	
1 "	"	105.00	"	3,000 "	
50 Sales					5000

924.181/4 - 100%

NET FACTORY PRICES MAPLE FLOORING 13/16x2¼

For Week Ending Oct. 21, 1922

CLEAR

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price
9-27	2	20,123	103.25	.41	8.25	2.00	93.00
10-12	2	30,313	102.75	.39	7.75	2.00	93.00
16	33	66,000	99.75	.21	4.25	2.00	93.50
17	49	12,000	98.50	.18	3.50		95.00
17	49	5,000	98.50	.18	3.50		95.00
21	49	70,000	112.00	.85	17.00	2.00	93.00
21	49	5,000	100.25	.26	5.25	2.00	93.00
16	3	24,000	102.75	.39	7.75	2.00	93.00
16	3	20,000	108.25	.66	13.25	1.50	93.50
17	3	4,000	101.75	.34	6.75	2.00	93.00
17	3	10,000	101.75	.34	6.75	2.00	93.00
17	3	12,000	101.75	.34	6.75	2.00	93.00
16	5	15,000	103.50	.43	8.50	2.00	93.00
19	5	10,000	101.75	.34	6.75	2.00	93.00
16	14	2,500	99.50	.23	4.50	2.00	93.00
17	14	15,000	103.50	.43	8.50	2.00	93.00
21	26	3,000	117.00	.85	17.00		100.00
18	30	15,000	98.00	Mill			98.00
19	30	1,100	104.00	Mill			104.00
11	47	13,000	102.00	.22	4.50	2.00	95.50
10	47	2,000	105.00	.25	5.00	2.00	98.00
10	47	60,000	100.00	.25	5.00	2.00	95.00
18	4	15,000	114.50	.85	17.00	1.50	96.00
18	4	5,000	104.75	.36	7.25		97.50
18	4	4,000	101.25	.25	5.00	1.50	94.75
17	7	18,000	98.00	.15	3.00	1.50	93.50
18	7	20,000	98.00	.15	3.00	1.50	93.50
19	7	12,000	99.50	.25	5.00	1.50	93.00
20	7	2,000	100.50	.27	5.50		95.00
20	7	6,000	99.50	.22	4.50	1.50	93.50
21	7	2,000	100.00	.25	5.00		95.00
19	23	10,000	99.50	.22	4.50	2.00	93.00
17	34	6,000	100.50	.27	5.50	2.00	93.00
17	42	10,000	102.50	.33	6.50	2.00	94.00
17	42	25,000	103.25	.41	8.25	2.00	93.00
17	42	50,000	101.00	.40	8.00	2.00	91.00
17	42	2,000	100.75	.22	4.50	1.50	94.75
17	44	4,000	100.50	.27	5.50		95.00
17	44	3,000	99.50	.22	4.50	1.50	93.50
19	50	3,000	100.50	.27	5.50		95.00
20	50	40,000	100.50	.27	5.50	2.00	93.00

60-26-110

5001

CLEAR

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charge	Commissions	Net Factory Price
10-20	48	34,645	103.00	.24	4.75		98.25
16	51	55,000	98.00	.39	7.75	2.00	88.25
16	51	70,000	98.00	.39	7.75	2.00	88.25
20	51	5,000	101.00	.41	8.25	2.00	90.75
17	51	18,000	102.00	.41	8.25	2.00	91.75
21	5	4,000	100.25	.24	4.75	2.00	93.50
16	30	5,000	100.50	.27	5.50	2.00	93.00
16	30	3,000	110.50	.27	5.50	2.00	103.00
20	7	5,000	101.00	.27	5.50	1.50	94.00
20	7	15,000	99.75	.21	4.25	1.50	94.00

□ High, 104.-
□ Low, 88.25

5002-5004

AVERAGE COST FOR LAST QUARTER OF 1922.

13/16 x 2-1/4 CLEAR MAPLE FLOORING

was $95.00 F. O. B. CARS AT FLOORING MILLS

as shown by Association Report dated Oct. 25, 1922, Captioned

AVERAGE COST - BASED ON THREE TEST RUNS OF 1921.

Week ending Oct. 28, 1922.

1 Sale	@ $75.00	total	10,000 ft.		
1 "	" 92.25	"	12,500 "		
1 "	" 92.75	"	20,000 "	72,500 ft. =	.097%
1 "	" 93.00	"	25,000 "		
1 "	" 94.50	"	5,000 "		
31 Sales	@ $95.00			571,500 ft. =	.784%
1 Sale at	$95.25	total	15,000 ft.		
1 "	" 95.50	"	2,501 "		
1 "	" 96.00	"	22,301 "		
1 "	" 96.50	"	12,000 "	97,801 ft. =	.119%
1 "	" 97.00	"	21,000 "		
1 "	" 98.00	"	5,000 "		
1 "	" 98.25	"	20,000 "		
43 Sales					

741.801 ft = 100%

5005

60-26-110

NET FACTORY PRICES MAPLE FLOORING 13/16x2¼

For Week Ending Oct. 28, 1922

CLEAR

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price
10-21	2	2,501	98.50	.15	3.00	2.00	93.50
20	2	22,300	101.50	.28	5.50	1.00	95.00
21	2	18,000	103.50	.43	8.50	2.00	93.00
21	2	30,000	103.50	.43	8.50	2.00	93.00
24	2	8,000	103.50	.43	8.50	2.00	93.00
24	2	21,000	103.25	.41	8.25	2.00	95.00
24	2	20,000	103.50	.43	8.50	2.00	93.00
25	24	5,000	98.00	.15	3.00	2.00	93.00
23	33	30,000	102.75	.39	7.75	2.00	93.00
23	33	12,500	98.50	.31	6.25		92.25
25	49	25,000	112.00	.85	17.00	2.00	93.00
25	49	10,000	92.00	.85	17.00	2.00	93.00
27	49	55,000	98.50	.18	3.50		95.00
27	3	5,000	103.50	.43	8.50	2.00	93.00
23	5	15,000	103.00	.39	7.75	1.50	93.75
23	5	5,000	103.50	.43	8.50	2.00	93.00
23	5	20,000	98.00	.15	3.00	1.50	93.50
23	5	6,000	98.00	.15	3.00	2.00	93.00
28	5	10,000	101.75	.34	6.75	2.00	93.00
28	5	5,000	99.50	.20	4.00		95.50
25	26	4,500	112.00	.85	17.00	2.00	93.00
23	30	17,000	99.25	.21	4.25		95.00
27	30	25,000	102.50	.37	7.50	2.00	93.00
19	37	16,000	98.00	.15	3.00	1.50	93.50
19	37	20,000	98.00	.15	3.00	1.50	93.50
21	4	18,000	99.50	.22	4.50	2.00	93.00
23	4	5,000	99.50	.22	4.50	2.00	93.00
23	4	8,000	99.50	.22	4.50	2.00	93.00
27	4	80,000	102.00	.35	7.00	2.00	93.00
24	4	5,000	102.75	.24	4.75		98.00
25	7	15,000	105.50	.52	10.50	1.50	93.50
28	7	12,000	104.00	.45	9.00	1.50	95.00
28	7	5,000	99.50	.22	4.50	1.50	93.00
26	23	50,000	99.50	.22	4.50	2.00	93.00
23	34	5,000	101.75	.34	6.75		95.00
23	34	5,000	100.50	.27	5.50	1.50	93.50
27	34	2,000	100.50	.27	5.50	2.00	93.00
25	34	4,000	100.75	.29	5.75	1.50	93.50
25	42	40,000	95.00	Mill		2.00	93.00
25	42	25,000	97.50	.22	4.50	2.00	91.00
25	50	5,000	100.50	.27	5.50		95.00
26	48	20,000	103.00	.24	4.75		98.00
28	51	20,000	101.00	.41	8.25		92.75

HIGH 98. LOW 73. 3006

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price
10-23	7	5,000	99.50	.22			95.00

5007-5009

AVERAGE COST FOR LAST QUARTER OF 1922

13/16 x 2-1/4 CLEAR MAPLE FLOORING

was $95.00 F. O. B. Cars at Flooring Mills

as shown by Association Report dated Oct. 25,1922, Captioned

AVERAGE COST - BASED UPON THREE TEST RUNS OF 1921.

- - - - - - - - - - - -

Compiled from RECORD OF COMPLETED TRANSACTIONS

REPORT OF SALES MADE DURING WEEK ENDED NOVEMBER 4, 1922.

- -

1 Sale	@ $90.75	total	17,000 ft.		
1 "	" 91.25	"	20,000 "		
1 "	" 92.75	"	12,000 "	62,000 ft.	09.2%
1 "	" 94.50	"	5,000 "		
1 "	" 94.75	"	8,000 "		
27 Sales	@ $95.00	total	526,000 ft.	526,000 ft.	= 78.2%
1 Sale	@ $95.25	total	18,000 ft.		
1 "	" 95.50	"	30,000 "		
1 "	" 96.25	"	7,500 "		
1 "	" 97.00	"	12,000 "		
1 "	" 98.25	"	5,400 "	84,300 ft.	
1 "	" 100.00	"	1,900 "		12.6%
1 "	" 100.50	"	7,500 "		
1 "	" 104.00	"	1,000 "		
40 Sales				672,300 ft.	= 100%

5010

NET FACTORY PRICES MAPLE FLOORING 13/16x2¼

For Week Ending Nov. 4, 1922

CLEAR

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price
10-28	2	3,008	98.50	.17	3.50	2.00	93.00
26	2	25,000	103.50	.43	8.50	2.00	93.00
27	2	18,000	100.25	.25	5.00	2.00	93.25
30	2	11,000	109.00	.70	14.00		95.00
30	2	5,000	109.00	.70	14.00		95.00
30	2	3,000	109.00	.70	14.00		95.00
31	2	7,500	108.75	.41	8.25		100.50
31	2	50,000	100.25	.25	5.25	2.00	93.00
11-1	2	20,000	103.50	.43	8.50	2.00	93.00
2	33	25,000	99.50	.22	4.50	2.00	93.00
2	33	25,000	102.00	.35	7.00	2.00	93.00
10-30	49	17,000	97.00	.21	4.25	2.00	90.75
30	49	1,900	100.00	Mill.			100.00
11-1	49	25,000	98.50	.18	3.50	2.00	93.00
2	49	7,000	100.00	.25	5.00	2.00	93.00
10-30	3	9,000	103.50	.43	8.50	2.00	93.00
31	3	15,000	103.50	.43	8.50	2.00	93.00
31	5	30,000	99.50	.20	4.00	2.00	93.50
11-1	5	3,000	103.50	.43	8.50	2.00	93.00
3	5	21,000	103.50	.43	8.50	2.00	93.00
10-30	5	15,000	103.50	.43	8.50	2.00	93.00
30	14	10,000	103.50	.43	8.50	2.00	93.00
11-3	30	1,000	104.00	Mill		2.00	102.00
10-30	47	128,000	99.00	.20	4.00	2.00	93.00
30	47	3,000	99.50	.22	4.50	2.00	93.00
30	4	5,400	104.75	.33	6.50	1.50	96.75
30	4	12,000	102.50	.27	5.50	1.50	95.50
11-1	4	30,000	112.50	.85	17.00	2.00	93.50
3	4	20,000	114.00	1.14	22.75		91.25
1	23	15,000	104.50	.48	9.50	2.00	93.00
3	23	12,000	99.50	.22	4.50	2.00	93.00
3	23	3,000	95.00	Mill		1.50	93.50
10-30	42	12,000	101.00	.41	8.25	2.00	90.75
31	42	18,000	103.50	.43	8.50	2.00	93.00
31	42	7,500	103.75	.38	7.50	2.00	94.25
11-2	42	25,000	103.25	.41	8.25		95.00
3	42	8,000	100.00	.26	5.25	2.00	92.75
3	44	5,000	99.00	.22	4.50		94.50
3	44	10,000	99.50	.23	4.50	1.50	93.50
3	44	10,000	98.00	.15	3.00	1.50	93.50

LOW 90.75. HIGH, 102. 60-26-110

5011

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price
10-30	30	3,500	100.00	.25	5.00	2.00	93.00
30	30	1,600	112.75	.43	8.50	2.00	102.25
31	30	20,000	111.75	.84	16.75	2.00	93.00
31	30	10,000	103.50	.43	8.50	2.00	93.00

5012-5014

AVERAGE COST FOR THE SECOND QUARTER OF 1922.

13/16 x 2¼ CLEAR MAPLE FLOORING

Was $90.00 F.O.B. CARS AT FLOORING MILL, as shown by AVERAGE COST CHART issued by the ASSOCIATION and dated 5-31-22.

Compiled from RECORD OF COMPLETED TRANSACTIONS REPORT OF SALES MADE DURING THE WEEK ENDING NOVEMBER 11th, 1922.

1	@ $93.00	Total	3,000 Ft.		
1	@ 93.75	"	25,000 "		
1	@ 94.25	"	10,000 "		
1	@ 94.50	"	15,000 "		
4			53,000 Ft.	....	7.9%
29	@ 95.00	Total	477,000 Ft.	....	71.9%
1	@ 95.25	Total	17,000 Ft.		
6	@ 95.50	"	88,000 "		
2	@ 96.75		7,000 "		
1	@ 97.50	"	5,000 "		
1	@ 101.25	"	10,000 "		
1	@ 102.00	"	2,500 "		
1	@ 104.00	"	2,400 "		
1	@ 104.50	"	1,500 "		
14			133,400	....	20.2%
47			663,400	....	100%

5015

NET FACTORY PRICES MAPLE FLOORING

13/16 x 2¼ Clear
Compiled from Record of Completed Transactions
for week ending November 11, 1922.

Date	Group	Quantity	Delivered Price	Av. Frt. Rate	Act. Frt. Allowed	Price F.O.B. cars at Mill	Com.	Net Prices F. O. B. cars at Mill
11-2	2	16,000	100.75	.24	4.75	96.00		96.00
8	2	62,000	98.25	.16	3.25	95.00	2.00	93.00
6	33	3,000	110.00	.66	13.25	96.75	2.00	94.75
6	"	4,000	110.00	.66	13.25	96.75	2.00	94.75
8	49	6,000	103.50	.43	8.50	95.00	2.00	93.00
9	"	35,000	112.00	.86	17.00	95.00	2.00	93.00
"	"	25,000	103.25	.43	8.50	95.00	2.00	93.00
10	"	22,000	99.75	.24	4.75	95.00		95.00
6	3	16,000	103.50	.43	8.50	95.00	2.00	93.00
11	"	10,000	103.50	.43	8.50	95.00	2.00	93.00
11	"	10,000	102.75	.39	7.75	95.00	2.00	93.00
7	5	17,000	108.25	.66	13.25	95.00	2.00	93.00
10	"	3,000	101.50	.32	6.50	95.00	1.50	93.50
10	"	3,000	103.50	.43	8.50	95.00	2.00	93.00
11	"	5,000	112.00	.85	17.00	95.00	1.50	93.50
11	"	3,000	105.00	.50	10.00	95.00	1.50	93.50
9	26	8,000	99.50	.20	4.00	95.50	2.00	93.50
9	"	16,000	99.50	.20	4.00	95.50	2.00	93.50
6	30	10,000	98.00	.18	3.50	94.50	2.00	92.50
"	"	2,400	104.00	Mill		104.00		104.00
"	"	19,000	99.50	.20	4.00	95.50	2.00	93.50
"	"	10,000	103.50	.43	8.50	95.00	2.00	93.00
7	"	2,500	102.00	Mill		102.00		102.00
10	"	10,000	104.75	.49	9.75	95.00	2.00	93.00
11	"	1,500	113.50	.43	8.50	105.00	2.00	103.00
11	37	15,000	99.50	.20	4.00	95.50	2.00	93.50
4	47	82,000	100.00	.25	5.00	95.00	2.00	93.00
6	"	5,000	99.50	.22	4.50	95.00	2.00	93.00
10	"	6,000	99.50	.22	4.50	95.00	2.00	93.00
8	4	5,000	104.00	.33	6.50	97.50		97.50
6	7	3,000	100.50	.27	5.50	95.00		95.00
8	"	2,000	100.50	.27	5.50	95.00		95.00
8	"	3,000	100.50	.27	5.50	95.00		95.00
"	"	10,000	100.50	.27	5.50	95.00		95.00
"	"	17,000	99.00	.20	4.00	95.00		95.00
3	23	5,000	102.75	.39	7.75	95.00	2.00	93.00
4	"	30,000	99.50	.22	4.50	95.00	2.00	93.00
8	"	60,000	98.00	.15	3.00	95.00	2.00	93.00
9	"	15,000	97.50	.15	3.00	94.50	2.00	92.50

NET FACTORY PRICES MAPLE FLOORING Page #2

13/16 x 2¼ Clear
Compiled from Record of Completed Transactions
for week ending November 11, 1922

Date	Group	Quantity	Delivered Price	Av. Frt. Rate	Act. Frt. Allowed	Price F.O.B. cars at Mill	Com.	Net Prices F. O..B. cars at Mill
11-6	34	4,000	100.50	.27	5.50	95.00	1.50	93.50
9	"	10,000	102.50	.38	7.50	95.00	2.00	93.00
6	42	15,000	98.50	.15	3.00	95.50	2.00	93.50
8	"	17,000	99.00	.24	4.75	94.25	2.00	92.25
8	"	7,000	100.50	.19	3.75	96.75	2.00	94.75
8	48	10,000	105.00	.24	4.75	100.25		100.25
4	51	25,000	102.00	.41	8.25	93.75	2.00	91.75
6	"	3,000	101.50	.43	8.50	93.00	2.00	91.00

5017

AVERAGE COST FOR LAST QUARTER OF 1922.

13/16 x 2-1/4 CLEAR MAPLE FLOORING

was $95.00 F. O. B. Cars at Flooring Mills

as shown by Association Report dated Oct. 25, 1922, captioned

AVERAGE COST - BASED UPON THREE TEST RUNS OF 1921

- - - - - - - - - - - - - -

Compiled from RECORD OF COMPLETED TRANSACTIONS.

REPORT OF SALES MADE DURING THE WEEK ENDED NOVEMBER 18, 1922.

- -

2 Sales	@ $94.50	total	150,000 ft.	)	150,000 ft.
					30.4%
12 Sales	@ $95.00	total	229,000 ft.		229,000 ft.
					46.4%
1 Sale	@ $95.90	total	90,000 ft.	)	
1 "	" 97.00	"	1,000 "	)	
1 "	" 100.25	"	12,000 "	)	114,500 ft.
1 "	" 103.00	"	2,500 "	)	23.2%
18 Sales					493,500 ft. 100%

5018

NET FACTORY PRICES MAPLE FLOORING 13/16x2¼

For Week Ending Nov. 18, 1922

CLEAR

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price
11-17	2	2,520	110.75	.39	7.75		103.00
15	33	12,000	99.50	.22	4.50	2.00	93.00
16	33	15,000	99.50	.22	4.50	2.00	93.00
15	14	10,000	112.00	.85	17.00	2.00	93.00
17	14	20,000	103.50	.43	8.50	2.00	93.00
17	30	3,000	103.50	.43	8.50	2.00	93.00
13	47	100,000	103.00	.40	8.00	2.00	93.00
16	4	10,000	99.50	.20	4.00		95.50
17	4	90,000	112.90	.85	17.00	2.00	93.90
13	7	15,000	100.50	.27	5.50	1.50	93.50
15	7	125,000	99.00	.22	4.50	2.00	92.50
16	7	5,000	98.50	.18	3.50	1.50	93.50
13	23	25,000	97.50	.15	3.00	2.00	92.50
15	34	1,000	97.00	Mill			97.00
16	42	5,000	103.50	.43	8.50	2.00	93.00
16	42	30,000	99.00	.20	4.00	2.00	93.00
18	48	12,000	105.00	.24	4.75		100.25
18	7	14,000	100.50	.27	[illegible]	1.50	93.50

HIGH $103.

LOW $93.

5019-5021

60-26-110

AVERAGE COST FOR LAST QUARTER OF 1922

13/16 x 2-1/4 CLEAR MAPLE FLOORING

was $95.00 F. O. B. Cars at Flooring Mills

as shown by Association Report dated Oct. 25, 1922, captioned

AVERAGE COST - BASED UPON THREE TEST RUNS OF 1921

- - - - - - - - - - - - - - - -

Compiled from RECORD OF COMPLETED TRANSACTIONS.

REPORT OF SALES MADE DURING THE WEEK ENDED NOVEMBER 25, 1922.

- -

1 Sale	@ $93.00	total	30,000 ft.		
1 "	" 93.50	"	20,000 "	86,039 ft = 12.4%	
3 "	" 94.50	"	36,039 "		
34 Sales	@ $95.00	total	425,700 ft.	425,700 ft = 63.2%	
1 Sale	@ $95.25	total	2,000 ft.		
1 "	" 95.50	"	35,000 "		
1 "	" 96.75	"	15,000 "		
2 "	" 98.00	"	8,000 "		
2 "	" 99.25	"	55,000 "	163,699 ft = 24.4%	
1 "	" 99.75	"	6,000 "		
1 "	" 100.00	"	3,660 "		
1 "	" 100.25	"	14,000 "		
1 "	" 110.00	"	4,039 "		
50 Sales				675,438 ft = 100%	

5022

NET FACTORY PRICES MAPLE FLOORING 13/16x2¼

For Week Ending Nov. 25, 1922

CLEAR

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price
11-14	2	27,039	115.00	1.02	20.50	2.00	92.50
18	2	4,037	117.75	.39	7.75		110.00
18	2	20,000	103.50	.43	8.50	2.00	93.00
21	2	3,660	103.50	.18	3.50		100.00
20	2	9,000	102.75	.39	7.75	2.00	93.00
22	2	12,500	103.25	.41	8.25	2.00	93.00
24	2	15,000	99.50	.23	4.50	2.00	93.00
23	3	6,000	100.00	.25	5.00	2.00	93.00
20	24	18,200	101.50	.32	6.50	1.50	93.50
24	24	12,000	98.50	.18	3.50	2.00	93.00
25	33	20,000	100.00	.33	6.50		93.50
20	49	4,000	98.00	.15	3.00		95.00
21	49	10,000	101.75	.34	6.75	2.00	93.00
23	49	30,000	110.00	.85	17.00		93.00
13	3	20,000	103.50	.43	8.50	2.00	93.00
21	3	8,000	103.50	.43	8.50	2.00	93.00
22	3	12,000	103.50	.43	8.50	2.00	93.00
22	3	4,000	103.50	.43	8.50	2.00	93.00
22	3	3,000	103.50	.43	8.50	2.00	93.00
15	5	5,000	98.00	.15	3.00	2.00	93.00
15	5	2,000	98.00	.15	3.00	2.00	93.00
17	5	10,000	100.50	.27	5.50	2.00	93.00
20	5	20,000	108.25	.66	13.25	2.00	93.00
20	5	10,000	99.00	.20	4.00		95.00
22	5	10,000	98.75	.19	3.75	2.00	93.00
23	5	22,000	103.50	.43	8.50	2.00	93.00
24	5	8,000	99.50	.32	4.50	2.00	93.00
17	5	20,000	98.00	.15	3.00	2.00	93.00
21	14	2,000	99.50	.21	4.25	1.50	93.75
24	14	20,000	102.50	.38	7.50	2.00	93.00
25	37	3,000	100.00	.25	5.00	2.00	93.00
24	47	80,000	103.00	.40	8.00	2.00	93.00
20	4	6,000	103.50	.27	5.50	1.50	96.50
20	4	7,000	99.25	.24	4.75	2.00	92.50
25	4	2,000	103.50	.27	5.50	1.50	96.50
20	7	6,000	99.50	.23	4.50		95.00
20	7	10,000	99.50	.22	4.50		95.00
23	7	15,000	100.50	.27	5.50	1.50	93.50
22	23	5,000	99.50	.22	4.50	2.00	93.00
21	44	85,000	106.00	.52	10.50		95.50

60-26-110

5023

CLEAR

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price
11-21	44	8,000	100.50	.27	5.50		95.00
21	44	3,000	99.00	.20	4.00	1.50	93.50
21	44	15,000	112.00	.85	17.00		95.00
20	48	14,000	105.00	.24	4.75		100.25
20	48	45,000	104.00	.24	4.75		99.25
25	51	6,000	108.00	.41	8.25	2.00	97.75
21	30	10,000	107.00	.39	7.75	2.00	97.25
20	4	2,000	100.00	.27	5.50		94.50
25	4	15,000	110.00	.66	13.25		96.75
24	23	3,000	99.50	.22	4.50		95.00

High 110-
Low 92.50.

5024-5026

AVERAGE COST FOR LAST QUARTER OF 1922.

13/16 x 2-1/4 CLEAR MAPLE FLOORING
was $95.00 F. O. B. Cars at Flooring Mills
as shown by Association Report dated Oct. 25, 1922, Captioned
AVERAGE COST - BASED UPON THREE TEST RUNS OF 1921.

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Compiled from RECORD OF COMPLETED TRANSACTIONS.
REPORT OF SALES MADE DURING THE WEEK ENDED DECEMBER 2, 1922.

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1 Sale	@	$85.25	total	2,000 ft.	
1 "	"	93.25	"	15,000 "	53,000 ft. 07%
3 "	"	94.00	"	36,000 "	
26 Sales	@	$95.00	total	489,101 ft.	489.101/6=73.1%
1 Sale	@	$95.25	total	4,000 ft.	
2 "	"	95.50	"	40,000 "	
1 "	"	95.75	"	50,000 "	
1 "	"	97.00	"	14,000 "	124,400 ft. 17%
1 "	"	98.00	"	2,000 "	
1 "	"	100.00	"	3,000 "	
1 "	"	100.25	"	10,000 "	
1 "	"	104.00	"	1,400 "	
40 Sales					666.501/6=100%

5027

NET FACTORY PRICES MAPLE FLOORING

13/16 x 2¼ Clear
Compiled from Record of Completed Transactions
for week ending December 2, 1922.

Date	Group	Quantity	Delivered Price	Av.Frt. Rate	Act. Frt. Allowed	Price F.O.B. cars at Mill	Com.	Net Prices F. O. B. cars at Mill
11-24	2	18,101	98.50	.18	3.50	95.00		95.00
29	2	50,000	100.50	.24	4.50	95.75	2.00	93.75
27	33	6,000	102.75	.39	7.75	95.00	2.00	93.00
27	49	5,000	111.00	.85	17.00	94.00	2.00	92.00
27	49	50,000	99.00	.20	4.00	95.00	2.00	93.00
27	49	20,000	102.75	.39	7.75	93.00	2.00	93.00
28	49	37,000	112.00	.85	17.00	95.00	2.00	93.00
27	5	11,000	103.50	.43	8.50	95.00	2.00	93.00
27	5	5,000	103.50	.43	8.50	95.00	2.00	93.00
27	5	25,000	98.00	.15	3.00	95.00	2.00	93.00
27	5	75,000	98.00	.15	3.00	95.00	2.00	93.00
27	5	25,000	98.00	.15	3.00	95.00	2.00	93.00
27	5	20,000	98.00	.15	3.00	95.00	2.00	93.00
28	5	7,000	103.50	.43	8.50	95.00	2.00	93.00
28	30	1,400	104.00	Mill		104.00		104.00
28	30	3,000	99.50	.22	4.50	95.00	2.00	93.00
28	47	17,000	99.50	.22	4.50	95.00	2.00	93.00
12-1	4	15,000	98.50	.18	3.50	95.00	1.50	93.50
2	4	2,000	103.50	.27	5.50	98.00	1.50	96.50
2	4	14,000	102.50	.28	5.50	97.00		97.00
11-27	7	5,000	99.50	.22	4.50	95.00	1.50	93.50
28	7	10,000	98.50,	.15	3.00	95.50	1.50	94.00
28	23	9,000	99.50	.22	4.50	95.00	2.00	93.00
28	23	10,000	99.50	.22	4.50	95.00	2.00	93.00
28	23	20,000	99.50	.22	4.50	95.00	2.00	93.00
28	23	15,000	98.00	.15	3.00	95.00	2.00	93.00
27	34	3,000	100.00	Mill		100.00		100.00
20	42	50,000	99.00	.20	2.00	95.00	2.00	93.00
22	42	25,000	99.25	.26	3.25	94.00	2.00	92.00
28	44	18,000	100.50	.27	3.50	95.00	2.00	93.00
28	44	10,000	100.50	.27	3.50	95.00		95.00
28	44	10,000	99.00	.20	4.00	95.00		95.00
28	48	10,000	106.00	.24	4.75	101.25		101.25
28	51	15,000	101.50	.41	8.21	93.25	2.00	91.25
12-1	4	30,000	112.50	.85	17.00	95.50	2.00	93.50
2	4	6,000	98.50	.23	5.50	94.00	1.50	98.50
28	7	4,000	99.25	.20	4.00	95.25	1.50	93.75
28	7	2,000	89.25	.20	4.00	85.25	1.50	83.75

5028

NET FACTORY PRICES MAPLE FLOORING Page #2

13/16 x 2¼ Clear
Compiled from Record of Completed Transactions
for week ending December 2, 1922.

Date	Group	Quantity	Delivered Price	Av. Frt. Rate	Act. Frt. Allowed	Price F.O.B. cars at Mill	Com.	Net Prices F. O. B. cars at Mill
12-28	23	4,000	95.00	Mill		95.00	2.50	92.50
28	2	4,000	102.75	.39	7.75	95.00	2.00	93.00

5029-5031

AVERAGE COST FOR LAST QUARTER OF 1922.

13/16 x 2-1/4 CLEAR MAPLE FLOORING

was $95.00 F. O. B. Cars at Flooring Mills

as shown by Association Report dated Oct. 25, 1922, Captioned

AVERAGE COST - BASED UPON THREE TEST RUNS OF 1921.

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Compiled from RECORD OF COMPLETED TRANSACTIONS.

REPORT OF SALES MADE DURING THE WEEK ENDED DECEMBER 9, 1922.

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1 Sale	@ $64.00	total	1,000 ft.	
1 "	" 85.00	"	2,000 "	14,000 ft = 2%
1 "	" 94.00	"	11,000 "	
25 Sales	@ $95.00	total	583,000 ft.	583,000 ft = 83%
2 Sales	@ $95.50	total	9,000 ft.	
1 "	" 96.00	"	14,000 "	
1 "	" 96.50	"	40,000 "	
1 "	" 100.00	"	3,000 "	105,252 ft = 15%
1 "	" 100.25	"	35,000 "	
1 "	" 104.00	"	1,180 "	
1 "	" 106.00	"	3,072 "	
36 Sales.			702,252 ft.	= 100%

5032

NET FACTORY PRICES MAPLE FLOORING

13/16 x 2¼ Clear
Compiled from Record of Completed Transactions
for week ending December 9, 1922.

Date	Group	Quantity	Delivered Price	Av. Frt. Rate	Act. Frt. Allowed	Price F.O.B. cars at Mill	Com.	Net Prices F. O. B. cars at Mill
12-2	2	40,000	100.00	.18	3.50	96.50	2.00	94.50
5	2	2,000	101.75	.34	6.75	95.00	2.00	93.00
5	2	2,000	101.75	.34	6.75	95.00	2.00	93.00
2	24	17,000	102.50	.38	7.50	95.00		95.00
8	24	12,000	98.50	.18	3.50	95.00	2.00	93.00
6	49	10,000	102.50	.38	7.50	95.00	2.00	93.00
6	49	10,000	100.50	.27	5.50	95.00		95.00
8	3	10,000	103.50	.43	8.50	95.00	2.00	93.00
4	5	11,000	98.50	.15	3.00	95.00	2.00	93.00
4	5	2,000	88.00	.15	3.00	85.00	2.00	83.00
6	5	80,000	101.75	.34	6.75	95.00	2.00	93.00
7	5	60,000	99.00	.20	4.00	95.00	2.00	93.00
8	5	20,000	98.00	.15	3.00	95.00	2.00	93.00
8	5	40,000	98.00	.15	3.00	95.00	2.00	93.00
8	5	15,000	103.50	.43	8.50	95.00	2.00	93.00
9	14	30,000	100.00	.25	5.00	95.00	2.00	93.00
4	30	11,000	99.00	.25	5.00	94.00	2.00	92.00
4	30	1,000	69.00	.25	5.00	64.00	2.00	62.00
4	30	3,072	110.00	.20	4.00	106.00		106.00
6	30	1,180	104.00	Mill		104.00		104.00
4	47	10,000	102.50	.37	7.50	95.00	2.00	93.00
7	47	14,000	108.50	.52	10.50	96.00	2.00	94.00
6	4	3,000	103.50	.22	4.50	100.00	1.50	98.50
5	7	17,000	98.50	.15	3.00	95.00	1.50	93.50
7	7	1,000	99.50	.22	4.50	95.00	1.50	93.50
7	7	6,000	99.50	.22	4.50	95.00	1.50	93.50
7	7	6,000	100.50	.25	5.00	95.50	1.50	94.00
9	7	3,000	101.00	.27	5.50	95.50	1.50	94.00
9	7	12,000	98.00	.15	3.00	95.00	1.50	93.50
8	23	150,000	99.50	.22	4.50	95.00		95.00
4	34	1,000	100.50	.27	5.50	95.00		95.00
6	42	50,000	99.00	.20	4.00	95.00	2.00	93.00
8	42	1,000	105.00	Mill		95.00		105.00
8	42	10,000	99.00	.17	3.50	95.00	1.50	93.50
8	44	10,000	106.25	.56	11.25	95.00		95.00
6	48	35,000	105.00	.24	4.75	100.25		100.25

5033-5035

AVERAGE COST FOR FOURTH QUARTER OF 1922.

13/16x2¼ CLEAR. MAPLE FLOORING.

Was $95.00 F. O. B. CARS AT FLOORING MILL, as shown by REPORT OF THE ASSOCIATION dated November 25, 1922, Captioned AVERAGE COST - BASED UPON COMPOSITE RESULTS OF NINE TEST RUNS.

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Compiled from RECORD OF COMPLETED TRANSACTIONS, REPORT OF SALES MADE DURING THE WEEK ENDING DECEMBER 16, 1922.

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1	@	$92.00	Total	20,000 ft.		
1	@	93.00	"	35,000 ft.		
1	@	94.75	"	5,000 ft.		
3		Below		60,000 ft	---	5.1%
43	@	95.00	total	966,350 ft	---	82.1%
4	@	95.25	Total	28,145 ft.		
4	@	95.50	"	66,000 ft.		
1	@	95.75	"	7,000 ft.		
1	@	96.00	"	5,000 ft.		
2	@	96.75	"	13,000 ft.		
1	@	100.25	"	18,000 ft		
1	@	100.75	"	10,000 ft		
1	@	104.00	"	3,000 ft		
15		Above		150,145 ft	---	12.8%
61		Sales	"	1,176,495 ft		100 %

NET FACTORY PRICES MAPLE FLOORING

13/16 x 2¼ CLEAR

COMPILED FROM RECORD OF COMPLETED TRANSACTIONS

For Week Ending December 16, 1922.

Date	Mill	Quantity	Delivered Price	Aver. Frt. Rate	Actual Frt Allowed	Price F.O.B. Car Mill	Commissions	Net Price Car Flooring Mill
12-6	2	6,000	103.50	.43	8.50	95.00	2.00	93.00
12-9	24	5,000	98.00	.15	3.00	95.00	2.00	93.00
12-12	24	5,000	98.25	.16	3.25	95.00	2.00	93.00
12-14	24	1,750	95.00	Mill		95.00		95.00
12-11	33	35,000	98.50	.28	5.50	93.00		93.00
12-13	33	15,000	99.50	.22	4.50	95.00	2.00	93.00
12-13	33	1,500	95.00	Mill		95.00		95.00
12-16	33	6,000	103.50	.38	7.50	95.00	2.00	93.00
12-11	49	2,000	112.00	.85	17.00	95.00	2.00	93.00
12-11	49	25,000	99.50	.20	4.00	95.50	2.00	93.50
12-11	49	20,000	103.50	.43	8.50	95.00	2.00	93.00
12-12	5	17,000	103.50	.43	8.50	95.00	2.00	93.00
12-16	5	8,000	103.50	.43	8.50	95.00	2.00	93.00
12-16	5	17,000	113.50	.93	18.50	95.00	2.00	93.00
12-16	14	12,500	103.50	.43	8.50	95.00	2.00	93.00
12-11	26	30,000	99.00	.20	4.00	95.00	2.00	93.00
12-9	26	20,000	99.00	.20	4.00	95.00	2.00	93.00
12-11	30	20,000	112.00	.85	17.00	95.00	2.00	93.00
12-12	30	10,000	103.50	.38	7.50	95.00	2.00	93.00
12-13	30	215,000	105.50	.53	10.50	95.00	2.00	93.00
12-15	30	15,000	102.50	.37	7.50	95.00	2.00	93.00
12-15	30	3,000	104.00	Mill		104.00		104.00
12-16	37	10,000	99.00	.20	4.00	95.00	2.00	93.00
12-11	47	12,300	99.50	.23	4.50	95.00	2.00	93.00
12-12	47	30,000	99.00	.20	4.00	95.00	2.00	93.00
12-12	47	30,000	99.00	.20	4.00	95.00	2.00	93.00
12-13	47	60,000	99.00	.20	4.00	95.00	2.00	93.00
12-14	47	20,000	99.50	.20	4.00	95.50	2.00	93.50
12-11	4	5,000	103.50	.43	8.50	95.00	2.00	93.00
12-14	4	15,000	99.00	.20	4.00	95.00	2.00	93.00
12-14	4	15,000	99.00	.20	4.00	95.00	1.50	93.50
12-14	4	15,000	99.00	.20	4.00	95.00	1.50	93.50
12-14	4	10,000	101.50	.32	6.50	95.00		95.00
12-11	7	5,000	99.75	.15	3.00	96.75	1.50	95.25
12-11	7	8,000	99.75	.22	4.50	95.25	1.50	93.75
12-11	7	11,000	98.00	.15	3.00	95.00	1.50	93.50
12-13	7	6,000	99.50	.21	4.25	95.25	1.50	93.75

5037

NET FACTORY PRICES MAPLE FLOORING

13/16 x 2¼ CLEAR

COMPILED FROM RECORD OF COMPLETED TRANSACTIONS

For Week Ending December 16, 1922.

Sheet #2.

Date	Mill	Quantity	Delivered Price	Aver. Frt. Rate	Actual Frt. Allowed	Price F.O.B. Car Mill	Commissions	Net Price Car Flooring Mill
12-13	7	5,000	99.50	.20	4.00	95.50	1.50	94.00
12-13	7	7,000	100.25	.23	4.50	95.75	1.50	94.25
12-13	7	5,000	100.50	.23	4.50	96.00	1.50	94.50
12-13	7	20,000	99.00	.20	4.00	95.00	2.00	93.00
12-14	7	11,000	98.00	.15	3.00	95.00	1.50	93.50
12-15	7	12,000	100.25	.25	5.00	95.25	1.50	93.75
12-15	7	20,000	98.00	.15	3.00	95.00	1.50	93.00
12-16	7	3,000	100.50	.27	5.50	95.00	1.50	93.50
12-14	7	3,000	100.50	.27	5.50	95.00		95.00
12-12	42	75,000	98.00	.15	3.00	95.00	2.00	93.00
12-12	44	5,000	106.75	.60	12.00	94.75		94.75
12-12	44	130,000	99.00	.20	4.00	95.00	1.50	93.50
12-12	44	8,000	99.75	.15	3.00	96.75	1.50	95.25
12-12	44	10,000	99.00	.20	4.00	95.00	2.00	93.00
10-2	45	2,000	105.50	.27	5.50	95.00		95.00
12-9	45	2,000	103.25	.41	8.25	95.00	2.00	93.00
12-25	45	10,000	106.25	.27	5.50	100.75		100.75
12-8	45	16,000	99.50	.20	4.00	95.50	2.00	93.50
12-13	45	5,000	100.50	.27	5.50	95.00		95.00
12-11	50	1,800	99.75	.24	4.75	95.00		95.00
12-11	48	18,000	105.00	.24	4.75	100.25		100.25
12-11	48	2,145	100.00	.24	4.75	95.25		95.25
12-11	51	25,500	103.50	.43	8.50	95.00	2.00	93.00
12-11	51	20,000	100.50	.43	8.50	92.00		92.00

5038-5042

AVERAGE COST FOR LAST QUARTER OF 1922

13/16 x 2-1/4 CLEAR MAPLE FLOORING
was $95.00 F. O. B. Cars at Flooring Mills
as shown by Association Report dated Oct. 25, 1922, Captioned
AVERAGE COST - BASED UPON THREE TEST RUNS OF 1921.

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Compiled from RECORD OF COMPLETED TRANSACTIONS,
REPORT OF SALES MADE DURING THE WEEK ENDED DECEMBER 23, 1922.

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1 Sale	@ $90.00	total	3,000 ft.	9,000 ft.	
1 "	" 94.00	"	6,000 "		1.1%
34 Sales	@ $95.00	total	736,501 ft.	736,501 ft.	83.3%
2 Sales	@ $95.25	total	39,000 "	138,589 ft.	
5 "	" 95.50	"	30,000 "		
1 "	" 96.25	"	40,000 "		
1 "	" 97.50	"	16,600 "		
1 "	" 100.25	"	8,369 "		15.7%
2 "	" 104.00	"	4,570 "		
48 Sales				884,040 ft.	100%

5043

NET FACTORY PRICES MAPLE FLOORING

13/16 x 2¼ Clear
Compiled from Record of Completed Transactions
for week ending December 23, 1922.

Date	Group	Quantity	Delivered Price	Av. Frt. Rate	Act. Frt. Allowed	Price F.O.B. cars at Mill	Com.	Net Price F. O. B. cars at Mill
12-19	2	21,000	103.25	.41	8.25	95.00	2.00	93.00
18	33	12,000	99.50	.23	4.50	95.00	2.00	93.00
20	33	3,000	90.00	Mill		90.00		90.00
21	49	25,000	103.25	.41	8.25	95.00	2.00	93.00
22	"	20,000	103.50	.43	8.50	95.00	2.00	93.00
"	"	4,500	98.00	.15		95.00		95.00
19	3	5,000	103.50	.43	8.50	95.00	2.00	93.00
18	3	2,000	103.25	.41	8.25	95.00		95.00
"	"	8,000	103.50	.43	8.50	95.00	2.00	93.00
"	5	8,000	102.75	.39	7.75	95.00	2.00	93.00
20	5	6,000	101.75	.34	6.75	95.00	1.50	93.50
21	5	12,000	99.75	.24	4.75	95.00	1.50	93.50
"	"	3,000	98.00	.15	3.00	95.00	2.00	93.00
"	14	25,000	98.00	.15	3.00	95.00	1.50	93.50
23	"	15,000	103.50	.43	8.50	95.00	2.00	93.00
"	23	8,000	103.50	.43	8.50	95.00	2.00	93.00
20	26	10,000	99.00	.20	4.00	95.00	2.00	93.00
"	"	15,000	99.50	.20	4.00	95.00	2.00	93.00
16	"	30,000	99.00	.20	4.00	95.00	2.00	93.00
15	"	25,000	99.00	.20	4.00	95.00	2.00	93.00
"	"	6,000	98.50	.16	3.25	95.25	2.00	93.25
19	30	2,570	104.00	Mill		104.00		104.00
"	"	2,000	104.00	"		104.00		104.00
18	"	22,000	112.00	.85	17.00	95.00	2.00	93.00
19	"	4,000	98.50	.18	3.50	95.00		95.00
"	37	33,000	112.00	.85	17.00	95.00	2.00	93.00
20	"	10,000	103.50	.43	8.50	95.00	2.00	93.00
23	"	8,000	98.00	.43	3.00	95.00	1.50	93.50
"	"	8,000	102.75	.39	2.00	95.00	2.00	93.00
"	"	16,600	105.00	.38	7.50	97.50	3.00	94.50
16	47	50,000	100.50	.27	5.50	95.00	2.00	93.00
"	"	33,000	103.50	.41	8.25	95.25	2.00	93.25
20	"	8,000	99.50	.20	4.00	95.50	2.00	93.50
"	"	3,000	99.50	.20	4.00	95.00	2.00	93.00
"	"	19,000	102.50	.37	7.50	95.00	2.00	93.00
19	4	4,000	101.00	.27	5.50	95.50	1.50	94.00
"	"	12,000	99.50	.20	4.00	95.50	2.00	93.50
"	"	1,000	100.50	.25	5.00	95.50	1.50	94.00
21	"	5,000	100.50	.25	5.00	95.50	1.50	94.00

NET FACTORY PRICES MAPLE FLOORING Page #2

13/16 x 2¼ Clear
Compiled from Record of Completed Transactions
for week ending December 23, 1922.

Date	Group	Quantity	Delivered Price	Av. Frt. Rate	Act. Frt. Allowed	Price F.O.B. cars at Mill	Com.	Net Price F. O. B. cars at Mill
12-18	42	50,000	98.00	.15	3.00	95.00	2.00	93.00
21	"	50,000	98.00	.15	3.00	95.00	2.00	93.00
22	44	170,000	99.00	.20	4.00	95.00	1.50	93.50
"	"	40,000	100.50	.21	4.25	96.25	2.00	94.25
"	"	12,000	98.00	.15	3.00	95.00	1.50	93.50
"	48	8,369	105.00	.24	4.75	100.25		100.25
20	51	6,000	102.50	.43	8.50	94.00	2.00	92.00
22	"	25,000	103.25	.41	8.25	95.00	2.00	93.00
"	"	18,000	103.25	.41	8.25	95.00	2.00	93.00

5045-5047

AVERAGE COST FOR LAST QUARTER OF 1922.

13/16 x 2-1/4 CLEAR MAPLE FLOORING

was $95,00 F. O. B. Cars at Flooring Mills

as shown by Association Report dated Oct. 25, 1922, Captioned

AVERAGE COST - BASED UPON THREE TEST RUNS OF 1921.

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Compiled from RECORD OF COMPLETED TRANSACTIONS

REPORT OF SALES MADE DURING THE WEEK ENDED DECEMBER 30,1922.

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1	Sale	@ $93.00	total	76,000 ft.	
1	"	" 94.00	"	5,000 "	
1	"	" 94.25	"	7,000 "	104,000 ft. = 11.4%
2	"	" 94.50	"	14,000 "	
33	Sales	@ $95.00	total	668,619 ft.	668 619 ft. = 73.6%
1	Sale	@ $95.25	total	2,800 ft.	
4	"	" 95.50	"	51,000 "	
1	"	" 95.75	"	9,500 "	
2	"	" 96.00	"	28,000 "	135,300 ft. = 14.9%
1	"	" 98.00	"	5,000 "	
1	"	" 100.25	"	20,000 "	
1	"	" 100.50	"	15,000 "	
1	"	" 104.00	"	3,000 "	
50	Sales.				907,919 ft. = 100.%

NET FACTORY PRICES MAPLE FLOORING

13/16 x 2¼ Clear
Compiled from Record of Completed Transactions
for week ending December 30, 1922.

Date	Group	Quantity	Delivered Price	Av. Frt. Rate	Act. Frt. Allowed	Price F.O.B. cars at Mill	Com.	Net Prices F. O. B. cars at Mill
12-21	2	25, 119	$99.50	.23	$4.50	$95.00	2.00	$93.00
22	"	8, 000	102.75	.39	7.75	95.00	2.00	93.00
27	24	10, 000	98/50	.18	3.50	95.00	2.00	93.00
26	33	5, 000	98.75	.19	3.75	95.00	2.00	93.00
"	49	14, 000	99.50	.23	4.50	95.00	2.00	93.00
"	"	9, 500	104.00	.41	8.25	95.75	2.00	93.75
"	"	38, 000	99.50	.22	4.50	95.00	2.00	93.00
30	3	7, 000	103.50	.43	8.50	95.00	2.00	93.00
"	"	11, 500	103.50	.43	8.50	95.00	2.00	93.00
26	5	30, 000	103.50	.43	8.50	95.00	2.00	93.00
"	"	25, 000	103.50	.43	8.50	95.00	2.00	93.00
"	"	30, 000	112.00	.85	17.00	95.00	1.50	93.50
27	"	75, 000	101.50	.32	6.50	95.00	1.50	93.50
28	"	30, 000	112.00	.85	17.00	95.00	2.00	93.00
30	"	8, 500	103.50	.43	8.50	95.00	2.00	93.00
"	"	6, 000	103.50	.43	8.50	95.00	2.00	93.00
"	"	5, 000	103.50	.43	8.50	95.00	2.00	93.00
"	"	30, 000	99.00	.20	4.00	95.00	2.00	93.00
26	14	15, 000	103.50	.43	8.50	95.00	2.00	93.00
27	26	25, 000	98.50	.18	3.50	95.00	2.00	93.00
28	26-	60, 000	99.50	.22	4.50	95.00	2.00	93.00
26	30	15, 000	112.00	.85	17.00	95.00	2.00	93.00
"	"	3, 000	104.00	Mill		104.00		104.00
"	"	11, 000	100.50	.28	5.50	95.00	2.00	93.00
27	"	1, 000	101.50	.33	6.50	95.00	2.00	93.00
30	37	2, 800	100.00	.24	4.75	95.25	2.00	93.25
22	47	5, 000	105.50	.37	7.50	98.00	1.00	97.00
26	"	29, 000	111.00	.80	16.00	95.00	2.00	93.00
27	"	12, 000	103.50	.41	8.25	95.00	2.00	93.25
26	4	30, 000	98.50	.15	3.00	95.50	1.50	94.00
"	"	10, 000	101.00	.27	5.50	95.50	1.50	94.00
"	"	6, 000	101.00	.27	5.50	95.50	1.50	94.00
27	"	5, 000	104.50	.52	10.50	94.00		94.00
"	"	5, 000	100.50	.25	5.00	95.50	1.50	94.00
"	"	16, 000	100.50	.27	5.50	95.00		95.00
"	"	7, 000	99.75	.27-	5.50	94.25	1.50	92.75
28	"	15, 000	99.00	.20	4.00	95.00	1.50	93.50
"	"	15, 000	99.00	.20	4.00	95.00	1.50	93.50
"	"	15, 000	99.00	.20	4.00	95.00	1.50	93.50

NEW FACTORY PRICES MAPLE FLOORING Page #2

13/16 x 2¼ Clear
Compiled from Record of Completed Transactions
for week ending December 30, 1922.

Date	Group	Quantity Delivered	Price	Av. Frt. Rate	Act. Frt. Allowed	Price F.O.B. cars at Mill	Com.	Net Prices F. O. B. cars at Mill
12-28	4	8,000	99.50	.20	4.00	95.00	2.00	93.50
26	42	16,000	106.00	.27	5.50	100.50	2.00	98.50
28	"	14,000	100.00	.27	5.50	94.50	2.00	92.50
"	44	5,000	100.50	.27	5.50	94.50	1.50	93.00
"	"	56,000	99.00	.20	4.00	95.00	1.50	93.50
"	"	16,000	100.50	.22	4.50	96.00	2.00	94.00
"	"	9,000	98.00	.15	3.00	95.00		95.00
"	"	8,500	99.25	.21	4.25	95.00	1.50	93.50
"	48	20,000	105.00	.24	4.75	100.25		100.25
28	51	78,000	101.25	.41	8.25	93.00	2.00	91.00
"	"	12,000	96.00	Mill		96.00	2.00	94.00

5050-5052

AVERAGE COST FOR LAST QUARTER OF 1922

13/16 x 2-1/4 CLEAR MAPLE FLOORING
was $95.00 F. O. B. Cars at Flooring Mills
as shown by Association Report dated Oct. 25, 1922, Captioned
AVERAGE COST - BASED UPON THREE TEST RUNS OF 1921.

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Compiled from RECORD OF COMPLETED TRANSACTIONS
REPORT OF SALES MADE DURING THE WEEK ENDED JANUARY 6, 1923.

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2 Sales	@	$94.00	total	14,000 ft.	19,000 ft. = .043%
1 "	"	94.75	"	5,000 "	
23 Sales	@	$95.00			220,700 ft. = .508%
2 Sales	@	$95.50	total	12,000 ft.	195,302 ft. = .449%
2 "	"	95.75	"	82,000 "	
2 "	"	96.00	"	20,800 "	
1 "	"	97.50	"	1,000 "	
1 "	"	98.00	"	40,000 "	
1 "	"	99.25	"	20,000 "	
1 "	"	100.25	"	12,000 "	
1 "	"	100.50	"	2,000 "	
1 "	"	102.75	"	5,502 "	
38 Sales.					435.002 ft = 100 %

5053

NET FACTORY PRICES MAPLE FLOORING 13/16 x 2¼

For Week Ending January 11, 1923

Date	Mill	Quantity	Delivered Price	CLEAR Freight Rate	Freight CHARGED	Commissions	Net Factory Price
1/2	2	5,502	107.50	.24	4.75	2.00	100.75
30	2	22,000	100.50	.24	4.75	2.00	93.75
30	2	60,000	100.50	.24	4.75	2.00	93.75
2	2	2,000	108.25	.39	7.75	2.00	98.50
3	24	17,000	102.50	.37	7.50	1.00	94.00
3	33	5,000	100.50	.27	5.50	2.00	93.00
4	33	5,000	100.00	.25	5.00	2.00	93.00
4	33	5,000	98.75	.19	3.75	2.00	93.00
5	33	11,000	100.00	.25	5.00		95.00
5	33	10,000	97.75	.19	3.75	1.00	93.00
2	5	5,000	103.50	.43	8.50	2.00	93.00
5	5	7,500	112.00	.85	17.00	1.50	93.50
2	14	25,000	98.00	.15	3.00	1.50	93.50
2	26	5,000	98.00	.16	3.25	2.00	92.75
2	30	15,000	103.50	.43	8.50	2.00	93.00
2	30	4,000	97.50	.18	3.50		94.00
6	37	16,000	107.50	.62	12.50	2.00	93.00
29	47	10,000	102.50	.37	7.50	2.00	93.00
29	47	8,000	102.50	.37	7.50	2.00	93.00
2	47	14,800	101.00	.25	5.00	2.00	94.00
4	47	30,000	99.00	.20	4.00	2.00	93.00
4	47	10,000	102.00	.35	7.00	2.00	93.00
5	47	10,000	99.50	.20	4.00	2.00	93.50
2	4	5,000	99.50	.22	4.50	1.50	93.50
2	4	6,000	99.75	.24	4.75	1.50	93.50
2	4	2,000	101.00	.27	5.50	1.50	94.00
6	4	1,000	100.50	.27	5.50	1.50	93.50
6	4	5,000	100.50	.27	5.50	1.50	93.50
6	4	40,000	103.50	.27	5.50	1.50	96.50
3	7	20,000	109.75	.52	10.50		99.25
4	7	1,000	97.50	Mill		1.50	96.00
4	7	3,000	100.00	.25	5.00		95.00
5	7	6,000	100.00	.20	4.00	1.50	94.50
6	7	10,000	98.00	.15	3.00	1.50	93.50
6	7	4,000	100.50	.27	5.50		95.00
5	34	12,000	100.50	.27	5.50	2.00	93.00
28	50	4,000	100.50	.27	5.50		95.00
28	48	12,000	105.00	.24	4.75		100.25

HIGH

LOW

5054-5056

AVERAGE COST FOR LAST QUARTER OF 1922.

13/16 x 2-1/4 CLEAR MAPLE FLOORING
was $95.00 F. O. B. Cars at Flooring Mills
as shown by Association Report dated Oct. 25, 1922, Captioned
AVERAGE COST - BASED UPON THREE TEST RUNS OF 1921.

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Compiled from RECORD OF COMPLETED TRANSACTIONS
REPORT OF SALES MADE DURING THE WEEK ENDED JANUARY 13, 1923.

- -

1 Sale	@ $90.50	total	10,000 ft.		
1 "	" 91.00	"	20,000 "		
1 "	" 94.00	"	25,000 "	55,000 ft. = .039%	
1 "	" 94.50	"	20,000 "		
46 Sales	@ $95.00	----------		1,262,800 ft. = .914%	
4 Sales	@ $95.50	total	28,000 ft.		
1 "	" 95.75	"	12,500 "		
1 "	" 100.25	"	17,000 "	63,740 ft. = .047%	
2 Sales	" 104.00	"	2,240 "		
1 "	" 107.00	"	4,000 "		
59 Sales				1,381,040 ft = 100%	

5057

NET FACTORY PRICES MAPLE FLOORING 13/16x2¼

For Week Ending, January 13,1923.

CLEAR

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price.
1-6	2	10,000	99.50	.23	4.50	2.00	93.00
9	"	20,000	99.00	.22	4.50	2.00	92.50
11	"	6,000	103.50	.43	8.50	2.00	93.00
10	"	3,000	105.00	.50	10.00	2.00	93.00
6	24	4,000	112.00	.25	5.00		107.00
10	"	5,000	98.50	.18	3.50	1.00	94.00
8	33	20,000	99.00	.20	4.00	2.00	93.00
"	"	10,000	95.00	.22	4.50		90.50
10	"	50,000	100.25	.26	5.25	2.00	93.00
13	"	6,500	99.50	.22	4.50	2.00	93.00
8	49	100,000	99.00	.20	4.00	2.00	93.00
"	"	8,000	98.50	.18	3.50		95.00
10	5	52,000	99.00	.20	4.00	2.00	93.00
"	"	150,000	99.00	.20	4.00	2.00	93.00
"	"	38,000	112.00	.85	17.00	1.50	93.50
"	"	17,000	102.50	.37	7.50	2.00	93.00
12	"	12,500	99.75	.24	4.75	2.00	93.00
"	"	75,000	100.50	.27	5.50	1 .50	93.50
13	"	5,000	103.50	.43	8.50	2.00	93.00
8	"	20,000	112.00	.85	17.00	1.50	93.50
9	"	4,000	108.25	.66	12.25	2.00	93.00
"	14	50,000	95.00	Mill		2.00	93.00
10	30	1,000	104.00	"			104.00
11	"	30,000	115.00	1.00	20.00	2.00	93.00
"	"	20,000	99.00	.20	4.00	2.00	93.00
"	"	30,000	105.50	.53	10.50	2.00	93.00
13	"	1,240	104.00	Mill			104.00
9	37	1,800	95.00	"		2.00	93.00
13	"	15,000	98.00	.15	3.00	1.50	93.50
"	"	12,500	104.00	.41	8.25	2.50	93.25
9	47	60,000	99.00	.20	4.00	2.00	93.00
"	"	26,000	99.00	.20	4.00	2.00	93.00
"	"	20,000	99.00	.20	4.00	2.00	93.00
"	"	6,000	100.50	.27	5.50	2.00	93.00
11	"	59,500	100.00	.25	5.00	2.00	93.00
12	"	7,000	99.50	.20	4.00	2.00	93.50
10	4	50,000	100.50	.27	5.50	1.50	93.50
"	"	3,000	98.50	.15	3.00	1.50	94.00
"	"	6,000	100.50	.27	5.50	1.50	93.50
8	7	40,000	100.50	.27	5.50	1.50	93.50
"	"	5,000	106.00	.55	11.00	1.50	93.50

5058

CLEAR PAGE 2

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price.
10	7	15,000	99.50	.22	4.50	1.50	$93.50
"	"	4,000	100.00	.25	5.00	1.50	93.50
11	"	3,000	100.00	.23	4.50	1.50	94.00
"	"	10,000	98.00	.15	3.00	1.50	93.50
"	"	25,000	98.00	.15	3.00	1.50	93.50
12	"	5,000	98.00	.15	3.00	1.50	93.50
"	"	15,000	99.75	.21	4.25	1.50	94.00
"	"	10,000	99.25	.21	4.25	1.50	93.50
9	34	6,000	100.50	.27	5.50	1.50	93.50
10	42	25,000	98.00	.20	4.00	2.00	92.00
"	"	15,000	98.00	.15	3.00	2.00	93.00
"	44	110,000	98.00	.15	3.00	1.50	93.50
"	"	15,000	99.00	.20	4.00	1.50	93.50
12	50	2,500	102 .00	.35	7.00	1.50	93.50
~~"~~	~~"~~	~~3,000~~	~~96.75~~	~~.34~~	~~6.75~~	~~1.50~~	~~88.50~~ 13/64 1/4
"	"	3,000	101.75	.34	6.75	1.50	93.50
11	"	20,000	100.50	.27	5.50	2.00	93.00
"	"	~~6,000~~	~~90.50~~	~~.27~~	~~5.50~~		~~85.00~~ Bipch
			No Sales				
"	48	17,000	105.00	.24	4.75		100.25
12	51	20,000	101.25	.41	8.25	2.00	91.00

HIGH, On

LOW

5059-5061

AVERAGE COST FOR LAST QUARTER OF 1922

13/16 x 2-1/4 CLEAR MAPLE FLOORING
was $95.00 F. O. B. Cars at Flooring Mills
as shown by Association Report dated Oct. 25,1922, Captioned
AVERAGE COST - BASED UPON THREE TEST RUNS OF 1921.

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Compiled from RECORD OF COMPLETED TRANSACTIONS
REPORT OF SALES MADE DURING THE WEEK ENDED JANUARY 20, 1923

- -

2 sales	@ $90.00	total	11,000 ft.		
2 "	" 93.00	"	36,000 "		
2 "	" 94.00	"	140,000 "	194,000 ft.	
1 "	" 94.50	"	8,500 "		
95 Sales	@ $95.00	total	1,739,050 ft.	1,739,050 ft.	
1 Sale	@ $95.25	total	8,000 ft.		
2 "	" 95.50	"	18,000 "		
1 "	" 95.75	"	25,000 "		
1 "	" 96.00	"	1,000 "	70,000 ft.	
1 "	" 97.00	"	18,000 "		
1 "	" 100.00	"	3,000 "		
104 Sales.				2003.050 ft.	

5062

NET FACTORY PRICES MAPLE FLOORING 13/16x2¼

For Week Ending January 20, 1923.

CLEAR

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price
1-12	2	3,000	106.50	.32	6.50		100.00
1-17	2	52,000	99.50	.22	4.50	2.00	93.00
1-17	2	18,000	105.75	.44	8.75	2.00	95.00
1-17	24	2,000	98.50	.18	3.50	2.00	93.00
1-19	24	25,000	101.00	.26	5.25	2.00	93.75
1-15	33	23,000	100.00	.25	5.00	2.00	93.00
1-15	33	9,000	102.75	.39	7.75	2.00	93.00
1-15	33	16,000	98.00	.20	4.00		94.00
1-16	33	8,500	105.00	.53	10.50		94.50
1-15	49	20,000	103.50	.43	8.50	2.00	93.00
1-15	49	5,000	99.25	.16	3.25		96.00
1-15	49	12,000	102.75	.39	[illegible]	[illegible]	93.00
1-16	5	10,000	113.50	.93	18.50	2.00	93.00
1-16	5	30,000	99.00	.20	4.00	2.00	93.00
1-16	5	30,000	99.00	.20	4.00	2.00	93.00
1-18	5	5,000	101.75	.34	6.75	1.50	93.50
1-18	5	20,000	103.50	.43	8.50	2.00	93.00
1-18	5	10,0000	100.50	.27	5.50	1.50	93.50
1-18	5	15,000	112.00	.85	17.00	1.50	93.50
1-19	5	10,000	101.75	.34	6.75	2.00	93.00
1-19	5	3,000	101.75	.34	6.75	2.00	93.00
1-19m	5	75,000	99.00	.20	4.00	2.00	93.00
1-19	5	25,000	108.25	.66	13.25	1.50	93.50
1-19	5	15,000	103.50	.43	8.50	2.00	93.00
1-19	5	10,000	103.50	.43	8.50	2.00	93.00
1-20	5	7,000	101.75	.34	6.75	1.50	93.50
1-20	5	8,000	102.75	.39	7.75	2.00	93.00
1-20	5	10,000	103.50	.43	8.50	2.00	93.00
1-20	5	7,000	101.75	.34	6.75	1.50	93.50
1-15	26	15,000	112.00	.85	17.00	2.00	93.00
1-15	26	20,000	112.00	.85	17.00	2.00	93.00
1-15	26	1,000	90.00	Mill			90.00
1-10	26	25,000	99.00	.20	4.00	2.00	93.00
1-15	30	17,000	103.75	.44	4.75		[illegible]
1-15	30	2,000	98.50	.43	4.50		94.00
1-15	30	20,000	112.00	.85	17.00		95.00
1-16	30	10,000	98.00	.15	3.00	2.00	93.00
1-17	30	30,000	98.00	.15	3.00	2.00	93.00
1-17	30	15,000	98.50	.18	3.50	2.00	93.00
1-17	30	30,000	98.00	.15	3.00	2.00	93.00
1-18	30	8,000	100.50	.27	5.50		95.00

CHEAR

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price
1-18	30	20,000	99.00	.20	4.00		95.00
~~19~~	~~30~~	~~4,000~~	~~99.00~~	~~.43~~	~~8.50~~	~~2.00~~	~~88.50~~
19	30	10,000	103.50	.43	8.50	2.00	93.00
20	30	10,000	102.50	.37	7.50	2.00	93.00
20	30	8,500	100.50	.27	5.50	2.00	93.00
20	30	90,500	105.50	.53	10.50	2.00	93.00
20	37	30,000	112.00	.85	17.00	2.00	93.00
12	47	10,000	103.25	.41	8.25	2.00	93.00
15	47	10,000	98.00	.15	3.00	2.00	93.00
11	47	75,000	98.00	.15	3.00	2.00	93.00
16	47	75,000	98.00	.15	3.00	2.00	93.00
16	47	20,000	95.00	Mill		2.00	93.00
16	47	3,000	99.00	.20	4.00	2.00	93.00
16	47	5,000	99.25	.20	4.00	2.00	93.25
16	47	40,000	99.00	.20	4.00	2.00	93.00
17	47	10,000	98.00	.15	3.00	2.00	93.00
17	47	28,000	99.00	.20	4.00	2.00	93.00
16	4	20,000	103.50	.43	8.50	2.00	93.00
16	4	10,000	98.50	.17	3.50	1.50	93.50
16	4	4,000	98.50	.17	3.50	1.50	93.50
16	4	3,000	100.50	.27	5.50	1.50	93150
16	4	5,000	98.00	.15	3.00	1.50	93.50
16	4	10,000	102.75	.39	7.75	1.50	93.50
16	4	10,000	100.50	.27	5.50	1.50	93.50
16	4	2,500	99.00	.20	4.00	1.50	93.50
16	4	10,000	100.50	.27	5.50		95.00
15	7	7,000	99.50	.22	4.50	1.50	93.50
15	7	4,000	100.50	.27	5.50	1.50	93.50
17	7	5,000	99.50	.22	4.50	1.50	93.50
17	7	24,000	98.00	.15	3.00	1.50	93.50
17	7	15,000	98.50	.27	5.50	2.00	91.00
18	7	8,000	98.00	.25	5.00	1.50	91.50
18	7	3,000	106.00	.52	10.50	1.50	94.00
18	7	20,000	100.25	.25	5.25		95.00
18	7	6,000	99.50	.22	4.50	1.50	93.50
20	7	25,000	99.25	.21	4.25	1.50	93.50
20	7	12,000	99.50	.22	4.50		95.00
20	7	25,000	103.25	.41	8.25		95.00
20	7	20,000	102.75	.39	7.75		95.00
20	7	5,000	103.00	.40	8.00		95.00
20	7	15,000	105.50	.42	8.50		96.00
20	7	10,000	95.50	.27	5.50	1.50	88.50
20	7	2,000	100.50	.27	5.50	1.50	93.50
20	7	6,000	100.50	.27	5.50	1.50	93.50
16	23	80,000	98.00	.15	3.00	2.00	93.00
18	34	8,000	100.50	.27	5.50	2.00	93.00
19	34	13,000	99.50	.23	4.50	2.00	93.00
19	34	6,000	101.50	.33	6.50		95.00
15	42	75,000	98.00	.15	3.00	2.00	93.00
16	42	85,000	98.00	.20	4.00	2.00	92.00

5064

CLEAR

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commission	Net Factory Price
1-17	42	15,000	98.00	.20	4.00	2.00	92.00
17	42	1,000	100.00	.20	4.00	2.00	94.00
17	42	20,000	98.00	.20	4.00	2.00	92.00
17	42	12,000	98.00	.20	4.00	2.00	92.00
17	42	125,000	98.00	.15	3.00	2.00	93.00
17	44	10,000	102.50	.27	5.50	1.50	93.50
17	44	15,000	100.50	.27	5.50	1.50	93.50
17	44	42,000	99.00	.20	4.00	1.50	93.50
17	45	20,000	98.50	.27	5.50	2.00	91.00
10	45	25,000	100.50	.27	5.50		95.00
11	45	71,000	100.50	.27	5.50		95.00
11	45	15,000	99.50	.20	4.00		95.50
17	50	550	100.50	.27	5.50		95.00

HIGH

LOW

5065–5069

AVERAGE COST FOR LAST QUARTER OF 1922.

13/16 x 2-1/4" CLEAR MAPLE FLOORING
was $95.00 F. O. B. Cars at Flooring Mills
as shown by Association Report dated Oct. 25, 1922, Captioned
AVERAGE COST - BASED UPON THREE TEST RUNS OF 1921.

-c-c-c-c-c-c-c-c-c-c-c-c-c-c-

Compiled from RECORD OF COMPLETED TRANSACTIONS.
REPORT OF SALES MADE DURING WEEK ENDED JANUARY 27, 1923.

1 Sale	@	$85.00	total	22,000 ft.	
1 Sale	"	92.00	"	6,000 "	
1 Sale	"	93.00	"	8,000 "	31,000 ft. = .020%
1 Sale	"	93.50	"	10,000 "	
1 Sale	"	94.50	"	7,000 "	
91 Sales	@	$95.00	----------	1,287,000 ft.	= .852%
1 Sale	@	$95.25	total	4,000 ft.	
5 "	"	95.50	"	66,000 "	
3 "	"	96.00	"	36,000 "	
2 "	"	96.25	"	37,000 "	
1 "	"	100.00	"	5,000 "	194,000 ft. = .128%
2 "	"	100.25	"	30,000 "	
1 "	"	100.50	"	2,000 "	
1 "	"	101.50	"	32,000 "	
1 "	"	104.50	"	5,000 "	
113 Sales.					5070

1,512,000/ft = 100%

NET FACTORY PRICES MAPLE FLOORING 13/16 x 2¼

For Week Ending January 27, 1928.

Date	Mill	Quantity	Delivered Price	CLEAR FREIGHT Rate	Freight Charged	COMMIS-sions	Net Factory Price
1/17	2	2,000	108.25	.39	7.75	2.00	98.50
24	2	17,000	99.50	.23	4.50	2.00	93.00
24	2	17,000	99.50	.23	4.50	2.00	93.00
24	2	50,000	103.50	.43	8.50		95.00
25	24	20,000	99.50	.20	4.00	2.00	93.50
25	24	8,000	103.50	.43	8.50	2.00	93.00
22	33	20,000	98.50	.18	3.50	2.00	93.00
22	33	13,000	99.50	.23	4.50	2.00	93.00
26	33	22,000	88.50	.18	3.50	2.00	83.00
25	33	25,000	102.75	.39	7.75	2.00	93.00
22	49	30,000	112.00	.85	17.00	2.00	93.00
24	49	125,000	99.00	.20	4.00	2.00	93.00
24	49	27,000	99.50	.22	4.50	2.00	93.00
24	49	18,000	100.50	.27	5.50		95.00
24	49	25,000	112.00	.85	17.00	2.00	93.00
25	49	6,000	99.50	.22	4.50	2.00	93.00
27	49	6,000	102.75	.39	7.75	2.00	93.00
23	3	3,000	100.50	.27	5.50	2.00	93.00
22	5	3,000	102.00	.35	7.00	2.00	93.00
22	5	4,000	103.50	.43	8.50	2.00	93.00
22	5	6,750	103.50	.43	8.50	2.00	93.00
22	5	5,500	108.25	13.25	.65	2.00	93.00
22	5	8,500	108.25	13.25	.65	2.00	93.00
22	5	2,000	101.50	6.50	.32	1.50	93.50
22	5	15,000	99.25	4.25	.21	1.50	93.50
22	5	18,000	103.50	8.50	.43	2.00	93.00
23	5	20,000	112.00	17.00	.85	1.50	93.50
22	5	12,000	99.50	.23	4.50	2.00	93.00
24	5	15,000	103.50	.43	8.50	2.00	93.00
24	5	10,000	102.50	.38	7.50	1.50	93.50
24	5	25,000	112.00	.85	17.00	1.50	93.50
25	5	5,000	100.50	.27	5.50	1.50	93.50
26	3	5,000	100.50	.27	5.50	1.50	93.50
27	3	25,000	103.00	.15	3.00	1.50	98.50
27	3	10,000	104.75	.24	4.75		100.00
27	3	5,000	103.50	.43	8.50	2.00	93.00
26	3	10,500	112.00	.85	17.00	2.00	93.00
22	14	5,000	103.50	.43	8.50	2.00	93.00
22	14	50,000	103.50	.43	8.50	2.00	93.00
27	14	12,000	103.50	.43	8.50	2.00	93.00
27	14	10,000	103.50	.43	8.50	2.00	93.00
21	30	60,000	98.00	.15	3.00	2.00	93.00

5071

CLEAR

Date	Mill	Quantity	Delivered Price	Freight RATE	FREIGHT CHARGED	COMMIS-SIONS	Net Factory Price
1/22	30	4,000	103.50	.43	8.50	2.00	-93.00
22	30	15,000	105.50	.53	10.50	2.00	-93.00
22	30	50,000	98.00	.15	3.00	2.00	-93.00
23	30	20,000	99.00	.20	4.00	2.00	-93.00
23	30	7,000	103.50	.43	8.50	2.00	-93.00
23	30	20,000	108.25	.66	15.25	2.00	-93.00
23	30	20,000	108.25	.66	13.25	2.00	-93.00
25	30	9,000	103.50	.43	8.50	2.00	-93.00
26	30	4,000	103.50	.43	8.50	2.00	-93.00
~~27~~	~~30~~	~~15,000~~	~~93.50~~	~~.43~~	~~8.50~~	~~5.00~~	~~98.00~~ Back
27	30	25,000	103.50	.43	8.50	2.00	-93.00
19	47	20,000	103.00	.40	8.00	2.00	-93.00
20	47	20,000	99.50	.20	4.00	2.00	93.50
20	47	32,000	99.50	.22	4.50	2.00	-95.00
22	47	39,000	110.00	.43	8.50	2.00	99.50 ✓
24	47	4,000	97.75	.12	2.50	2.00	93.25
23	47	10,000	103.50	.43	8.50	2.00	-93.00
24	47	20,000	108.00	.60	12.00	2.00	94.00
20	4	3,000	99.50	.22	4.50	1.00	-94.00 ✓
20	4	4,000	100.50	.27	5.50	1.00	-94.00 ✓
20	4	5,000	99.50	.23	4.50	1.00	-94.00 ✓
20	4	10,000	99.00	.20	4.00	1.50	-93.50
20	4	22,000	108.25	.66	13.25	1.50	-93.50
20	4	3,000	100.50	.27	5.50		-95.00 ✓
20	4	4,000	100.50	.27	5.50	1.50	-93.50
20	4	6,000	100.50	.27	5.50	1.50	-93.50
20	4	3,000	100.50	.27	5.50	1.50	-93.50
20	4	17,000	99.00	.20	4.00	1.50	-93.50
20	4	3,000	99.50	.23	4.50	1.50	-93.50
20	4	3,000	100.60	.25	5.00		-95.00 ✓
20	4	3,000	101.00	.27	5.50	1.50	94.00
20	4	20,000	101.00	.27	5.50	1.50	94.00
20	4	1,000	101.00	.27	5.50	1.50	94.00
20	4	18,000	111.25	.81	16.25	1.50	-93.50
20	4	10,000	103.50	.43	8.50	1.50	-93.50
20	4	5,000	111.25	.81	16.25	1.50	-93.50
20	4	5,500	100.50	.27	5.50	1.50	-93.50
20	4	1,000	99.75	.24	4.75	1.50	-93.50
20	4	10,000	100.50	.27	5.50	1.50	-93.50
20	4	6,000	100.50	.27	5.50	1.50	-93.50
20	4	2,000	100.00	.25	5.00	1.50	-93.50
20	4	5,000	100.50	.27	5.50	1.50	-93.50
20	4	25,000	99.00	.20	4.00	1.50	-93.50
20	4	2,000	100.50	.27	5.50	1.50	-93.50
20	4	10,000	105.50	.52	10.50	1.50	-93.50
20	4	50,000	100.50	.27	5.50	1.50	-93.50

5072

CLEAR

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price
1/20	4	12,500	100.50	.27	5.50		95.00
20	4	3,000	100.00	.25	5.00	1.50	93.50
20	4	6,000	100.50	.27	4.50	1.50	94.50
20	4	8,000	112.00	.85	17.00		95.00
20	4	25,000	99.00	.20	4.00	1.50	93.50
23	7	5,000	100.50	.27	5.50		95.00
24	7	3,000	102.25	.36	7.25	1.50	93.50
26	7	10,000	101.75	.41	8.25		93.50
26	7	7,000	100.50	.27	5.50	1.50	93.50
26	7	5,000	109.50	.22	4.50	1.50	103.50
27	7	4,000	100.50	.27	5.50		95.00
27	34	10,000	102.00	.80.	16.00	2.00	94.00
22	42	17,000	100.50	.27	5.50	2.00	93.00
23	42	18,000	99.75	.24	4.75	2.00	93.00
24	44	27,000	100.50	.21	4.25		96.25
24	44	10,000	100.50	.21	4.25		96.25
24	44	26,500	99.00	.20	4.00	1.50	93.50
24	44	7,000	100.00	.27	5.50		94.50
24	44	20,000	98.00	.15	3.00	1.50	93.50
24	44	40,000	99.25	.21	4.25	1.50	93.50
27	50	2,000	99.00	.20	4.00		95.00
27	50	2,000	99.25	.19	3.75	~~95.50~~	~~95.50~~
27	50	1,000	100.50	.27	5.50	~~95.00~~	~~95.00~~
27	48	10,000	105.00	.24	4.75		100.25
27	48	20,000	105.00	.24	4.75		100.25
22	51	8,000	101.50	.43	8.50	2.00	91.00
22	51	6,000	100.50	.43	8.50	2.00	90.00

HIGH

LOW

5073-5078

AVERAGE COST FOR LAST QUARTER OF 1922

13/16 x 2-1/4" CLEAR MAPLE FLOORING

was $95.00 F. O. B. CARS AT FLOORING MILLS

as shown by Association Report dated Oct. 25, 1922, captioned

AVERAGE COST - BASED ON THREE TEST RUNS OF 1921.

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Compiled from RECORD OF COMPLETED TRANSACTIONS,

REPORT OF SALES MADE DURING THE WEEK ENDED FEBRUARY 3, 1923.

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1 Sale	@	$92.00	total	9,000 ft.	
3 "	"	93.00	"	50,000 "	128,000 ft. = .074%
1 "	"	94.00	"	42,000 "	
2 "	"	94.75	"	27,000 "	
63 Sales at		$95.00----------		1,302,957 ft. = .80%	
1 Sale	@	$95.25	total	20,000 ft.	
1 "	"	96.75	"	5,000 "	
12 "	"	100.00	"	125,000 "	
1 "	"	100.25	"	20,000 "	
2 "	"	100.50	"	13,000 "	206,800 ft. = .126%
1 "	"	101.50	"	2,800. "	
1 "	"	102.50	"	2,000 "	
3 "	"	105.00	"	12,000 "	
2 "	"	105.50	"	7,000 "	
94 Sales.					1,637,757 ft = 100%

NET FACTORY PRICES MAPLE FLOORING 13/16 x 2-1/4

For Week Ending February 3, 1923

Compiled from "RECORD OF COMPLETED TRANSACTIONS" dated February 5, 1923.

DATE	MILL	QUANTITY	DELIVERED PRICE	FREIGHT RATE	FREIGHT PAID	F.O.B. CARS CADILLAC	COMMISSIONS	NET PRICE CADILLAC
1/26	2	24,057	102.50	.38	7.50	95.00	2.00	93.00
24		100,000	112.00	.85	17.00	95.00	2.00	93.00
29		2,800	106.25	.24	4.75	101.50	2.00	99.50
27		120,000	103.50	.43	8.50	95.00	2.00	93.00
31		12,000	99.75	.24	4.75	95.00	2.00	93.00
30		11,000	104.75	.49	9.75	95.00	2.00	93.00
26	24	5,000	103.50	.43	8.50	95.00	2.00	93.00
27		3,000	98.50	.18	3.50	95.00	2.00	93.00
29		20,000	98.50	.18	3.50	95.00	2.00	93.00
2/ 3		18,000	102.50	.37	7.50	95.00	None	95.00
1/30	33	16,000	100.50	.27	5.50	95.00	2.00	93.00
		27,000	100.00	.25	5.00	95.00	2.00	93.00
1/31		15,000	105.50	.27	5.50	100.00	2.00	98.00
		22,000	102.00	.35	7.00	95.00	2.00	93.00
		22,600	100.50	.27	5.50	95.00	2.00	93.00
1/29	49	25,000	99.00	.20	4.00	95.00	2.00	93.00
1/31		12,000	100.00	.25	5.00	95.00	None	95.00
		50,000	111.25	.81	16.25	95.00	2.00	93.00
1/29	5	3,000	100.50	.27	5.50	95.00	2.00	93.00
		8,000	102.75	.39	7.75	95.00	2.00	93.00
1/30		12,500	103.50	.43	8.50	95.00	2.00	93.00
1/31		25,000	103.00	.15	3.00	100.00	2.00	98.00
		10,000	108.25	.41	8.25	100.00	2.00	98.00
2/ 1		3,000	105.50	.27	5.50	100.00	1.50	98.50
2/ 2		3,000	105.50	.27	5.50	100.00	2.00	98.00
1/30	14	8,000	99.00	.20	4.00	95.00	1.50	93.50
31	26	35,000	112.00	.85	17.00	95.00	2.00	93.00
29		25,000	100.00	.25	5.00	95.00	2.00	93.00
		15,000	99.00	.20	4.00	95.00	2.00	93.00
	30	8,000	103.50	.43	8.50	95.00	2.00	93.00
		12,000	114.00	.95	19.00	95.00	2.00	93.00
		15,000	112.00	.85	17.00	95.00	2.00	93.00
		30,000	112.00	.85	17.00	95.00	2.00	93.00
1/31		12,000	112.00	.85	17.00	95.00	2.00	93.00
		6,000	112.00	.85	17.00	95.00	2.00	93.00
2/ 1		12,000	103.50	.43	8.50	95.00	2.00	93.00
		5,000	103.50	.43	8.50	95.00	2.00	93.00
		5,000	103.50	.43	8.50	95.00	2.00	93.00
2/ 3		6,000	112.00	.85	17.00	95.00	2.00	93.00
		17,000	102.75	.39	7.75	95.00	2.00	93.00
		18,000	114.50	.72	14.50	100.00	2.00	98.00
1/26	37	22,000	102.75	.39	7.75	95.00	2.00	93.00
1/29		5,000	99.00	.20	4.00	95.00	2.00	93.00

NET FACTORY PRICES MAPLE FLOORING 13/16 x 2-1/4

For Week Ending February 3, 1923

Compiled from "RECORD OF COMPLETED TRANSACTIONS" dated February 5,1923.

DATE	MILL	QUANTITY	DELIVERED PRICE	FREIGHT RATE	FREIGHT PAID	F.O.B. CARS CADILLAC	COMMISSIONS	NET PRICE CADILLAC
1/31		20,000	99.00	.20	4.00	95.00	2.00	93.00
2/ 1		2,800	100.00	.23	4.50	95.50	2.00	93.50
		10,000	98.00	.15	3.00	95.00	1.50	93.50
		30,000	112.00	.85	17.00	95.00	2.00	93.00
2/ 5		2,000	102.75	.39	7.75	95.00	2.00	93.00
1/26	47	5,000	100.00	Mill		100.00	None	100.00
		90,000	95.00	Mill		95.00	2.00	93.00
		5,000	107.00	.51	10.25	96.75	2.00	94.75
1/30	47	3,000	104.50	.20	4.00	100.50	2.00	98.50
		100,000	103.00	.40	8.00	95.00	2.00	93.00
		12,000	103.50	.43	8.50	95.00	2.00	93.00
2/ 2		10,000	104.50	.20	4.00	100.50	2.00	98.50
1/30	4	5,000	108.50	.68	13.50	95.00	None	95.00
		2,000	99.50	.24	4.75	94.75	1.50	93.25
		20,000	98.00	.15	3.00	95.00	1.50	93.50
		23,000	98.00	.15	3.00	95.00	1.50	93.50
		2,000	106.50	.33	6.50	100.00	None	100.00
		10,000	98.50	.18	3.50	95.00		95.00
		1,000	101.00	.27	5.50	95.50		95.50
		30,000	112.00	.85	17.00	95.00	2.00	93.00
		4,000	100.50	.27	5.50	95.00	1.50	93.50
		5,000	112.00	.85	17.00	95.00	1.50	93.50
	7	5,000	111.00	.27	5.50	105.50	1.50	104.00
		2,000	108.00	.27	5.50	102.50	1.50	101.00
2/ 1		5,000	109.50	.22	4.50	105.00	1.50	103.50
		5,000	109.50	.23	4.50	105.00	1.50	103.50
		2,000	111.00	.27	5.50	105.50	1.50	104.00
2/ 3		2,000	110.00	.25	5.00	105.00	1.50	103.50
1/31	23	15,000	103.00	.15	3.00	100.00	2.00	98.00
	34	5,000	100.50	.27	5.50	95.00	2.00	93.00
2/ 3		14,000	101.75	.34	6.75	95.00	2.00	93.00
		10,000	100.50	.27	5.50	95.00	2.00	93.00
		5,000	100.50	.27	5.50	95.00	2.00	93.00
1/28	42	100,000	100.50	.27	5.50	95.00	2.00	93.00
2/ 1	42	15,000	108.50	.43	8.50	100.00	2.00	98.00
		15,000	100.50	.27	5.50	95.00	2.00	93.00
2/ 2		7,000	100.00	.25	5.00	95.00	2.00	93.00
		4,000	99.50	.22	4.50	95.00	2.00	93.00
		10,000	105.50	.27	5.50	100.00	2.00	98.00
	44	20,000	100.00	.25	5.00	95.00	None	95.00
1/23	45	20,000	108.25	.65	13.00	95.25	1.50	93.75
1/31		4,000	107.50	.37	7.50	100.00	2.00	98.00
1/29		42,000	99.00	.25	5.00	94.00	2.00	92.00

NET FACTORY PRICES MAPLE FLOORING 13/16 x 2-1/4

For Week Ending February 3, 1923.

Compiled from "RECORD FO COMPLETED TRANSACTIONS" dated February 5,1923.

DATE	MILL	QUANTITY	DELIVERED PRICE	FREIGHT RATE	FREIGHT PAID	F.O.B. CARS CADILLAC	COMMIS-SIONS	NET PRICE CADILLAC
2/ 1	50	4,000	100.50	.27	5.50	95.00	None	95.00
1/29	48	20,000	105.00	.24	4.75	100.25		100.25
1/30	51	10,000	103.25	.41	8.25	95.00	2.00	93.00
1/31		10,000	101.50	.43	8.50	93.00	2.00	91.00
1/29		25,000	101.50	.43	8.50	93.00	2.00	91.00
		15,000	101.50	.43	8.50	93.00	2.00	91.00
1/31		25,000	103.25	.43	8.50	94.75	2.00	92.75
2/ 2		10,000	103.25	.41	8.25	95.00	2.00	93.00
1/31		9,000	100.50	.43	8.50	92.00	2.00	90.00

AVERAGE COST FOR LAST QUARTER OF 1922

13/16 x 2-1/4 CLEAR MAPLE FLOORING
was $95.00; For FIRST QUARTER OF 1923 was $100.00
F. O. B. CARS AT FLOORING MILL, as shown by Association
Report dated October 25, 1922, Captioned
AVERAGE COST - BASED UPON THREE TEST RUNS OF 1921; and upon
AVERAGE COST CHART, dated FEBRUATY 15, 1923.

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Compiled from RECORD OF COMPLETED TRANSACTIONS.
REPORT OF SALES MADE DURING THE WEEK ENDED FEBRUARY 10, 1923.

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1 Sale	@ $92.00	total	10,000 ft.)	29,000 ft. = .028%
2 "	" 93.00	"	19,000 ")	
14 Sales	@ $95.00	total	----------	409,000 ft. = .392%
1 Sale	@ $95.50	total	3,500 ft.)	
3 "	" 99.00	"	22,150 ")	
1 "	" 99.50	"	10,000 ")	
18 "	" 100.00	"	513,100 ")	603,350 ft. = .580%
1 "	" 101.00	"	7,000 ")	
1 "	" 101.50	"	2,000 ")	
1 "	" 104.25	"	5,000 ")	
3 "	" 105.00	"	14,600 ")	
1 "	" 106.25	"	26,000 ")	

47 Sales. 1,043,350 = 100%

5083

NET FACTORY PRICES MAPLE FLOORING 13/16 x 2¼

For Week Ending February 14, 1923.

CLEAR

Date	Mill	Quantity	DELIVERED Price	Freight Rate	Freight Charged	Commissions	Net Factory Price
2/6	2	3,500	98.50	.15	5.00	2.00	93.50
6	2	10,000	107.75	.39	7.55	2.00	98.00
6	24	10,000	104.50	.23	4.50		100.00
2	33	88,000	98.75	.19	3.75	2.00	93.00
2	33	22,000	108.00	.40	8.00	2.00	98.00
5	33	46,000	109.00	.18	3.50	2.00	93.50
8	33	7,000	106.25	.41	8.25	2.00	96.00
6	49	25,000	104.75	.24	4.75	2.00	98.00
9	49	30,000	112.00	.85	17.00	2.00	93.00
5	5	17,000	108.50	.43	8.50	2.00	98.00
7	5	3,000	105.50	.27	5.50		100.00
7	5	90,000	116.25	1.21	24.25	2.00	95.00 Sold
8	5	30,000	117.00	.85	17.00	2.00	98.00
9	5	15,000	108.25	.41	8.25	2.00	98.00
10	5	100,000	104.00	.20	4.00	2.00	98.00
10	5	2,000	105.50	.27	5.50	2.00	98.00
8	37	18,000	107.75	.39	7.75	2.00	98.00
9	37	17,000	100.00	.25	5.00		95.00
10	37	120,000	117.00	.85	17.00	2.00	98.00
2	47	2,150	104.00	.25	5.00	2.00	97.00
2	47	5,000	105.00	.25	5.00	2.00	98.00
1	47	10,000	100.50	.43	8.50	2.00	90.00 Sold
1	47	10,000	100.25	.41	8.25	2.00	90.00
2	47	4,900	110.00	.25	5.00	2.00	103.00
2	47	10,000	104.50	.20	4.00	2.00	98.50
6	47	4,000	110.00	.25	5.00	2.00	103.00
8	47	10,000	108.00	.40	8.00	2.--	98.00
5	4	1,000	100.00	.25	5.00	1.50	93.50
5	4	10,000	108.00	.42	8.50		99.50
5	4	7,000	106.50	.27	5.50		101.00
5	4	10,000	103.50	.23	4.50	99.00	99.-
5	4	7,000	102.50	.37	7.50		95.00
5	4	3,000	107.25	.61	12.25		95.00
5	4	2,000	106.00	.27	5.50	1.50	99.00
7	7	6,000	109.50	.22	4.50	1.50	103.50
9	7	8,000	105.25	.26	5.25	1.50	98.50
10	7	5,000	109.75	.27	5.50		104.25
10	7	10,000	104.50	.27	5.50		99.00

5084

CLEAR

Date	Mill	Quantity	Delivered PRICE	Freight Rate	Freight Charged	Commis-sions	Net FACTORY Price	
2/6	23	40,000	103.00	.15	6.00	2.00	98.00	
10	23	40,000	106.50	.32	6.50	2.00	98.00	
9	34	30,000	112.00	.85	17.00	2.00	93.00	
9	42	50,000	104.00	.20	4.00	2.00	98.00	
8	48	26,000	110.00	.24	4.75	[illegible]	105.25	-
7	51	50,000	103.25	.41	8.25	2.00	93.00	
7	51	25,000	103.25	.41	8.25	2.00	93.00	
8	51	4,000	101.50	.45	8.50	2.00	91.00	
7	51	15,000	101.50	.42	8.50	2.00	91.00	
10	51	30,000	103.25	.41	8.25	2.00	93.00	
10	51	50,000	103.25	.41	8.25	2.00	93.00	
10	51	8,000	102.75	.39	7.75	2.00	93.00	
~~10~~	~~51~~	~~8,000~~	~~91.50~~	~~.42~~	~~8.50~~	~~2.00~~	~~81.00~~	

HIGH

LOW

5085-5087

AVERAGE COST FOR FOURTH QUARTER OF 1922

13/16 x 2-1/4 CLEAR MAPLE FLOORING

was $95.00 F. O. B. Cars at Flooring Mills; For FIRST QUARTER OF 1923 was $100.00 F.O.B. Cars at Flooring Mills, as shown by Association Report dated Oct. 25, 1922, Captioned AVERAGE COST - BASED ON THREE TEST RUNS OF 1921, and AVERAGE COST CHART dated February 15, 1923.

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Compiled from RECORD OF COMPLETED TRANSACTIONS.

REPORT OF SALES MADE DURING THE WEEK ENDED FEBRUARY 17, 1923.

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1 Sale	@	$93.00	total	26,150 ft.)	26,150 ft. = .028%
16 Sales	@	$95.00----------			269,500 ft. = .292%
1 Sale	@	$95.50	total	100,000 ft.)	
1 "	"	96.50	"	5,000 "	
1 "	"	97.00	"	1,200 "	
1 "	"	98.00	"	15,000 "	
1 "	"	98.50	"	20,000 "	
21 "	"	100.00	"	357,100 "	
2 "	"	100.50	"	30,000 "	626,300 ft. = .680%
1 "	"	101.00	"	15,000 "	
1 "	"	102.50	"	50,000 "	
1 "	"	105.25	"	24,000 "	
1 "	"	108.00	"	3,000 "	
1 "	"	109.00	"	200 "	
1 "	"	114.00	"	5,800 "	
61 Sales.					921,950 ft = 100%

5088

NET FACTORY PRICES MAPLE FLOORING 13/16 x 2-1/4

For Week Ending February 23, 1923

Compiled from "RECORD OF COMPLETED TRANSACTIONS" dated Feb.23,1923

DATE	MILL	QUANTITY	DELIVERED PRICE	AVERAGE FREIGHT RATE	FREIGHT PAID	NET PRICE CADILLAC	COMMISSIONS
2-12	30	5,000	108.50	.43	8.50	100.00	2.00
15	30	11,000	104.00	.20	4.00	100.00	
17	30	20,000	108.25	.41	8.25	100.00	2.00
12	37	14,000	111.50	.82	16.50	95.00	
12	37	20,000	108.50	.43	8.50	100.00	2.00
12	47	18,000	99.00	.20	4.00	95.00	2.00
9	47	20,000	102.50	.20	4.00	98.50	2.00
9	47	3,000	114.00	.30	6.00	108.00	2.00
13	47	50,000	110.00	.37	7.50	102.50	2.00
10	47	15,000	114.00	.80	16.00	98.00	2.00
15	4	100,000	101.00	.27	5.50	95.50	1.50
15	4	5,000	105.50	.27	5.50	100.00	
15	4	5,000	107.25	.36	7.25	100.00	1.50
15	4	10,600	105.50	.27	5.50	100.00	1.50
16	4	10,000	106.00	.27	5.50	100.50	1.50
12	34	5,000	105.50	.27	5.50	100.00	
15	44	18,000	104.00	.20	4.00	100.00	
15	44	8,000	105.50	.27	5.50	100.00	
12	50	5,000	105.50	.27	5.50	100.00	
12	50	5,000	105.00	.25	5.00	100.00	
16	48	24,000	110.00	.24	4.75	105.25	
12	51	50,000	103.25	.41	8.21	95.00	2.00
12	51	8,000	102.75	.39	7.75	95.00	2.00
12	51	25,000	103.25	.41	8.25	95.00	2.00
15	51	5,000	105.50	.43	8.50	95.00	2.00
16	51	7,000	103.50	.43	8.50	95.00	2.00
	47	15,000	108.00	.35	7.00	101.00	2.00
12	2	15,000	104.75	.24	4.75	100.00	2.00
14	2	5,000	107.50	.38	7.50	100.00	
12	24	20,000	104.50	.20	4.00	100.50	2.00
14	24	20,000	105. 50	.27	5.50	100.00	2.00
10	33	67,500	108.50	.43	8.50	100.00	2.00
12	33	26,150	98.00	.25	5.00	93.00	
14	49	8,000	104.50	.23	4.50	100.00	2.00
12	5	10,000	108.50	.43	8.50	100.00	2.00
13	5	14,000	113.25	.66	13.25	100.00	2.00
13	5	50,000	104.00	.20	4.00	100.00	2.00
5	14	8,000	103.50	.43	8.50	95.00	2.00
8	14	15,000	103.50	.43	8.50	95.00	2.00

DATE	MILL	QUANTITY	DELIVERED PRICE	AVERAGE FREIGHT RATE	FREIGHT PAID	NET PRICE CADILLAC	COMMISSIONS
2-13	14	10,000	112.00	.85	17.00	95.00	2.00
13	14	25,000	103.50	.43	8.50	95.00	2.00
13	14	12,000	103.50	.43	8.50	95.00	2.00
13	14	12,500	103.50	.43	8.50	95.00	2.00
14	14	5,000	100.50	.27	5.50	95.00	2.00
5	26	5,000	67.00				
6	26	15,000	110.00				
7	26	35,000	112.00				
17	26	50,000	105.00	.25	5.00	100.00	
13	26	5,000	99.75	.16	3.25	96.50	2.00
5	30	25,000	112.00	.85	17.00	95.00	2.00
5	30	1,200	97.00	Mill		97.00	
6	30	5,800	124.75	.54	10.75	114.00	
8	30	30,000	112.00	.85	17.00	95.00	2.00
9	30	200	109.00	Mill		100.00	

AVERAGE COST FOR FIRST QUARTER OF 1923

13/16 x 2-1/4 CLEAR MAPLE FLOORING

was $100.00 F. O. B. Cars at Flooring Mills

as shown by AVERAGE COST CHART dated February 15, 1923.

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Compiled from RECORD OF COMPLETED TRANSACTIONS

REPORT OF SALES MADE DURING THE WEEK ENDING FEBRUARY 24, 1923.

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5 Sales	@ $95.00	total	73,000 ft.		
1 "	" 99.00	"	7,000 "	167,000 ft. = .143%	
2 "	" 99.50	"	87,000 "		
36 Sales	@ $100.00----------			696,000 ft. = .598%	
3 Sales	at $100.25	total	121,000 ft.		
3 "	" 100.50	"	102,000 "		
1 "	" 102.00	"	4,500 "		
2 "	" 104.00	"	24,500 "		
1 "	" 104.25	"	4,000 "	300,800 ft. = .259%	
2 "	" 105.00	"	8,000 "		
1 "	" 105.25	"	18,800 "		
1 "	" 105.50	"	2,000 "		
1 "	" 106.00	"	13,000 "		
1 "	" 106.25	"	3,000 "		
60 Sales				1,163,800 ft = 100%	

5091

NET FACTORY PRICES MAPLE FLOORING 13/16x2¼

For Week Ending Feb. 24, 1923

CLEAR.

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price
2-15	2	20,000	108.50	.43	8.50	2.00	98.00
20	2	20,000	108.50	.43	8.50	2.00	98.00
21	2	40,000	104.75	.24	4.75	2.00	98.00
20	24	12,000	103.00	.15	3.00	2.00	98.00
23	24	22,000	105.00	.23	5.50	2.00	97.50
22	33	18,000	108.50	.43	8.50	2.00	98.00
23	49	60,000	107.50	.38	7.50	2.00	98.00
23	49	100,000	108.50	.43	8.50	2.00	98.00
19	5	10,000	108.50	.43	8.50	2.00	98.00
19	5	6,000	115.60	.77	15.50	2.00	98.00
19	5	15,000	104.25	.21	4.25	1.50	98.50
21	5	10,000	108.50	.43	8.50	2.00	98.00
22	5	5,000	119.00	.95	19.00	2.00	88.00
23	5	18,000	116.00	.80	16.00	2.00	98.00
24	5	50,000	103.00	.16	5.00	2.00	96.00
20	14	20,000	108.50	.43	8.50	2.00	98.00
20	14	20,000	103.50	.43	8.50	2.00	93.00
20	14	17,000	103.50	.43	8.50	2.00	93.00
23	14	17,000	103.00	.15	3.00	1.50	98.50
24	14	7,000	117.00	.85	17.00	2.00	98.00
19	30	10,000	117.00	.85	17.00	2.00	98.00
19	30	3,000	105.50	.27	5.50	2.00	98.00
19	30	3,000	105.50	.27	5.50	2.00	98.00
19	30	30,000	103.00	.15	3.00	2.00	98.00
19	30	27,000	103.00	.15	3.00	2.00	98.00
19	30	30,000	103.00	.15	3.00	2.00	98.00
19	30	20,000	109.50	.72	14.50	2.00	93.00
19	30	11,000	100.50	.27	5.50		95.00
21	30	8,000	106.00	Mill			106.00
16	47	100,000	108.50	.41	8.25	2.00	98.25
17	47	6,000	103.50	.18	3.50	2.00	98.00
16	47	10,000	107.50	.37	7.50	2.00	98.00
17	47	32,000	108.00	.40	8.00	2.00	98.00
20	47	16,000	102.75	.12	2.50	2.00	98.25
19	47	5,000	105.00	.22	4.50	2.00	98.25
21	47	4,500	100.00	Mill		2.00	100.00
19	47	4,500	112.00	.40	8.00	2.00	102.00
19	47	20,000	112.50	.63	12.50	2.00	98.00
19	47	75,000	106.00	.27	5.50	2.00	98.50
19	47	65,000	105.00	.27	5.50	2.00	97.50
19	47	22,000	108.50	.40	8.00	2.00	98.50

Clear 2 Feb. 24, 1923

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight Charged	Commissions	Net Factory Price
2-21	47	10,000	105.00	.25	5.00	2.00	98.00
20	4	13,000	106.50	.33	6.50	1.50	98.50
20	4	5,000	106.00	.27	5.50	1.50	99.00
20	4	3,000	111.00	.24	4.75	1.50	104.75
20	4	2,000	111.00	.27	5.50		105.50
20	4	7,000	105.00	.33	6.50		99.00
20	4	2,500	106.50	.33	6.50	1.50	98.50
22	4	4,000	106.50	.33	6.50	1.50	98.50
24	4	7,500	107.00	.35	7.00		100.00
21	7	5,000	109.00	.20	4.00	1.50	103.50
21	7	5,000	100.50	.27	5.50		95.00
23	7	2,000	111.00	.27	5.50	1.50	104.00
23	7	6,000	110.25	.26	5.25		105.00
23	7	20,000	108.75	.24	4.75	1.50	102.50
19	34	40,000	105.50	.27	5.50	1.50	98.50
21	42	6,000	103.00	.15	3.00		100.00
22	44	6,000	107.25	.36	7.25		100.00
22	44	8,000	105.50	.27	5.50		100.00
22	50	4,000	104.25				104.25
24	48	18,800	110.00	.24	4.75		105.25
15	47	7 000	105.50	43	150	25	98.5

HIGH

LOW

5093-5096

AVERAGE COST FOR FIRST QUARTER OF 1923

13/16 x 2-1/4 CLEAR MAPLE FLOORING

was $100.00 F. O. B. Cars at Flooring Mills

as shown by AVERAGE COST CHART dated February 15, 1923.

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Compiled from RECORD OF COMPLETED TRANSACTIONS.

REPORT OF SALES MADE DURING THE WEEK ENDED MARCH 3, 1923.

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1 Sale	@	$90.00	total	3,000 ft.	
1 "	"	90.75	"	2,000 "	52,000 ft. = .072%
3 "	"	95.00	"	47,000 "	
31 Sales	@	$100.00	----------		552,000 ft. = .764%
1 Sale	@	$100.25	total	1,000 ft.	
2 "	"	100.50	"	23,000 "	
1 "	"	100.75	"	6,000 "	
1 "	"	103.50	"	3,500 "	118,870 ft. = .164%
1 "	"	102.00	"	10,000 "	
7 "	"	105.00	"	58,370 "	
1 "	"	105.25	"	17,000 "	
50 Sales					722,870 ft. = 100%

5097

CLEAR

NET FACTORY PRICES MAPLE FLOORING 13/16 x 2¼

For Week Ending March 7th, 1923.

Date	Mill	Quantity	Delivered Price	Freight Rate	Freight CHARGED	Commissions	Net Factory Price
2/23	2	17,500	105.50	.27	5.50		100.00
28	2	25,000	109.50	.23	4.50		105.00
3/1	24	6,000	106.00	.23	4.50	2.00	99.50
2/24	33	3,500	107.00	.18	3.50	2.00	101.50
3/1	33	17,000	106.50	.27	5.50	2.00	98.00
3/1	33	6,000	107.75	.39	7.75	2.00	98.00
1	33	5,000	107.75	.39	7.75	2.00	98.00
2/26	49	20,000	108.50	.43	8.50	2.00	98.00
26	49	10,000	106.75	.24	4.75	2.00	100.00
28	49	7,000	104.75	.24	4.75	2.00	98.00
3/1	49	20,000	107.50	.38	7.50 -	2.00	98.00
2	49	20,000	107.50	.38	7.50	2.00	98.00
3	49	10,000	105.50	.27	5.50	2.00	98.00
2/26	5	60,000	117.00	.85	17.00	2.00	98.00
26	5	12,000	108.50	.43	8.50	2.00	98.00
3/1	5	10,000	108.50	.43	8.50	2.00	98.00
1	5	12,000	108.50	.43	8.50	2.00	98.00
1	5	3,000	104.00	.20	4.00		100.00
3	5	25,000	117.00	.85	17.00	1.50	98.50
3	5	20,000	108.50	.43	8.50	2.00	98.00
3	5	4,000	106.50	.32	6.50	1.50	98.50
2	26	20,000	104.00	.20	4.00	2.00	98.00
2	26	30,000	104.00	.20	4.00	2.00	98.00
2/22	26	12,500	104.00	.20	4.00	2.00	98.00
26	30	10,000	108.25	.41	8.25	2.00	98.00
28	30	15,000	98.00	.15	3.00	2.00	93.00
3/1	30	30,000	121.25	1.31	26.25	2.00	93.00
3	37	10,000	107.50	.38	7.50	2.00	98.00
3	37	3,000	97.50	.38	7.50	2.00	88.00
3	37	22,000	105.50	.27	5.50	2.00	98.00
2/22	47	4,370	110.00	.25	5.00	2.00	103.00
21	47	5,000	107.50	.37	7.50	2.00	98.00
25	47	10,000	104.00	.20	4.00	2.00	98.00
24	47	17,000	104.50	.20	4.00	2.00	98.50
28	4	2,000	100.50	.27	5.50		95.00
3/1	4	56,000	117.00	.85	17.00	2.00	98.00
1	4	32,000	117.00	.85	17.00	2.00	98.00
2/26	7	3,000	110.50	.27	5.50	1.50	103.50
3/2	7	15,000	109.25	.21	4.25	1.50	103.50
2	7	3,000	111.00	.30	6.00	1.50	103.50
2	7	5,000	109.50	.22	4.50	1.50	103.50
2/19	23	1,000	105.00	.24	4.50		100.25
26	34	9,000	106.50	.32	6.50	2.00	98.00
3/3	44	2,000	106.50	.27	5.50		100.00

5098

CLEAR

Date	Mill	Quantity	Delivered Price	FREIGHT Rate	Freight Charged	Commis-sions	Net Factory Price
3/3	44	6,000	105.50	.24	4.75		100.75
3	44	2,000	95.50	.24	4.75		90.75
3	44	3,000	108.50	.18	3.50		105.00
3	44	36,000	105.50	.27	5.50		100.00
3	48	17,000	110.00	.24	4.75		105.25
3	51	50,000	108.25	.41	8.25	2.00	98.00

HIGH

LOW

AVERAGE COST FOR FIRST QUARTER OF 1923

13/16 x 2-1/4 CLEAR MAPLE FLOORING
was $100.00 F. O. B. CARS AT FLOORING MILLS
as shown by "AVERAGE COST CHART" dated February 15, 1923;
For SECOND QUARTER OF 1923 was $100.00 F.O.B. Cars at Flooring Mills, as shown by "AVERAGE COST CHART" dated March 10,1923.

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Compiled from RECORD OF COMPLETED TRANSACTIONS.
REPORT OF SALES MADE DURING THE WEEK ENDED MARCH 10, 1923.

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1 Sale	@ $97.50	total	7,000 ft.	67,000 ft. =	.093%
2 "	" 98.00	"	60,000 "		
22 Sales	@ $100.00----------			385,600 ft. =	.533%
1 Sale	@ $100.25	total	24,000 ft.	271,839 ft. =	.374%
1 "	" 100.50	"	17,000 "		
1 "	" 101.00	"	5,000 "		
2 "	" 103.75	"	8,000 "		
10 "	" 105.00	"	197,000 "		
1 "	" 105.25	"	14,639 "		
1 "	" 105.50	"	2,000 "		
1 "	" 110.00	"	4,200 "		
43 Sales				724.439 ft = 100%	

5102

NET FACTORY PRICES MAPLE FLOORING 13/16 x 2-1/4

For Week Ending March 10, 1923

Compiled from "RECORD OF COMPLETED TRANSACTIONS" dated March 15,1923.

DATE	MILL	QUANTITY	DELIVERED PRICE	FREIGHT RATE	FREIGHT PAID	F.O.B. CARS CADILLAC	COMMIS-SIONS	NET PRICE CADILLAC
3/ 6	33	65,000	113.50	.43	8.50	105.00	2.00	103.00
7	2	4,200	115.00	.25	5.00	110.00	2.00	108.00
3	24	10,000	108.50	.43	8.00	100.00	2.00	98.00
6	33	20,000	109.75	.24	4.75	105.00	2.00	103.00
	33	20,000	104.75	.24	4.75	100.00	2.00	98.00
5	5	18,000	103.25	.16	3.25	100.00	1.50	98.50
5	5	3,000	117.00	.85	17.00	100.00	2.00	98.00
8	5	30,000	117.00	.85	17.00	100.00	1.50	98.50
6	5	10,000	104.50	.23	4.50	100.00	2.00	98.00
8	5	30,000	117.00	.85	17.00	100.00	1.50	98.50
10	5	15,000	108.50	.43	8.50	100.00	2.00	98.00
5	5	24,000	108.25	.41	8.25	100.00	2.00	98.00
	5	25,000	108.50	.43	8.50	100.00	2.00	98.00
	14	20,000	108.50	.43	8.50	100.00	2.00	98.00
	14	40,000	105.50	.27	5.50	100.00	2.00	98.00
	14	8,000	108.50	.43	8.50	100.00	2.00	98.00
8	14	25,000	103.00	.15	3.00	100.00	2.00	98.00
9	26	30,000	101.00	.15	3.00	98.00	None	98.00
	26	30,000	101.00	.15	3.00	98.00		98.00
8	26	60,000	122.00	.85	17.00	105.00	2.00	103.00
5	30	3,300	104.25	.21	4.25	100.00	2.00	98.00
6	37	20,000	107.75	.39	7.75	100.00	2.00	98.00
8	37	24,000	107.75	.37	7.50	100.25	2.00	98.25
	37	6,000	108.50	.43	8.50	100.00	2.00	98.00
1	47	5,000	106.00	.25	5.00	101.00	2.00	99.00
3	47	3,000	113.00	.41	8.25	103.75	2.00	101.75
9	47	3,000	107.50	.37	7.50	100.00	2.00	98.00
6	4	15,000	104.25	.21	4.25	100.00	1.50	98.50
	4	17,000	106.00	.27	5.50	100.50	1.50	99.00
	4	5,000	111.50	.39	7.75	103.75	1.50	102.25
	4	2,000	111.50	.33	6.50	105.00	None	105.00
5	7	5,000	110.50	.27	5.50	105.00	1.50	103.50
	7	2,000	111.00	.27	5.50	105.50	1.50	104.00
	7	6,000	108.50	.18	3.50	105.00	1.50	103.50
	7	5,000	109.00	.20	4.00	105.00	None	105.00
9	7	14,000	110.50	.27	5.50	105.00	1.50	103.50
	42	7,000	103.50	.20	6.00	97.50	2.00	95.50
	42	20,000	103.00	.15	3.00	100.00	2.00	98.00
10	42	20,000	117.00	.85	17.00	100.00	None	100.00
	44	20,000	105.50	.27	5.50	100.00		100.00
8	45	18,000	112.50	.37	7.50	105.00	2.00	103.00
	50	2,000	101.75	.34	6.75	105.00	1.50	103.50
	48	14,369	110.00	.24	4.75	105.25	None	105.25

Average Cost for Second Quarter 1923

13/16 X 2½ Clear Maple Flooring was $100, as shown by average cost 3/10/23 — and $105 as shown by average cost 3/24/23.

Complied from Record of Completed Transactions.
Report of sales made during week ending March 17,1923

2	Sales at	95.00	Total Feetage	11.000		
2	Sales at	98.00	" "	80.000		
4	"	Below	the 100.00 Base	71.000	=	11%
31	Sales at	100.00	Total Feetage	322.000	=	54%
2	Sales at	100.00	Total Feetage	36.000		
1	Sale "	103.00	" "	10 000		
2	Sales "	103.25	" "	10 500		
6	Sales "	105.00	" "	118.500		
1	Sale "	105.50	" "	25.000		
1	Sale "	106.00	" "	3.000		
13	Sales "	above	the 100.00 Base	204.000	=	34%
38	Sales	13/16 X 2½	Total Feetage	597.000	=	100%

5104

Net Factory Prices Maple Flooring 13/16 X 2¼ Clear

For Week ending March 21st, 1923,

as complied from "Report of Completed Transaction Dated March 1

Date	#	Quantity Price	Delivered Price	Frt Rate	Actual Freight Allowance	Price FOB Flooring mills	Com- allowed	Net Price cars, Flooring
2/9	2	2.500	108.00	.15	3.00	105.00	none	105.00
3/14	2	30.000	109.50	.33	4.50	105.00	none	105.00
3/10	24	28.000	108.00	.40	8.00	100.00	1.50	98.50
		7/16X2¼						
3/12	5	14.000	108.50	.43	8.50	100.00	2.00	98.00
3/13	5	5.000	104.75	.24	4.75	100.00	none	100.00
3/13	5	5.000	104.75	.24	4.75	100.00	none	100.00
3/13	5	20.000	108.50	.43	8.50	100.00	2.00	98.00
3/13	5	24.000	107.75	.39	7.75	100.00	2.00	98.00
3/13	5	50.000	108.50	.43	8.50	100.00	2.00	98.00
3/15	5	5.000	105.50	.27	5.50	100.00	2.00	98.00
3/16	5	25.000	117.00	.85	17.00	100.00	2.00	98.00
3/17	5	20.000	103.00	.15	3.00	100.00	1.50	98.50
3/17	5	5.000	117.00	.85	17.00	100.00	1.50	98.50
3/15	26	15.000	104.00	.20	4.00	100.00	2.00	98.00
3/13	26	25.000	104.00	.20	4.00	100.00	2.00	98.00
3/9	26	30.000	101.00	.15	3.00	98.00	2.00	96.00
3/8	26	30.000	101.00	.15	3.00	98.00	2.00	96.00
3/8	26	60.000	122.00	.85	17.00	105.00	2.00	103.00
3/12	30	30.000	117.00	.85	17.00	100.00	2.00	98.00
3/14	30	7.500	111.25	.41	8.25	103.25	2.00	101.00
3/15	30	10.000	108.25	.26	5.25	103.00	2.00	101.00
3/17	30	10.000	103.50	.43	8.50	95.00	2.00	93.00
3/16	4	25.000	110.50	.25	5.00	105.50	1.50	104.00
3/16	4	2.000	105.00	.25	5.00	100.00	1.50	98.50
3/16	4	4.000	112.75	.39	7.75	105.00	none	105.00
3/17	4	3.000	110.00	.25	5.00	105.00	1.00	104.00
3/17	7	3.000	106.00	Mill	None	106.00	none	106.00
3/13	23	16.000	104.75	.21	4.25	100.50	2.00	98.50
3/13	23	10.000	106.50	.32	6.50	100.00	2.00	98.00
3/13	23	20.000	108.25	.41	8.25	100.00	2.00	98.00
3/17	23	20.000	104.50	.20	4.00	100.50	2.00	98.50
3/12	34	8.000	105.50	.27	5.50	100.00	none	100.00
3/12	34	3.000	107.25	.36	7.25	100.00	none	100.00
3/15	34	8.000	105.50	.27	5.50	100.00	1.50	98.50
3/17	42	8.000	108.25	.41	8.25	100.00	none	100.00
3/13	50	3.000	108.75	.27	5.50	103.25	none	103.25
3/13	50	1.000	100.50	.27	5.50	95.00	none	95.00
3/18	48	20.000	110.00	.24	5.00	105.00	none	105.00

AVERAGE COST FOR SECOND QUARTER OF 1923

13/16 x 2-1/4 CLEAR MAPLE FLOORING
was $100.00 F.O.B. Cars at Flooring Mills
as shown by AVERAGE COST CHART dated Mar. 10, 1923, and
was $105.00 F.O.B. Cars at Flooring Mills
as shown by "Average Cost Chart" dated Mar. 24, 1923.

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Compiled from RECORD OF COMPLETED TRANSACTIONS
REPORT OF SALES MADE DURING THE WEEK ENDED MARCH 24, 1923.

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1 Sale	@	$88.00	total	8,000 ft.	
1 "	"	95.00	"	18,000 "	
1 "	"	97.50	"	18,000 "	74,000 ft. = .079%
1 "	"	98.00	"	25,000 "	
1 "	"	99.50	"	5,000 "	
26 Sales	@	$100.00----------			398,000 ft. = .424%
1 Sale	@	$100.25	total	12,000 ft.	
1 "	"	100.50	"	25,000 "	
1 "	"	101.75	"	60,000 "	
3 "	"	103.00	"	90,000 "	
15 "	"	105.00	"	242,300 "	466,300 ft. = .497%
1 "	"	105.25	"	10,000 "	
1 "	"	105.50	"	3,000 "	
1 "	"	106.50	"	24,000 "	
55 Sales					938,300 ft. = 100%

5106

NET FACTORY PRICES MAPLE FLOORING 13/16 x 2-1/4

For Week ending March 24, 1923

Compiled from "RECORD OF COMPLETED TRANSACTIONS" dated Mar. 29,1923.

DATE	MILL	QUANTITY	DELIVERED PRICE	FREIGHT RATE	ACTUAL FREIGHT ALLOWED	PRICE F.O.B. CADILLAC	COMMIS-SIONS	NET PRICE CADILLAC
3-23	30	25,000	111.50	.43	8.50	103.00	2.00	101.00
12	37	12,000	105.00	.24	4.75	100.25	2.00	98.25
13		12,000	108.25	.41	8.25	100.00	2.00	98.00
13		31,000	105.50	.27	5.50	100.00	2.00	98.00
		15,000	104.00	.20	4.00	100.00	2.00	98.00
19	7	6,000	109.50	.23	5.50	105.00	None	105.00
20		2,800	111.50	.33	6.50	105.00		105.00
		2,400	111.50	.33	6.50	105.00		105.00
		1,000	109.00	.20	4.00	105.00	1.50	103.50
21		8,000	111.50	.33	6.50	105.00	1.50	103.50
22		8,000	111.00	.30	6.00	105.00	1.50	103.50
		4,000	109.50	.22	4.50	105.00	1.50	103.50
23		6,000	110.50	.27	5.50	105.00	1.50	103.50
19	23	9,000	96.50	.43	8.50	88.00	None	88.00
		25,000	106.50	.43	8.50	98.00		98.00
20		24,000	113.00	.33	6.50	106.50	1.50	105.00
24	34	11,000	107.50	.37	7.50	100.00	2.00	98.00
		34,000	106.75	.34	6.75	100.00	None	100.00
23	42	25,000	103.00	.12	2.50	100.50	2.00	98.50
	44	15,000	107.00	.20	4.00	103.00	None	103.00
		50,000	107.00	.20	4.00	103.00	None	103.00
20	50	5,000	105.00	.27	5.50	99.50	1.50	98.00
		18,000	100.50	.27	5.50	95.00	2.00	93.00
22	48	10,000	110.00	.24	4.75	105.25	None	105.25
13	51	13,000	108.50	.43	8.50	100.00	2.00	98.00
		5,000	108.50	.43	8.50	100.00	2.00	98.00
22		25,000	108.25	.41	8.25	100.00	2.00	98.00
20		18,000	106.00	.43	8.50	97.50	2.00	95.50
24		19,000	108.25	.41	8.25	100.00	2.00	98.00

AVERAGE COST FOR SECOND QUARTER OF 1923.

13/16 x 2-1/4 CLEAR MAPLE FLOORING

Was $105,00 F.O.B. Cars at FLOORING MILL, as shown by REPORT OF THE ASSOCIATION DATED MARCH 24, 1923, Captioned AVERAGE COST - BASED UPON COMPOSITE RESULTS OF NINE TEST RUNS.

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COMPILED FROM RECORD OF COMPLETED TRANSACTIONS.
REPORT OF SALES MADE DURING THE WEEK ENDING
March 31, 1923.

1 Sale @	$95.00	Total Feetage	5,900 ft.		
1 " @	97.00	" "	18,500 "		
1 " @	99.50	" "	4,500 "		
9 " @	100.00	" "	151,500 "	297,400 ft.	56.9%
1 " @	100.50	" "	18,000 "		
1 " @	102.00	" "	10,000 "		
1 " @	103.00	" "	75,000 "		
1 " @	104.00	" "	14,000 "		
7 Sales @	105.00	Total Feetage	104,000 ft.	104,000 ft.	19.9%
2 Sales @	105.00	Total Feetage	14,500 ft.		
1 " @	110.00	" "	100,000 "	121,200 ft.	23.2%
2 " @	112.50	" "	6,700 "		
28 Sales.			522,600 ft.	522,600 ft.	100%

5108

NET FACTORY PRICES MAPLE FLOORING.

13/16x2¼Clear.

Compiled from Record of Completed Transaction
for week ending March 31,1923.

Date	No.	Quantity	Delivered Price	Av. Frt. Rate	Act. Frt Allowed.	Price F.O.B. Cars at Mill	Com.	Net Price F.O.B. cars at Mill.
3-26	2	100,000	127.00	.85	17.00	110.00	2.00	108.00
		3,200	118.00	.27	5.50	112.50	2.00	110.50
		3,500	117.50	.25	5.00	112.50	2.00	110.50
3-30	33	7,000	108.50	.18	3.50	105.00	2.00	103.00
3-26	49	43,000	112.75	.39	7.75	105.00	2.00	103.00
		40,000	112.75	.39	7.75	105.00	2.00	103.00
3-30		4,000	109.50	.23	4.50	105.00		105.00
3-27	5	5,000	105.00	.27	5.50	100.00	2.00	98.00
3-28	14	21,000	104.25	.21	4.25	100.00	2.00	98.00
3-29		20,000	108.50	.43	8.50	100.00	2.00	98.00
3-30		10,000	108.50	.43	8.50	100.00	2.00	98.00
		4,000	108.50	.43	8.50	100.00	2.00	98.00
3-31	26	18,500	106.50	.47	9.50	97.00	2.00	95.00
		14,000	113.50	.47	9.50	104.00	2.00	102.00
		14,500	109.50	.47	9.50	100.00	2.00	98.00
3-27		5,000	109.25	.46	9.25	100.00	2.00	98.00
3-12	47	60,000	100.00	Mill		100.00	2.00	98.00
3-16		10,000	109.50	.37	7.50	102.00	2.00	100.00
		12,000	109.50	.20	4.00	105.50	2.00	103.50
3-26	7	3,000	109.50	.22	4.50	105.00	1.50	103.50
3-30		2,000	109.50	.23	4.50	105.00	1.50	103.50
3-28	34	4,500	105.00	.27	5.50	99.50	2.00	97.50
3-30	44	5,000	109.00	.20	4.00	105.00		105.00
		75,000	107.00	.20	4.00	103.00		103.00
3-26	50	2,500	105.00	Mill		105.50		105.50
		12,000	106.50	.33	6.50	100.00		100.00
		18,000	103.50	.15	3.00	100.50		100.50
3-30		5,900	100.50	.27	5.50	95.00	2.00	93.00

AVERAGE COST FOR SECOND QUARTER OF 1923.

13/16 x 2¼ CLEAR MAPLE FLOORING.

Was $105.00 F. O. B. CARS AT FLOORING MILL, as shown by REPORT OF THE ASSOCIATION DATED March 24, 1923, Captioned AVERAGE COST - BASED UPON COMPOSITE RESULTS OF NINE TEST RUNS.

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COMPILED FROM RECORD OF COMPLETED TRANSACTION, REPORT OF SALES MADE DURING THE WEEK ENDING April 7, 1923.

1	Sale @	$ 94.00	Total	2,000 ft.	
2	" "	95.00	"	17,000 ft.	
1	" "	99.25	"	20,000 ft.	
5	" "	100.00	"	41,000 ft.	
1	" "	100.25	"	8,000 ft.	
1	" "	102.75	"	2,800 ft.	
1	" "	104.75	"	16,000 ft.	
12				106,800 ft. =	19.1%
15	Sales @	105.00	"	362,000 ft. =	64.9%
1	Sale @	105.00	"	1,000 ft	
1	" "	106.00	"	60,000 ft.	
1	" "	108.00	"	5,000 ft.	
1	" "	110.25	"	20,000 ft.	
1	" "	117.00	"	3,000 ft.	
5				89,000 ft =	16.0%
32	Sales			557,800 ft. =	100 %

5110

NET FACTORY PRICES MAPLE FLOORING.

13/16x2¼ Clear

Compiled from Record of Completed Transaction
for week ending April 7, 1923.

Date	Mill	Quantity	Delivered Price	Av. Frt. Rate	Act. Frt. Allowed	Price F.O.B. Cars at Mill.	Com.	Net Price F.O.B. cars at mill.
3-30	2	12,000	108.50	.18	3.50	105.00		105.00
27	2	10,000	122.00	.85	17.00	105.00 -	2.00	103.00
4-4	2	2,800	108.25	.27	5.50	102.75		102.75
4-6	33	5,000	116.25	.41	8.25	108.00	2.00	106.00
4-6	49	6,000	109.50	.22	4.50	105.00	2.00	103.00
4-5	5	3,000	117.00	Mill		117.00		117.00
4-4	14	10,000	108.50	.43	8.50	100.00	2.00	98.00
4-3	47	35,000	121.00	.80	16.00	105.00	2.00	103.00
2-19	47	8,000	102.75	.12	2.50	100.25	2.00	98.25
4-2	7	1,000	111.00	.27	5.50	105.50	1.50	104.00
4-4	7	8,000	114.00	.45	9.00	105.00	1.50	103.50
4-5	7	16,000	109.00	.20	4.00	105.00	1.50	103.50
4-5	7	3,000	110.50	.27	5.50	105.00	1.50	103.50
4-6	7	4,000	114.25	.46	9.25	105.00	1.50	103.50
4-6	23	10,000	107.85	.39	7.75	100.00	2.00	98.00
4-6	23	16,000	121.75	.85	17.00	104.75	2.00	102.75
4-2	34	1,000	105.50	.27	5.50	100.00		100.00
4-5	34	19,000	107.00	.35	7.00	100.00	2.00	98.00
4-7	34	20,000	122.00	1.14	22.75	99.25	2.00	97.25
4-2	42	100,000	122.00	.85	17.00	105.00		105.00
4-6	44	8,000	110.50	.27	5.50	105.00		105.00
3-27	45	10,000	112.50	.37	7.50	105.00	2.00	103.00
3-27	45	100,000	122.00	.85	17.00	105.00	2.00	103.00
3-31	45	60,000	110.00	.20	4.00	106.00	2.00	104.00
		20,000	112.50	.37	7.50	105.00	2.00	103.00
		20,000	113.50	.43	8.50	105.00	2.00	103.00
		10,000	112.50	.37	7.50	105.00	2.00	103.00
3-31	45	10,000	102.50	.37	7.50	95.00	2.00	93.00
4-2	50	2,000	100.50	.32	6.50	94.00	2.00	92.00
4-2		7,000	101.75	.34	6.75	95.00		95.00
4-7		1,000	105.50	.27	5.50	100.00		100.00
4-7	48	20,000	115.00	.24	4.75	110.25		110.25

5111

AVERAGE COST FOR SECOND QUARTER OF 1923.

13/16 x 2¼ CLEAR MAPLE FLOORING.

Was $105.00 F. O. B. CARS AT FLOORING MILL, as shown by REPORT OF THE ASSOCIATION DATED March 24, 1923, Captioned AVERAGE COST - BASED UPON COMPOSITE RESULTS OF NINE TEST RUNS.

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COMPILED FROM RECORD OF COMPLETED TRANSACTION REPORT OF SALES MADE DURING THE WEEK ENDING April 14, 1923.

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1 Sale	@ $95.00	total	4,500 ft.		
3 Sales	@ 100.00	"	28,000 ft.		
4 Sales			32,500 ft.	=	5.9%
26 Sales	@ 105.00	total	396,700 ft.	=	71.1%
4 Sales	@ 110.00	total	88,000 ft.		
1 Sale	@ 110.25	"	19,389 ft.		
3 Sales	@ 111.00	"	5,300 ft.		
1 Sale	@ 114.00	"	2,000 ft.		
9 Sales			114,689 ft.	=	23.0%
39 Sales			543,889 ft		100.%

5112

NET FACTORY PRICES MAPLE FLOORING.

13/16x2¼ Clear.

Compiled from Record of Completed Transaction
for week ending April 14, 1923.

Date	Mill	Quantity	Delivered Price	Av. Frt. Rate	Act Frt. Allowed	Price F.O.B. Cars at Mill.	Com. at	Net Price F.O.B. cars Mill.
4-10	2	10,000	113.50	.43	8.50	105.00	2.00	103.00
4-9	33	23,000	113.50	.43	8.50	105.00	2.00	103.00
3-13		59,000	117.50	.37	7.50	110.00	2.00	108.00
4-9	49	50,000	113.25	.41	8.25	105.00	2.00	103.00
4-9	5	3,000	118.50	.43	8.50	110.00	2.00	108.00
4-10		20,000	118.50	.43	8.50	110.00	2.00	108.00
4-12		6,000	118.50	.43	8.50	110.00	2.00	108.00
4-10	26	22,000	113.50	.42	8.50	105.00	2.00	103.00
4-7		22,000	113.50	.42	8.50	105.00	2.00	103.00
4-7		5,000	109.00	.20	4.00	105.00	2.00	103.00
3-27	30	2,000	114.00	Mill		114.00		114.00
3-29		10,000	109.25	.21	4.25	105.00		105.00
4-2		12,000	109.75	.24	4.75	105.00		105.00
4-3		1,500	111.00	Mill		111.00		111.00
		1,000	111.00	Mill		111.00		111.00
		20,000	108.00	.15	3.00	105.00	2.00	103.00
		7,000	108.00	.15	3.00	105.00	2.00	103.00
4-4		8,000	110.50	.27	5.50	105.00		105.00
		15,000	108.00	.15	3.00	105.00	2.00	103.00
4-5		12,000	113.50	.43	8.50	105.00	2.00	103.00
4-6		10,000	117.50	.63	12.50	105.00	2.00	103.00
4-7		25,000	110.50	.27	5.50	105.00	2.00	103.00
4-9		2,800	111.00	Mill		111.00		111.00
		10,200	114.50	.48	9.50	105.00		105.00
4-11		50,000	109.00	.20	4.00	105.00	2.00	103.00
		10,000	109.00	.20	4.00	105.00	2.00	103.00
4-13	30	15,000	122.00	.85	17.00	105.00	2.00	103.00
4-10	7	6,500	108.00	.15	3.00	105.00	1.50	103.50
		1,000	109.50	.22	4.50	105.00	1.50	103.50
4-11		12,000	110.50	.27	5.50	105.00	1.50	103.50
4-13		4,000	109.00	.20	4.00	105.00	1.50	103.50
		7,000	110.00	.25	5.00	105.00	1.50	103.50
4-11	23	10,000	113.50	.43	8.50	105.00	2.00	103.00
4-9	34	7,000	105.50	.27	5.50	100.00		100.00
4-12		20,000	122.00	.85	17.00	105.00		105.00
4-14	44	18,000	105.50	.27	5.50	100.00		100.00
4-10	50	2,500	100.50	.27	5.50	95.00		95.00
		2,000	100.50	.27	5.50	95.00		95.00
		3,000	105.50	.27	5.50	100.00		100.00
4-14	48	19,389	115.00	.24	4.75	110.25		110.25

AVERAGE COST FOR SECOND QUARTER OF 1923.

13/16 x 2¼ CLEAR MAPLE FLOORING.

Was $105.00 F. O. B. CARS AT FLOORING MILL, as shown by REPORT OF THE ASSOCIATION DATED March 24, 1923, captioned AVERAGE COST - BASED UPON COMPOSITE RESULTS OF NINE TEST RUNS.

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COMPILED FROM RECORD OF COMPLETED TRANSACTION REPORT OF SALES MADE DURING THE WEEK ENDING April 21, 1923.

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1 Sale	@	$100.00	total	4,000 ft.	
1 "	"	104.75	"	10,000 ft.	
2 Sales				14,000 ft.	= 3.7 %
12 Sales	@	105.00	total	134,000 ft.	= 35.2 %
9 Sales	@	110.00	total	199,000 ft.	
1 Sale	"	110.25	"	22,000 ft.	
1 "	"	116.25	"	7,000 ft.	
2 "	"	119.00	"	5,100 ft.	
13 Sales.				233,100 ft.	= 61.1%
27 Sales				381,100 ft.	= 100 %

5114

NET FACTORY PRICES MAPLE FLOORING.

13/16x2¼ Clear.

Compiled from Record of Completed Transaction
for week ending April 21, 1923.

Date	Mill	Quantity	Delivered Price	Av.Frt Rate	Act Frt. Allowed	Price F.O.B. Cars at Mill.	Com.	Net Price F.O.B. cars at Mill.
4-16	5	15,000	115.50	.27	5.50	110.00	2.00	108.00
4-20		10,000	113.75	.19	3.75	110.00	2.00	108.00
4-21		3,000	129.00	.95	19.00	110.00	2.00	108.00
4-16		8,000	118.50	.43	8.50	110.00	2.00	108.00
4-19	49	35,000	116.75	.34	6.75	110.00		110.00
4-19	14	50,000	110.00			110.00	2.00	108.00
	26	15,000	109.00	.20	4.00	105.00	2.00	103.00
4-17	30	7,000	122.00	.85	17.00	105.00	2.00	103.00
4-19		1,100	119.00	Mill		119.00		119.00
		65,000	113.00	.15	3.00	110.00	2.00	108.00
4-17	37	20,000	105.00	Mill		105.00	2.00	103.00
4-11	47	4,000	119.00			119.00	2.00	117.00
4-12		10,000	110.00			110.00	2.00	108.00
4-19		7,000	116.25			116.25		116.25
4-16	7	5,000	110.50	.27	5.50	105.00	1.50	103.50
4-19		3,000	111.50	.33	6.50	105.00		105.00
4-20		20,000	108.00	.15	3.00	105.00	1.50	103.50
		2,000	110.50	.27	5.50	105.00	1.50	103.50
4-21		20,000	108.00	.15	3.00	105.00	1.50	103.50
		20,000	108.00	.15	3.00	105.00	1.50	103.50
4-16	34	5,000	110.50	.27	5.50	105.00	1.50	103.50
	42	3,000	117.50	.38	7.50	110.00		110.00
4-18	44	10,000	115.50	.52	10.50	105.00		105.00
		4,000	105.50	.27	5.50	100.00		100.00
		7,000	109.00	.20	4.00	105.00		105.00
		10,000	110.00	.26	5.25	104.75		104.75
	48	22,000	115.00	.24	4.75	110.25		110.25

5115

AVERAGE COST FOR SECOND QUARTER OF 1923.

13/16 x 2¼ CLEAR MAPLE FLOORING.

Was $105.00 F. O. B. CARS AT FLOORING MILL, as shown by REPORT OF THE ASSOCIATION DATED March 24, 1923, Captioned AVERAGE COST - BASED UPON COMPOSITE RESULTS OF NINE TEST RUNS.

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COMPILED FROM RECORD OF COMPLETED TRANSACTION

REPORT OF SALES MADE DURING THE WEEK ENDING

April 28, 1923.

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1 Sale	@	$ 104.75	total	15,500	=	.021 %
11 Sales	@	105.00	total	526,325	=	.736 %
3 Sales	@	105.50	total	75,000		
1 Sale	@	107.50	"	10,000		
2 Sales	@	110.00	"	48,000		
1 Sale	@	114.00	"	3,875		
1 Sale	@	115.25		31,000		
2 Sales	@	117.00		6,176		
10 Sales				174,051	=	.243 %
22 Sales				715,876 ft	=	100 %

5116

NET FACTORY PRICES MAPLE FLOORING.

13/16x2¼ Clear.

Compiled from Record of Completed Transaction
for week ending April 28, 1923.

Date	Mill	Quantity	Delivered Price	Av. Frt. Rate	Act Frt. Allowed	Price F.O.B. Cars at Mill.	Com.	Net Price F.O.B. cars at Mill.
4-23	5	30,000	127.00	.85	17.00	110.00	1.50	108.50
4-27		5,000	117.00	Mill		117.00		117.00
		18,000	115.00	.25	5.00	110.00	1.50	108.50
4-23	30	3,875	114.00	Mill		114.00	2.00	112.00
4-24		6,000	113.50	.43	8.50	105.00	2.00	103.00
		5,000	113.50	.43	8.50	105.00	2.00	103.00
4-27		1,176	117.00	Mill		117.00		117.00
4-23	37	10,000	105.00	Mill		105.00	2.00	103.00
4-28		30,000	122.00	.85	17.00	105.00	2.00	103.00
4-23	7	400,000	109.00	.20	4.00	105.00	2.00	103.00
		12,000	113.25	.41	8.25	105.00	1.50	103.50
4-27		10,000	112.50	.25	5.00	107.50	1.50	106.00
	34	15,000	122.00	.85	17.00	105.00	2.00	103.00
4-24	44	15,000	109.00	.17	3.50	105.50		105.50
		40,000	109.00	.17	3.50	105.50		105.50
		20,000	109.00	.17	3.50	105.50		105.50
4-23	45	32,000	121.50	.82	16.50	105.00	2.00	103.00
		5,000	113.50	.43	8.50	105.00	2.00	103.00
		5,000	109.50	.22	4.50	105.00		105.00
	50	15,500	113.00	.41	8.25	104.75		104.75
4-27		6,325	110.50	.27	5.50	105.00		105.00
	48	31,000	120.00	.24	4.75	115.25		115.25

5117

AVERAGE COST FOR SECOND QUARTER OF 1923.

13/16 x 2¼ CLEAR MAPLE FLOORING.

Was $105.00 F. O. B. CARS AT FLOORING MILL, as shown by REPORT OF THE ASSOCIATION DATED March 24, 1923, Captioned AVERAGE COST - BASED UPON COMPOSITE RESULTS OF NINE TEST RUNS.

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COMPILED FROM RECORD OF COMPLETED TRANSACTION REPORT OF SALES MADE DURING THE WEEK ENDING May 5, 1923.

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1 Sale	@	$100.00	Total	3,000 ft.	
1 Sale	@	103.50	"	12,000 ft.	
2 Sales				15,000 ft.	= 3.8 %
12 Sales	@	105.00	Total	222,300 ft.	= 55.6 %
3 Sales	@	106.00	Total	65,000 ft.	
4 "	"	110.00	"	44,000 ft.	
1 Sale	"	110.75	"	2,000 ft.	
1 "	"	115.25	"	48,820 ft.	
1 "	"	119.00	"	1,600 ft.	
10 Sales				161,420 ft.	= 40.4 %
24 Sales				398,720 ft.	= 100 %

NET FACTORY PRICES MAPLE FLOORING.

13/16x2¼ Clear.

Compiled from Record of Completed Transaction
for week ending May 5, 1923.

Date	Mill	Quantity	Delivered Price	Av. Frt Rate	Act Frt. Allowed	Price F.O.B. Cars at Mill.	Com.	Net Price F.O.B. cars at Mill.
4-30	49	102,000	112.75	.39	7.75	105.00	2.00	103.00
5-3	5	17,000	127.00	.85	17.00	110.00		110.00
5-5		11,000	115.00	.25	5.00	110.00	1.50	108.50
		14,000	118.50	.43	8.50	110.00	2.00	108.00
5-2	26	18,000	122.00	.85	17.00	105.00	2.00	103.00
5-1	30	1,600	119.00	Mill		119.00		119.00
5-2		2,000	117.50	.38	7.50	110.00	2.00	108.00
4-24	47	2,000	116.00	.26	5.25	110.75		110.75
4-30	?	12,000	108.00	.22	4.50	103.50	1.50	102.00
		8,000	110.50	.27	5.50	105.00	1.50	103.50
5-4		50,000	108.00	.15	3.00	105.00	1.50	103.50
		7,000	109.50	.22	4.50	105.00	1.50	103.50
4-30	34	2,300	110.50	.27	5.50	105.00		105.00
5-3		3,000	110.50	.27	5.50	105.00		105.00
4-28	44	4,000	111.75	.34	6.75	105.00		105.00
4-28		7,000	110.50	.27	5.50	105.00		105.00
		8,000	115.50	.52	10.50	105.00		105.00
		20,000	109.00	.15	3.00	106.00		106.00
		25,000	109.00	.15	3.00	106.00		106.00
		20,000	109.00	.15	3.00	106.00		106.00
		2,000	110.50	.27	5.50	105.00		105.00
		11,000	109.50	.22	4.50	105.00		105.00
5-4	50	3,000	105.50	.27	5.50	100.00		100.00
	48	48,820	120.00	.24	4.75	115.25		115.25

AVERAGE COST FOR SECOND QUARTER OF 1923 FOR

13/16 x 2-1/4 CLEAR MAPLE FLOORING

was $105.00 F. O. B. Cars at Flooring Mill

as shown by Report of Association dated Mar.24,1923,

captioned "AVERAGE COST- BASED UPON COMPOSITE RESULT

OF NINE TEST RUNS".

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Compiled from RECORD OF COMPLETED TRANSACTIONS or RECORD OF

SALES MADE DURING THE WEEK ENDING May 12, 1923.

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1 Sale	@	$100.75	total	3,303 ft.)	3,303 ft.	= 1. %
8 Sales	@	105.00	----------	----------	131,100 "	=41.9%
1 Sale	@	105.75	total	22,000 ft.)		
5 Sales	"	110.00	"	102,000 ")		
1 "	"	110.75	"	22,000 ")	177,970 "	= 57,1%
1 "	"	115.00	"	1,040 ")		
1 "	"	115.25	"	30,930 ")		
18 Sales					312,373 ft.	=100%

5120

NET FACTORY PRICES MAPLE FLOORING

13/16x2¼ Clear.

Compiled from Record of Completed Transaction
for week ending May 12, 1923.

Date	Mill	Quantity	Delivered Price	Av. Frt Rate	Act Frt Allowed	Price F.O.B.Cars At Mill.	Com.	Net Price F.O.B. cars at Mill.
5-7	2	3,303	105.25	.23	4.50	100.75	2.00	108.75
	24	4,600	112.00	.35	7.00	105.00	1.50	103.50
	33	72,000	110.00	.25	5.00	105.00	2.00	103.00
5-8		22,000	110.25	.23	4.50	105.75	2.00	103.75
5-11		22,000	115.25	.23	4.50	110.75	2.00	108.75
5-7	49	9,000	112.75	.39	7.75	105.00	2.00	103.00
		8,000	114.75	. 24	4.75	110.00	2.00	108.00
		2,000	113.50	.43	8.50	105.00	2.00	103.00
		18,000	119.50	.72	14.50	105.00	2.00	103.00
	5	5,000	127.00	.85	17.00	110.00	1.50	108.50
5-12		12,000	118.50	.43	8.50	110.00	2.00	108.00
5-[illegible]		2,000	116.50	.32	6.50	110.00	2.00	108.00
5-[illegible]	26	12,500	109.00	.20	4.00	105.00	2.00	103.00
5-7	30	75,000	113.00	.15	3.00	110.00	2.00	108.00
5-9	34	1,040	115.00	Mill		115.00		115.00
5-7	44	8,000	109.00	.20	4.00	105.00		105.00
5-12		5,000	109.00	.20	4.00	105.00		105.00
5-12	48	30,930	120.00	.24	4.75	115.25		115.25

AVERAGE COST FOR SECOND QUARTER OF 1923 FOR
13/16 x 2-1/4 CLEAR MAPLE FLOORING
was $105.00, F. O. B. Cars at Flooring Mill,
as shown by Association Report dated Mar.24,1923,
Captioned "AVERAGE COST - BASED UPON COMPOSITE
RESULT OF NINE TEST RUNS".

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Compiled from RECORD OF COMPLETED TRANSACTIONS or RECORD OF SALES MADE DURING THE WEEK ENDING May 19, 1923.

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6 Sales	@	$105.00	total	45,000 ft.)	45,000 ft. =	43.4%
1 Sale	@	$106.00	total	10,000 ft.)		
1 "	"	107.00	"	2,000 ")		
1 "	"	108.00	"	2,000 ")	58,500 ft. =	56.6%
3 "	"	110.00	"	44,500 ")		
12 Sales					103,500 ft. =	100 %

5122

NET FACTORY PRICES MAPLE FLOORING

13/16x2¼ Clear

Compiled from Record of Completed Transaction
for week ending May 19, 1923.

Date	Mill	Quantity	Delivered Price	Av. Frt Rate	Act Frt. Allowed	Price F.O.B. Cars at Mill.	Com.	Net Price F.O.B. cars at Mill.
5-11	2	10,000	114.50	.43	8.50	106.00	2.00	104.00
5-15	5	15,000	127.00	.85	17.00	110.00	2.00	108.00
5-18		17,000	128.50	.93	18.50	110.00	2.00	108.00
5-16	26	20,000	109.00	.20	4.00	105.00	2.00	103.00
5-14		12,500	113.25	.16	3.25	110.00	2.00	108.00
		15,000	109.00	.20	4.00	105.00	2.00	103.00
	7	1,000	109.50	.23	4.50	105.00	1.50	103.50
		5,000	110.50	.27	5.50	105.00	1.50	103.50
5-15		2,000	113.75	.29	5.75	108.00	1.50	106.50
5-14	34	2,000	110.50	.27	5.50	105.00	1.50	103.50
5-17	50	2,000	110.50	.27	5.50	105.00		105.00
5-18	7	2,000	110.00	.15	3.00	107.00	1.50	105.50

5123

AVERAGE COST FOR SECOND QUARTER OF 1923.

13/16 x 2¼ CLEAR MAPLE FLOORING.

Was $105.00 F. O. B. CARS AT FLOORING MILL, as shown by REPORT OF THE ASSOCIATION DATED March 24, 1923, Captioned AVERAGE COST - BASED UPON COMPOSITE RESULTS OF NINE TEST RUNS.

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COMPILED FROM RECORD OF COMPLETED TRANSACTION REPORT OF SALES MADE DURING THE WEEK ENDING May 26, 1923.

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1 Sale	@	$100.00	total	1,000 ft.	
1 "	"	103.75	"	6,000 ft.	
2 Sales				7,000 ft.	= 2.5 %
4 Sales	@	105.00	total	157,500 ft.	= 46.2 %
2 Sales	@	106.00	total	60,000 ft.	
2 Sales	"	108.00	"	40,000 ft.	
6 Sales	"	110.00	"	43,000 ft.	
1 Sale	"	110.50	"	40,000 ft.	
1 Sale	"	115.25	"	19,984 ft.	
2 Sales	"	117.00	"	7,426 ft.	
1 Sale	"	119.00	"	1,600 ft.	
15 Sales				176,010 ft.	= 51.3 %
21 Sales				340,510 ft.	= 100 %

5124

NET FACTORY PRICES MAPLE FLOORING.

13/16x2¼ Clear.

Compiled from Record of Completed Transaction
for week ending May 26, 1923.

Date	Mill	Quantity	Delivered Price	Av. Frt Rate	Act Frt. Allowed	Price F.O.B. Cars at Mill.	Com.	Net Price F.O.B. cars at Mill.
5-25	5	5,000	118.50	.43	8.50	110.00	2.00	108.00
5-26		6,000	118.50	.43	8.50	110.00	2.00	108.00
		5,000	118.50	.43	8.50	110.00	2.00	108.00
5-15	30	5,000	117.00	Mill		117.00		117.00
5-18		1,600	119.00			119.00		119.00
		2,426	117.00			117.00		117.00
5-21	7	1,000	113.50	.27	5.50	108.00	1.50	106.50
		3,000	113.50	.27	5.50	108.00	1.50	106.50
5-24		5,000	114.50	.23	4.50	110.00		110.00
		20,000	118.25	.41	8.25	110.00		110.00
		2,000	114.50	.23	4.50	110.00	1.50	108.50
5-21	34	1,000	105.50	.27	5.50	100.00		100.00
5-22	42	10,000	109.50	.22	4.50	105.00	2.00	103.00
		2,500	110.00	.25	5.00	105.00	2.00	103.00
5-21	44	100,000	109.00	.20	4.00	105.00		105.00
		40,000	109.00	.15	3.00	106.00		106.00
		20,000	109.00	.15	3.00	106.00		106.00
		40,000	115.00	.22	4.50	110.50		110.50
		45,000	109.00	.20	4.00	105.00		105.00
		6,000	109.25	.28	5.50	103.75		103.75
5-24	48	19,984	120.00	.24	4.75	115.25		115.25

AVERAGE COST FOR SECOND QUARTER OF 1923.

13/16 x 2¼ CLEAR MAPLE FLOORING.

Was $105.00 F. O. B. CARS AT FLOORING MILL, as shown by REPORT OF THE ASSOCIATION DATED March 24, 1923, Captioned AVERAGE COST - BASED UPON COMPOSITE RESULTS OF NINE TEST RUNS.

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COMPILED FROM RECORD OF COMPLETED TRANSACTION REPORT OF SALES MADE DURING THE WEEK ENDING June 2, 1923.

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1 Sale	@	$ 93.00	total	48,000 ft.		
1 "	"	100.00	"	4,000 ft.		
1 "	"	100.50	"	1,500 ft.		
1 "	"	101.25	"	8,000 ft.		
4 Sales				61,500 ft.	=	24. %
6 Sales	@	105.00	total	47,000 ft.	=	14.4 %
1 Sale	@	105.25	total	21,120 ft.		
1 Sale	@	108.00	"	4,000 ft.		
7 Sales	@	110.00	"	99,000 ft.		
6 Sales	@	114.00	"	1,100 ft.		
2 Sales	@	115.00	"	22,000 ft.		
17 Sales				147,220 ft.	=	61.6 %
27 Sales				255,720 ft.		100. %

5126

NET FACTORY PRICES MAPLE FLOORING.

13/16x2¼ Clear.

Compiled from Record of Completed Transaction
for week ending June 2, 1923.

Date	Mill	Quantity	Delivered Price	Av. Frt Rate	Act Frt. Allowed	Price F.O.B. Cars at Mill.	Com.	Net Price F.O.B. cars at Mill.
5-26	24	2,000	120.00	.25	5.00	115.00	2.00	113.00
		50,000	113.50	.18	3.50	110.00	2.00	108.00
5-28		10,000	113.50	.18	3.50	110.00	2.00	108.00
5-31	3	15,000	113.50	.43	8.50	105.00	2.00	103.00
6-2	5	8,000	113.50	.43	8.50	105.00	2.00	103.00
		8,000	113.50	.43	8.50	105.00	2.00	103.00
5-30	14	12,000	114.00	.20	4.00	110.00	1.50	108.50
		3,000	114.00	.20	4.00	110.00	1.50	108.50
5-29	26	8,000	118.50	.42	8.50	110.00	2.00	108.00
5-25	30	20,000	115.00	Mill		115.00		115.00
5-26		1,100	114.00			114.00		114.00
6-2	7	4,000	113.50	.27	5.50	108.00	1.50	106.50
	23	8,000	105.00	.19	3.75	101.25		101.25
		4,000	105.50	.17	3.50	100.00		100.00
		48,000	96.00	.15	3.00	93.00		93.00
5-31	34	6,000	115.50	.27	5.50	110.00		110.00
	42	10,000	118.50	.43	8.50	110.00	2.00	108.00
5-30	44	5,000	109.00	.20	4.00	105.00		105.00
		5,000	109.00	.20	4.00	105.00		105.00
		6,000	109.25	.21	4.25	105.00		105.00
5-29	50	1,500	100.50			100.50		100.50
	48	21,120	120.00	.24	4.75	105.25		105.25

AVERAGE COST FOR SECOND QUARTER OF 1923.

13/16 x 2¼ CLEAR MAPLE FLOORING.

Was $105.00 F. O. B. CARS AT FLOORING MILL, as shown by REPORT OF THE ASSOCIATION DATED March 24, 1923, Captioned AVERAGE COST - BASED UPON COMPOSITE RESULTS OF NINE TEST RUNS.

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COMPILED FROM RECORD OF COMPLETED TRANSACTION REPORT OF SALES MADE DURING THE WEEK ENDING June 9, 1923

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1 Sale	@	$100.00	total	2,000 ft.		
1 Sale	"	103.00	"	7,500 ft.		
2 Sales				9,500 ft.	=	17.4 %
1 Sale	@	105.00	total	5,000 ft.	=	9.2 %
2 Sales	@	110.00	total	13,000 ft.	=	
1 Sale	"	115.25	"	26,905 ft.		
3 Sales				39,905 ft.	=	73.4 %
6 Sales				54,405 ft.	=	100 %

NET FACTORY PRICES MAPLE FLOORING.

13/16x2¼ Clear.

Compiled from Record of Completed Transaction
for week ending June 9, 1923.

Date	Mill	Quantity	Delivered Price	Av. Frt Rate	Act Frt. Allowed	Price F.O.B. Cars at Mill.	Com.	Net Price F.O.B. cars At Mill.
6-7	5	5,000	112.75	.39	7.75	105.00	1.50	103.50
6-6	7	3,000	114.50	.22	4.50	110.00	1.50	108.50
6-8		10,000	120.00	.50	10.00	110.00		110.00
6-1	23	2,000	100.00			100.00		100.00
6-6	44	7,500	108.50	.27	5.50	103.00		103.00
	48	26,905	120.00	.24	4.75	115.25		115.25

AVERAGE COST FOR SECOND QUARTER OF 1923.

13/16 x 2¼ CLEAR MAPLE FLOORING.

Was $105.00 F. O. B. CARS AT FLOORING MILL, as shown by REPORT OF THE ASSOCIATION DATED March 24, 1923, Captioned AVERAGE COST - BASED UPON COMPOSITE RESULTS OF NINE TEST RUNS.

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COMPILED FROM RECORD OF COMPLETED TRANSACTION

REPORT OF SALES MADE DURING THE WEEK ENDING

June 16, 1923

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1 Sale	@	$ 95.00	total	8,000 ft.		
1 Sale	"	100.00	"	15,000 ft.		
1 Sale	"	103.00	"	10,000 ft.		
1 Sale	"	104.00	"	13,000 ft.		
4 Sales				46,000 ft.	=	56.4 %
4 Sales	@	105.00	total	21,000 ft.	=	27.0 %
1 Sale	@	107.25	total	4,250 ft.	=	
1 Sale	@	108.00	"	2,700 ft.		
2 Sales	@	110.00	"	7,500 ft.		
4 Sales				14,450 ft.	=	16.6 %
12 Sales				81,450 ft.		100 %

5130

NET FACTORY PRICES MAPLE FLOORING.

13/16x2¼ Clear.

Compiled from Record of Completed Transaction
for week ending June 16, 1923.

Date	Mill	Quantity	Delivered Price	Av. Frt. Rate	Act Frt. Allowed	Price F.O.B. Cars at Mill.	Com.	Net Price F.O.B. cars At Mill.
6-13	2	6,500	114.50	.22	4.50	110.00		110.00
6-11	33	5,000	108.50	.18	3.50	105.00	2.00	103.00
6-12	3	15,000	110.50	.53	10.50	100.00	1.50	98.50
6-11	5	5,000	109.00	.20	4.00	105.00		105.00
6-16	30	6,000	113.50	.43	8.50	105.00	2.00	103.00
6-4	47	2,700	108.00	Mill		108.00		108.00
6-9		4,250	112.50	.24	4.75	107.75		107.75
6-11	7	1,000	115.50	.27	5.50	110.00	1.50	108.50
6-18	23	10,000	109.25	.31	6.25	103.00	2.00	101.00
6-18		13,000	107.00	.15	3.00	104.00	2.00	102.00
6-13	50	8,000	100.50	.27	5.50	95.00		95.00
6-14		5,000	111.50	.33	6.50	105.00		105.00

AVERAGE COST FOR SECOND QUARTER OF 1923.

13/16 x 2¼ Clear MAPLE FLOORING.

WAS $105.00 F. O. B. CARS AT FLOORING MILL, as shown by REPORT OF THE ASSOCIATION DATED March 24, 1923, Captioned AVERAGE COST - BASED UPON COMPOSITE RESULTS OF NINE TEST RUNS.

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COMPILED FROM RECORD OF COMPLETED TRANSACTION

REPORT OF SALES MADE DURING THE WEEK ENDING

June 23, 1923.

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9 Sales	@	$105.00	total	123,500 ft.	= 59.7 %
1 Sale	@	105.75	total	2,000 ft.	
1 Sale	@	106.00	"	10,500 ft.	
1 Sale	@	107.00	"	2,000 ft.	
4 Sales	@	110.00	"	33,200 ft.	
1 Sale	@	110.50	"	500 ft.	
1 Sale	@	115.00	"	6,000 ft.	
1 Sale	@	116.25	"	5,000 ft.	
1 Sale	@	120.00	"	24,000 ft.	
11 Sales				83,200 ft.	= 40.3 %
20 Sales				206,700 ft.	100%

5132

NET FACTORY PRICES MAPLE FLOORING.

13/16xB¼ Clear.

Compiled from Record of Completed Transaction
for week ending June 23, 1923.

Date	Mill	Quantity	Delivered Price	Av. Frt. Rate	Act Frt. Allowed	Price F.O.B. Cars at Mill.	Com.	Net Price F.O.B. cars At Mill.
6-12	2	5,000	123.25	.35	7.00	116.25		116.25
6-20	24	10,000	113.50	.18	3.50	110.00	2.00	108.00
6-21		6,000	120.00	.25	5.00	115.00	2.00	113.00
6-22	5	17,000	124.00	.95	19.00	105.00	2.00	103.00
6-23		41,000	112.75	.39	7.75	105.00	2.00	103.00
6-18		17,000	118.25	.66	13.25	105.00	1.50	103.50
6-21	30	2,000	110.00	.21	4.21	105.75		105.75
6-23	37	15,000	121.25	.81	16.25	105.00	2.00	103.00
6-22	7	5,000	114.25	.21	4.25	110.00	1.50	108.50
6-19		2,200	114.00	.20	4.00	110.00		110.00
6-20		10,500	110.00	.20	4.00	106.00		106.00
6-18		2,000	112.50	.27	5.50	107.00		107.00
6-18		16,000	118.25	.41	8.25	110.00	1.50	108.50
6-18	34	4,000	110.50	.27	5.50	105.00	2.00	103.00
6-19		2,000	110.50	.27	5.50	105.00	2.00	103.00
		4,000	110.50	.27	5.50	105.00	1.50	103.50
6-23		3,500	112.00	.35	7.00	105.00	1.50	103.50
6-19	42	20,000	108.00	.15	3.00	105.00	2.00	103.00
6-20	50	500	110.50	Mill		110.50		110.50
6-20	48	24,000	120.00			120.00		120.00

AVERAGE COST FOR SECOND QUARTER OF 1923.

13/16 x 2¼ CLEAR MAPLE FLOORING.

Was $105.00 F. O. B. CARS AT FLOORING MILL, as shown by REPORT OF THE ASSOCIATION DATED March 24, 1923, Captioned AVERAGE COST - BASED UPON COMPOSITE RESULTS OF NINE TEST RUNS.

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COMPILED FROM RECORD OF COMPLETED TRANSACTION

REPORT OF SALES MADE DURING THE WEEK ENDING

June 30, 1923.

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1 Sale @	$ 95.00	total	6,000 ft.		
1 Sale @	98.00	"	22,000 ft.		
1 Sale @	100.00	"	15,000 ft.		
2 Sales @	100.25	"	20,000 ft.		
5 Sales			63,000 ft.	=	18.9 %
14 Sales @	105.00	total	210,000 ft.	=	62.9 %
1 Sale @	106.50	"	17,000 ft.		
3 Sales @	107.00	"	14,350 ft.		
2 Sales @	110.00	"	1,800 ft.		
1 Sale @	114.00	"	3,850 ft.		
1 Sale @	115.25	"	23,000 ft.		
9 Sales			61,000 ft.	=	18.2 %
28 Sales			334,000 ft.		100 %

5134

NET FACTORY PRICES MAPLE FLOORING.

13/16x2¼ Clear.

Compiled from Record of Completed Transaction for week ending June 30, 1923.

Date	Mill	Quantity	Delivered Price	Av. Frt. Rate	Act. Frt Allowed	Price F.O.B. Cars at Mill	Com.	Net Price F.O.B. cars At Mill.
6-25	2	24,000	108.50	.18	3.50	105.00	2.00	103.00
6-27		3,850	119.50	.23	4.50	115.00	2.00	113.00
6-22	49	2,500	122.00	.85	17.00	105.00	2.00	103.00
		13,000	122.00	.85	17.00	105.00	2.00	103.00
6-30		15,000	112.50	.63	12.50	100.00	2.00	98.00
6-27	5	41,500	122.00	.85	17.00	105.00	1.50	103.50
6-29		17,000	109.00	.20	4.00	105.00		105.00
6-25		11,000	110.50	.27	5.50	105.00	2.00	103.00
6-30		30,000	122.00	.85	17.00	105.00	1.50	103.50
6-30		10,000	112.50	.37	7.50	105.00	1.50	103.50
6-28	26	5,000	108.50	.18	3.50	105.00	2.00	103.00
6-27		1,000	113.00	.15	3.00	110.00		110.00
6-26		2,550	124.00	.85	17.00	107.00	2.00	105.00
6-25	30	12,000	110.50	.28	5.50	105.00		105.00
6-27		1,000	114.00	Mill		114.00		114.00
6-27	37	7,000	122.00	.85	17.00	105.00	2.00	103.00
6-25	47	20,000	105.00	Mill		105.00	2.00	103.00
6-23	23	22,000	103.50	.27	5.50	98.00		98.00
6-25		15,000	107.75	.38	7.50	100.25		100.25
		5,000	107.75	.38	7.50	100.25		100.25
6-25	34	8,000	115.50	.52	10.50	105.00	2.00	103.00
6-28		800	110.00	Mill		110.00		110.00
		9,000	110.50	.27	5.50	105.00	1.50	103.50
6-23	42	8,800	115.50	.43	8.50	107.00	2.00	105.00
6-25		17,000	123.50	.85	17.00	106.50	2.00	104.50
6-25		3,000	111.75	.24	4.75	107.00	2.00	105.00
6-30	50	6,000	100.50	.27	5.50	95.00		95.00
	48	23,000	120.00	.24	4.75	115.25		115.25

5135–5140

[fol. 5141] DEFENDANTS' EXHIBIT A

Chicago, April 26, 1920.

George W. Keehn, Esq., Secretary Maple Flooring Manufacturers' Association, Chicago, Illinois.

MY DEAR SIR:

Subject: Maple Flooring Manufacturers' Association

You have asked us for our opinion with respect to what is the proper course for the Association to pursue in view of the injunction recently obtained by the Government in the Federal Court at Memphis, Tennessee, against the so-called Open Competition Plan of the American Hardwood Manufacturers' Association, and in reply we beg to say:

1. We have examined the position taken by the Government in the Memphis litigation and after carefully considering the matter we have reached the conclusion that inasmuch as an injunction has been issued and is now in force, all things considered, it would be the proper thing for your Association to obey the spirit of the injunction until the Supreme Court of the United States has settled the fundamental question involved.

2. We believe the Supreme Court of the United States will hold that associations like yours have the right to gather and distribute among their members the history of past and completed transactions such as Shipments, Production, New Business Booked, Stocks and Unfilled Orders on Hand and the Prices actually obtained in bona fide sales.

3. The injunction in the Memphis case ordered the parties in that litigation—

"Not to take any further steps whatsoever in compiling or distributing thru the said F. R. Gadd, 'manager of statistics' or otherwise, at Memphis, in this district, or elsewhere, the next issue of the monthly stock reports, monthly production reports and weekly sales reports of the said so called Open Competition Plan, or any other issues of any such or similar reports."

[fol. 5142] The foregoing injunction prohibits the doing of many of the very things which you have been doing and which we believe are lawful, because you are simply making known to the members of your Association the history of past and completed transactions, and not what the members intend to do or may do in the future. All this is merely historical and involves no agreement respecting production, prices or sales.

Furnishing such historical data to the members of the Association will undoubtedly give them an intelligent conception of the state of the market and the conditions of the trade, but they have the legal right, in our judgment, to such knowledge and information. If

such knowledge and information tends to intelligent competition and a reasonable steadying of prices, that fact in itself does not, in our judgment, violate the Federal Anti-Trust laws. The Supreme Court of the United States has repeatedly said that a reasonable restraint of trade does not violate the Federal law.

In giving such historical data to its members, the Association is only doing what hundreds of other associations, like stock exchanges, boards of trade and similar institutions, have been doing for many years, and in truth is doing simply what the Government itself has been doing for farmers, cotton planters and others.

4. In view of the foregoing situation, our judgment is that your Association should suspend such of its activities as might be construed as coming within the prohibition of the Memphis injunction until the Supreme Court of the United States has decided the questions involved. Our information is that the Memphis case is to be prosecuted with vigor and will have an early hearing.

Very truly yours, Newman, Poppenhusen, Stern & Johnston, by Newman.

[fol. 5143] DEFENDANT'S EXHIBIT B

Maple Flooring Manufacturers' Association, 801 Stock Exchange Building, Chicago

Telephone Franklin 3217

June 27th, 1916.

Federal Trade Commission, Washington, D. C.

GENTLEMEN: The Maple Flooring Manufacturers' Association begs to submit to you for your consideration and approval a Minimum Price Plan, signed by the members of the Association, five printed copies of which are enclosed herewith.

This Minimum Price Plan is an amendment to our Articles of Association which were transmitted to the Department of Justice on December 31st, 1912, and to you on September 7th, 1915. The duration of these Articles has been extended to January 1st, 1919.

The object of this Plan is to place the important industry of manufacturing and selling Maple, Beech and Birch Flooring upon a substantial footing through standardizing the product and stabilizing its value by basing selling prices upon costs, as set forth in the Plan itself and also in the petition on this subject addressed and transmitted to you in the summer of 1915.

A copy of this Minimum Price Plan has this day been transmitted to the Department of Justice at Washington, D. C. A copy of our letter to the Attorney General is enclosed herewith.

Awaiting your reply we beg to remain

Yours very truly, Maple Flooring Manufacturers' Association, by George W. Earle, President; George W. Keehn, Secretary.

A complete copy of the Association Rate Book, Index of Towns and Table of Values, referred to in the Minimum Price Plan, is also enclosed herewith.

[fol. 5144] DEFENDANT'S EXHIBIT B-1

Federal Trade Commission, Washington

July 6, 1916.

Mr. George W. Earle, President Maple Flooring Manufacturers' Ass'n, 801 Stock Exchange Bldg., Chicago, Ill.

DEAR SIR: By direction of the Commission, I wish to acknowledge receipt of your letter of the 27th ult., submitting, for the consideration of this office, copies of a "Minimum Price Plan," together with copy of letter to the Attorney General of the United States and an Association Rate Book.

This plan will be considered in connection with your previous request for ruling filed with the Commission in September, 1915.

Very truly yours, Federal Trade Commission, by L. L. Bracken, Secretary.

[fol. 5145] DEFENDANT'S EXHIBIT C

Maple Flooring Manufacturers Association

Minutes of General Meeting, February 25, 1921

General meeting of the Maple Flooring Manufacturers' Association held at the Hotel La Salle, Chicago, February 25, 1921, pursuant to the call of the President, Dr. George W. Earle.

The meeting was called to order by the President and all the members of the Association were present excepting Nichols & Cox Lumber Co.

In the absence of the Secretary on a vacation, Edward C. Singler acted as secretary of the meeting.

The reading of the Minutes of the meeting held on January 6, 1921, was dispensed with as one copy of the Minutes of said meeting was mailed to each member.

The report of the Market Conditions Committee was submitted to the meeting by M. E. Thomas as Chairman of the Committee. This report covered a comparison of our statistics for January 1921 and December 1920, and a review of our general statistics for the past four months. The report also included the Committee's forecast of February Shipments, Production and New Business, which, based upon data received from fifteen members, indicated an increase of over 30% in Shipments compared with January, Production slightly under that of January, and bookings of new orders about equal to the January new business booked.

All of the correspondence with the Department of Justice and the Federal Trade Commission, Washington, D. C., regarding the Minimum Price Basis submitted to them on January 29, 1921, was fully discussed, and ordered to be spread upon the records of this meeting and is as follows:

January 29, 1921.

Federal Trade Commission, Washington, D. C.

GENTLEMEN: The members of the Maple flooring Manufacturers Association wish to submit to you for your consideration and approval a Minimum Price Basis, five printed copies of which are enclosed herewith.

The purpose of the Minimum Price Basis is to inform the members of the Association what the actual average cost is of manufacturing and placing on the market Maple, Beech and Birch Flooring and the prices at which such flooring should be sold if the manufacturers wish to realize an average profit of five per cent reckoned upon such average cost.

A copy of the Association Rate Book containing the Table of Values Based Upon Average Cost dated January 6, 1921, the Index of Towns, and the Concessions From And Additions to the Basic Delivered Values, referred to in Article IV of the Minimum Price Basis is enclosed herewith.

In this connection we wish to state that the so called Minimum Price Plan which was submitted to you in 1916 was never enforced and was never consummated.

[fol. 5146] We have not heard anything further from you either approving or disapproving the said Minimum Price Plan since we received your letter of July 6, 1916, in which you stated that the said Plan would be considered by you in connection with our previous request for ruling on the Petition filed with the Commission in September 1915.

As citizens and taxpayers the members of the Association feel that they are entitled to be advised by you whether in your judgment the foregoing Minimum Price Basis is lawful, as the members of the Association believe it to be.

Respectfully yours, Maple Flooring Manufacturers Association. (Signed) George W. Earle, President. (Signed) George W. Keehn, Secretary.

P. S.—We have written a similar letter to the Attorney General of the United States, Department of Justice, Washington, D. C.

Federal Trade Commission,

Washington

Office of the Chairman

7 February, 1921.

Maple Flooring Mfrs. Assn., 1045 Stock Exchange Building, Chicago, Ill.

GENTLEMEN: At the request of the Chairman I am writing in reply to your letter of January 29, transmitting a Minimum Price Basis, and Rate Book compiled and published by you, which you state is submitted for the consideration and approval of this Commission.

You are referred to a copy of the act creating the Federal Trade Commission, which is enclosed to you herewith, which fails to contain any warrant for the expression of the approval which you seek. It is true that the message of the President submitting to Congress his proposal for the creation of this Commission, and some of the debates in Congress seem to contemplate action by the Commission upon plans of operation as submitted by business organizations throughout the country, but this power was definitely excluded from the act by Congress and the Commission has never assumed to approve or disapprove plans of corporate or associate action, in advance. It has received from time to time such plans and has placed them on file, but has reserved action with reference to such plans until as a result of operations thereunder complaint arose that there existed a resulting hinderance to competition or restraint of trade.

Your communication has, therefore, been filed but the Commission refrains now from expressing either approval or disapproval either of the plan of operation or its details. Such a plan of operations must be judged by its results in actual operation and if it brings about a hinderance of competition or a restraint of trade it [fol. 5147] falls within the prohibition of the anti-trust laws and, as well, those of the Federal Trade Commission.

Very truly yours, (Signed) Nelson B. Gaskill, Vice Chairman.

January 29, 1921.

To the Attorney General of the United States, Department of Justice, Washington, D. C.

DEAR SIR: The members of the Maple Flooring Manufacturers Association wish to submit to you for your consideration and approval a Minimun Price Basis, a printed copy of which is enclosed herewith.

The purpose of the Minimun Price Basis is to inform the Members of the Association what the actual average cost is of manufacturing and placing on the market Maple, Beech and Birch Flooring and the prices at which such flooring should be sold if the manufacturers wish to realize an average profit of five per cent reckoned upon such average cost.

A copy of the Association Rate Book containing the Table of Values Based Upon Average Cost dated January 6, 1921, the Index of Towns, and the Concessions From And Additions to the Basic Delivered Values, referred to in Article IV of the Minimum Price Basis is enclosed herewith.

In this connection we wish to state that the so-called Minimum Price Plan which was submitted to you in 1916 was never enforced and was never consummated.

We have not heard anything further from you either approving or disapproving the said Minimum Price Plan since we received your letter of July 6, 1916, in which you stated that you could not comply with our request to give us an official opinion on the subject.

However, as citizens and taxpayers, the members of the Association feel that they are entitled to be advised by you whether in your judgment the foregoing Minimum Price Basis is lawful, as the members of the Association believe it to be.

Respectfully yours, Maple Flooring Manufacturers Association. (Signed) George W. Earle, President. (Signed) George W. Keehn, Secretary.

P. S.—We have written a similar letter to the Federal Trade Commission, Washington, D. C.

[fol. 5148] Department of Justice,

Washington

February 4, 1921.

Mr. G. W. Earle, Pres. Maple Flooring Manufacturers Assn., 1045 Stock Exchange Building, Chicago, Illinois.

SIR: The Department is in receipt of your letter of January 29 wherein you seek the approval of the Department for a so-called "minimum price basis" and rate book transmitted with your letter and consisting essentially in an agreement of January 6, 1921, among the members of your association to observe minimum prices subsequently published in the rate book.

In reply to the statement in your letter that the members of your association feel that they are entitled to be advised by the Attorney General whether in his judgment the foregoing arrangement is lawful, permit me to assure you that they are not entitled to the advice of the Attorney General, as is explained in the enclosed circular letter.

I venture to suggest, however, that the papers which you transmitted to this Department indicate a flagrant violation of the penal provisions of the Act of Congress of July 2, 1890 (26 Stat. 209), commonly known as the Sherman Anti-Trust Act, through a price-fixing agreement. If you desire to submit anything further in this matter before the Department determines its course in the premises, a reasonable time will be given you for that purpose.

Respectfully, (Signed) Frank L. Nebeker, Assistant to the Attorney General.

Incl. 24928.

Inclosure 24928, from Department of Justice

The law prescribing the duties of the Attorney General does not permit him to give advice or official opinions to others than the President and the heads of the several Executive Departments of the United States. This principle, repeatedly declared by my predecessors, was in 1878 well expressed by former Attorney General Devens, as follows:

The authority of the Attorney General to render his official opinion is limited by the laws which create and define his office and does not permit him to give advice at the call of either House of Congress or of Congress itself, but only to the President or the head of an Executive Department of the Government. The absence of authority to respond to calls for legal opinions coming from sources other than those prescribed by law was early in the history of the Government suggested * * * by the then Attorney General, Mr. Wirt * * * and no change in this respect has been made by the law creating the Department of Justice. The view thus taken has been invariably observed by my predecessors, including Attorneys General Taney, Crittenden, Bates, Evarts and Williams (15 Ops. A. C., 475, 476).

The rule thus stated as a rule of law may also be regarded as a rule of necessity. So many are the requests coming to the Department for advice on difficult legal questions that, were all to be prop- [fol. 5149] erly examined into and answered, the efficiency of the Department in the performance of its regular legal duties would be seriously affected.

I regret that for these reasons I cannot comply with your request.

February 11, 1921.

Department of Justice, Frank L. Nebeker, Assistant to the Attorney General, Washington, D. C.

GENTLEMEN:

Subject: Minimum Price Basis Submitted by Maple Flooring Manufacturers Association

Your favor of February 4th carefully noted.

We assure the Department it is not the intention or the desire of the Maple Flooring Manufacturers Association to violate the law.

This plan was worked out with a view to educating the industry to the actual average cost of the marketed product and to obtaining an average profit of five per cent reckoned upon such average cost; thus tending to stabilize conditions in our industry and avoiding that destructive competition which is not a benefit to consumer or manufacturer.

It is our desire to be honest and frank with the Department of Justice, and in view of your suggestion that the plan is a "violation of the law," the writer does not hesitate to assure the Department

that the members of the Association will not proceed with the plan. They have been notified of the attitude of the Department.

Any further evidence required of our sincerity will be submitted if you desire. If you will appoint a time for a conference, will be glad to attend it to satisfy you that the plan will not be proceeded with.

Respectfully yours, Maple Flooring Manufacturers Association. (Signed) George W. Earle, President.

Department of Justice,

Office of the Assistant to the Attorney General,

Washington

February 17, 1921.

Mr. G. W. Earle, President Maple Flooring Manufacturers Association, 1045 Stock Exchange Bldg., Chicago, Ill.

SIR: The Department is in receipt of your letter of February 11 [fol. 5150] wherein you state that the members of the Maple Flooring Manufacturers Association will abandon the agreement of January 6, 1921, to observe certain minimum prices in selling their product.

If the Department desires you to submit further evidence of the sincerity of the members in abandoning the plan, as you offer in your letter to do, you will receive a request to that effect from the Department.

Respectfully, for the Attorney General, (Signed) Frank L. Nebeker, Assistant to the Attorney General.

Copies of Mr. Nebeker's letter of February 4th and the Association's reply of February 11th and the Federal Trade Commission's letter of February 7th having been sent to the members on February 12th, and as the last paragraph of Mr. Nebeker's letter suggested that the Minimum Price Basis indicated a flagrant violation of the Sherman Anti-Trust Act, the Minimum Price Basis thereupon automatically became null and void in accordance with the last paragraph of the Minimum Price Basis which provided that in the event of the Government's disapproval the Minimum Price Basis shall be null and void.

After further discussion of the subject, the following resolution was unanimously adopted by roll call vote, all of the 23 members who had signed the Minimum Price Basis were present and voted for and in favor of said resolution which is as follows:

Resolved, That the Minimum Price Basis which this Association on the 29th day of January, 1921, submitted to the Department of Justice and to the Federal Trade Commission at Washington, D. C. for their approval and which was not approved by the Department of Justice, be and the same is hereby declared null and void: And be it further

Resolved, That neither this Association nor its members shall operate under said Minimum Price Basis.

On motion, the meeting adjourned subject to the call of the President.

Edward C. Singler, Secretary of the Meeting.

[fol. 5151] Maple Flooring Manufacturers Association, 1045 Stock Exchange Bldg., Chicago

February 11, 1921.

To members.

GENTLEMEN: We give below for your information copies of a letter and inclosure which were received at this office on February 7th from the Department of Justice in reply to our communication of January 29th in regard to the Minimum Price Basis. The letter was addressed to G. W. Earle as President of the Association and we forwarded it to him at Hermansville, Michigan.

We have just received a letter from Dr. Earle stating that it is his conclusion that a prompt reply should be made to the Department of Justice. In view of the attitude of the department, Dr. Earle states that he is unwilling to proceed with the plan, and he takes it for granted that the balance of the members will feel likewise. Copy of his reply to the Department follows the Department's inclosure referred to above.

Very truly yours, George W. Keehn, Secretary.

Dict. ECS.

Copy

HSM/scb.

Department of Justice,

Washington

February 4, 1921.

Mr. G. W. Earle, Pres. Maple Flooring Manufacturers' Assn., 1045 Stock Exchange Building, Chicago, Illinois.

SIR: The Department is in receipt of your letter of January 29th, wherein you seek the approval of the Department for a so-called "minimum price basis" and rate book transmitted with your letter and consisting essentially in an agreement of January 6, 1921, among the members of your association to observe minimum prices subsequently published in the rate book.

In reply to the statement in your letter that he members of your association feel that they are entitled to be advised by the Attorney General whether in his judgment the foregoing arrangement is lawful, permit me to assure you that they are not entitled to the advice of the Attorney General, as is explained in the enclosed circular letter.

I venture to suggest, however, that the papers which you transmitted to this Department indicate a flagrant violation of the penal provisions of the Act of Congress of July 2, 1890 (26 Stat. 209), commonly known as the Sherman Anti-Trust Act, through a price-fixing agreement. If you desire to submit anything further in this matter before the Department determines its course in the premises, a reasonable time will be given you for that purpose.

Respectfully, (Signed) Frank L. Nebeker, Assistant to the Attorney General.

Incl. 24928.

[fol. 5152] Inclosure 24928 from Department of Justice

(Copy)

The law prescribing the duties of the Attorney General does not permit him to give advice or official opinions to others than the President and the heads of the several Executive Departments of the United States. This principle, repeatedly declared by my predecessors, was in 1878 well expressed by former Attorney General Devens, as follows:

The authority of the Attorney General to render his official opinion is limited by the laws which create and define his office and does not permit him to give advice at the call of either House of Congress or of Congress itself, but only to the President or the head of an Executive Department of the Government. The absence of authority to respond to calls for legal opinions coming from sources other than those prescribed by the law was early in the history of the Government suggested * * * by the then Attorney General, Mr. Wirt, * * * and no change in this respect has been made by the law creating the Department of Justice. The view thus taken has been invariably observed by my predecessors, including Atorneys General Taney, Crittenden, Bates, Evarts and Williams. (15 Ops. A. C., 475, 476.)

The rule thus stated as a rule of law may also be regarded as a rule of necessity. So many are the requests coming to the Department for advice on difficult legal questions that, were all to be properly examined into and answered, the efficiency of the Department in the performance of its regular legal duties would be seriously affected.

I regret that for these reasons I cannot comply with your request.

February 11, 1921.

Department of Justice, Frank L. Nebeker, Assistant to the Attorney General, Washington, D. C.

GENTLEMEN:

Subject: Minimum Price Basis submitted by Maple Flooring Manufacturers Association

Your favor of February 4th carefully noted.

We assure the Department it is not the intention or the desire of the Maple Flooring Manufacturers Association to violate the law.

This plan was worked out with a view to educating the industry to the actual average cost of the marketed product and to obtaining an average profit of five per cent reckoned upon such average cost; thus tending to stabilize conditions in our industry and avoiding that destructive competition which is not a benefit to consumer or manufacturer.

It is our desire to be honest and frank with the Department of Justice, and in view of your suggestion that the plan is a "violation of the law", the writer does not hesitate to assure the Department that the members of the Association will not proceed with the plan. They have been notified of the attitude of the Department.

Any further evidence required of our sincerity will be submitted if you desire. If you will appoint a time for a conference will be glad to attend it to satisfy you that the plan will not be proceeded with.

Respectfully yours, Maple Flooring Manufacturers Association, by G. W. Earle, President.

[fol. 5153] Maple Flooring Manufacturers Association, 1045 Stock Exchange Bldg., Chicago

February 12, 1921.

To members.

GENTLEMEN: We submit herewith for your information copy of a letter received today from the Vice Chairman of the Federal Trade Commission in reply to our letter of January 29th in regard to the Minimum Price Basis.

Yours very truly, George W. Keehn, Secretary.

Dict. E. C. S.

(Copy)

Federal Trade Commission,

Washington

Office of the Chairman

7 February, 1921.

Maple Flooring Mfrs. Assn., 1045 Stock Exchange Building, Chicago, Ill.

GENTLEMEN: At the request of the Chairman I am writing in reply to your letter of January 29, transmitting a Minimum Price Basis, and Rate Book compiled and published by you, which you state is submitted for the consideration and approval of this Commission.

You are referred to a copy of the act creating the Federal Trade Commission, which is enclosed to you herewith, which fails to contain any warrant for the expression of the approval which you seek. It is true that the message of The President submitting to Congress his proposal for the creation of this Commission, and some of the debates in Congress seem to contemplate action by the Commission upon plans of operation as submitted by business organizations throughout the country, but this power was definitely excluded from the act by Congress and the Commission has never assumed to approve or disapprove plans of corporate or associate action, in advance. It has received from time to time such plans and has placed them on file, but has reserved action with reference to such plans until as a result of operations thereunder complaint arose that there existed a resulting hinderance to competion or restraint of trade.

Your communication has, therefore, been filed but the Commission refrains now from expressing either approval or disapproval either of the plan of operation or its details. Such a plan of operations must be judged by its results in actual operation and if it brings about a hinderance of competion or a restraint of trade it falls within the prohibition of the anti-trust laws and, as well, those of the Federal Trade Commission.

Very truly yours, (Signed) Nelson B. Gaskill, Vice Chairman.

Enc.

[fol. 5154] Maple Flooring Manufacturers Association, 1045 Stock Exchange Bldg., Chicago

January 31, 1921.

To members.

GENTLEMEN: After several conferences with Mr. Newman our Counsel at which all conditions were fully discussed and considered, letters (copies of which are enclosed) have been drafted and

will go froward today or tomorrow to the Federal Trade Commission and to the Department of Justice, Washington, D. C.

The printed documents accompanied by the Rate Book with contents stated in paragraph three of the letters will be sent by registered mail, return receipt requested, so that we shall know that the same have been duly received by the authorities at Washington.

Nichols & Cox Lumber Company decided not to enter into the Minimum Price Basis, so their signature does not appear in that part of the printed document, but it does appear in the reprint of the petition dated July 14, 1915. Their signature also appears in the old so-called Minimum Price Plan, which was dated June 21, 1916, and which was filed with the Federal Trade Commission and the Department of Justice about June 30, 1916, but which was never enforced and which is referred to in our letters today, dated January 29, 1921.

Very truly yours, George W. Keehn, Secretary.

[fol. 5155] Maple Flooring Manufacturers Association, 1045 Stock Exchange Bldg., Chicago

Copy

January 29, 1921.

Federal Trade Commission, Washington, D. C.

GENTLEMEN: The members of the Maple Flooring Manufacturers Association wish to submit to you for your consideration and approval a Minimum Price Basis, five printed copies of which are enclosed herewith.

The purpose of the Minimum Price Basis is to inform the members of the Association what the actual average cost is of manufacturing and placing on the market Maple, Beech and Birch Flooring and the prices at which such flooring should be sold if the manufacturers wish to realize an average profit of five per cent reckoned upon such average cost.

A copy of the Association Rate Book containing the Table of Values Based Upon Average Cost dated January 6, 1921, the Index of Towns, and the Concessions From And Additions To the Basic Delivered Values, referred to in Article IV of the Minimum Price Basis is enclosed herewith.

In this connection we wish to state that the so called Minimum Price Plan which was submitted to you in 1916 was never enforced and was never consummated.

We have not heard anything further from you either approving or disapproving the said Minimum Price Plan since we received your letter of July 6, 1916, in which you stated that the said Plan would be considered by you in connection with our previous request for ruling on the Petition filed with the Commission in September 1915.

As citizens and taxpayers the members of the Association feel that

they are entitled to be advised by you whether in your judgment the foregoing Minimum Price Basis is lawful, as the members of the Association believe it to be.

Respectfully yours, Maple Flooring Manufacturers Association, by George W. Earle, President. George W. Keehn, Secretary.

P. S.—We have written a similar letter to the Attorney General of the United States, Department of Justice, Washington, D. C.

[fol. 5156] Maple Flooring Manufacturers Association, 1045 Stock Exchange Bldg., Chicago

Copy

January 29, 1921.

To the Attorney General of the United States, Department of Justice, Washington, D. C.

Dear Sir: The members of the Maple Flooring Manufacturers Association wish to submit to you for your consideration and approval a Minimum Price Basis, a printed copy of which is enclosed herewith.

The purpose of the Minimum Price Basis is to inform the Members of the Association what the actual average cost is of manufacturing and placing on the market Maple, Beech and Birch Flooring and the prices at which such flooring should be sold if the manufacturers wish to realize an average profit of five per cent reckoned upon such average cost.

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In this connection we wish to state that the so called Minimum Price Plan which was submitted to you in 1916 was never enforced and was never consummated.

We have not heard anything further from you either approving or disapproving the said Minimum Price Plan since we received your letter of July 6, 1916, in which you stated that you could not comply with our request to give us an official opinion on the subject.

However, as citizens and taxpayers, the members of the Association feel that they are entitled to be advised by you whether in your judgment the foregoing Minimum Price Basis is lawful, as the members of the Association believe it to be.

Respectfully yours, Maple Flooring Manufacturers Association, by George W. Earle, President. George W. Keehn, Secretary.

P. S.—We have written a similar letter to the Federal Trade Commission, Washington, D. C.

[fol. 5157] DEFENDANT'S EXHIBIT E

Maple Flooring Manufacturers Association, 1045 Stock Exchange Bldg., Chicago

Minutes of Meeting July 19, 1923

A general meeting of the Maple Flooring Manufacturers Association was held at the Congress Hotel, Chicago, Thursday, July 19, 1923, pursuant to the call of the President of the Association.

The meeting was called to order by the Chairman. Eighteen members of the Association were present and three members were absent, namely: Osgood & Blodgett Manufacturing Co., East Jordan Lumber Company and Kneeland-Bigelow Company.

The Wisconsin Land & Lumber Company, as parties to the Government's Dissolution Suit but not as members of the Association, was represented at the meeting by Stewart Earle.

The reading of the Minutes of Meeting held on May 17 was dispensed with, a copy of same having been transmitted to each member soon after the meeting was held.

Mr. Newman and Mr. Darby of the Association's counsel were present and discussed further with the members the defense to the Government's Dissolution suit; Grant Keehn and Edward B. Gordon of the Harvard Graduate School of Business Administration were also present and briefly outlined the work they had done in the preparation of charts, statistical data, etc. in connection with the economic defense of the Association.

Mr. Newman and Mr. Darby gave an account to the members of the hearing in the Federal Court at Grand Rapids, Michigan on June 25 on our motion to dismiss the Government's Petition, which was denied by Judge Sessions. Messrs. Newman and Darby strongly urged that in view of the special objections in the Government's Petition to certain features of our statistical reports and other activities of the Association that the modifications be made in compilation and distribution to our members of statistical data and that Sections of Article XIV be amended by eliminating Paragraph (f) of said Section 3, Article XIV.

On motion, duly seconded, the following resolutions were adopted by unanimous vote:

1. Resolved, That the provision in the last sentence of Article XXII requiring ten days notice to be given of any proposed amendment to the Articles of Association, be and is hereby waived.

2. Resolved, That the Articles of Association be and are hereby amended by annulling Paragraph (f) of Section 3, Article XIV, which reads as follows:

"A reasonable allowance to provide for contingencies and unforeseen hazards incident to manufacturing operations. This allowance is estimated at five per cent of the average total cost of Maple,

Beech and Birch flooring when delivered F. O. B. cars at the flooring plant".

and be it further Resolved, That said Paragraph (f) of Section 3, Article XIV, shall no longer be considered or used in endeavoring to arrive at the cost of manufacture of Maple, Beech and Birch flooring.

3. Resolved, That in order to meet the special objections of the Department of Justice, the Association's Counsel in conjunction with the Secretary be and are hereby authorized and directed to make such changes and modifications as they may decide upon in the compilation and distribution of statistical data to the membership of the Association.

[fol. 5158] Advertising Committee.—Mr. Thomas reported as Chairman of the Advertising Committee that the Sales Manual is now ready to go to press; that the specimens of Maple, Beech and Birch Flooring lumber had been delivered to the Forest Products Laboratory, Madison, Wis., for the purpose of making certain Laboratory tests as previously reported to the Association; that the demand from lumber dealers for our advertising folders has been so great that the Committee found it necessary to have extra editions printed, and that the following number of copies of the various folders had been printed in order to satisfy the demand:

Folder	First edition	Second edition	Third edition	Fourth edition	Totals
A Floor of Captive Sunlight	25 M	20 M	20 M	20 M	85 M
New Floors for Old	25 "	20 "	20 "	20 "	85 "
Roller Skates and Service Floors	25 "	20 "	30 "	..	75 "
Why & Where to Use 1½ inch Face	25 "	25 "	..	..	50 "
The Floor Which the Years will make Precious	25 "	25 "	..	..	50 "
	125 "	110 "	70 "	40 "	345 "

Statistical data covering the first 17 days of July reported by thirteen members indicate as follows:

July Shipments about 9% more than June shipments.

July Production about 13% less than June production.

July New Orders about 24% more than June New Orders.

Stock conditions of 13/16" x 2¼" face Maple flooring on July 17 based upon data from thirteen members were as follows:

July 17	Stocks on hand	Unfilled orders	Oversold	July 17, % sold 13 mbrs.	June 30, % sold all mbrs.
Clear....	1035 M	4050 M	3015 M	391%	546%
No. 1....	1017 "	2666 "	1649 "	262 "	324 "
Factory..	243 "	1567 "	1324 "	645 "	659 "
	2295 "	8283 "	5988 "	361 "	453 "

After a brief discussion of business conditions in general and trade conditions in the Maple Flooring industry, the meeting, on motion, adjourned to Thursday, August 16, 1923.

George W. Keehn, Secretary.

[fol. 5159] Maple Flooring Manufacturers' Association, 1045 Stock Exchange Bldg., Chicago

August 2, 1923.

To members.

GENTLEMEN: In accordance with the action taken by the Association at the general meeting on July 19, the following changes have been made in the statistical reports and other activities of the Association. The changes have been made upon the advice of the Association's Counsel in order to eliminate certain features which are specially objected to by the Department of Justice in its Petition asking for the dissolution of our Association.

1. The following data which have heretofore been furnished to the members of the Association for their information, have been eliminated from the Rate Book and the compilation, distribution and use for any purpose whatever, of the said data described below are wholly abandoned and discontinued.

(a) The so-called Delivered Cost Charts.

(b) All matters relating to so-called Differentials.

(c) All matters relating to Terms of Sale and Cash Discounts.

It is understood that the members will comply with the action taken and will eliminate all of said data from their Rate Book.

2. The Association membership numbers which identify the individual members of the Association have been eliminated from all our reports issued since July 19 and are to be eliminated from all reports issued hereafter by the Association so that the information which is consolidated and transmitted to the members from time to time will not disclose to any member or members any of the particulars or intimate details of any other member's business respecting his Stock on Hand, Unfilled Orders, Shipments, Production and New Orders Booked or which will identify the average prices he

realizes or identify as his prices the prices at which he sells any Maple, Beech or Birch Flooring.

Yours very truly, George W. Keehn, Secretary.

[fol. 5160] Maple Flooring Manufacturers' Association, 1045 Stock Exchange Bldg., Chicago

August 2, 1923.

Test Runs

To members.

GENTLEMEN: Since the general meeting of the Association on July 19 we have made a new calculation of Average Cost and have based same upon the results of five test runs which were made since January 1, 1922.

These five test runs were made as follows:

Mitchell Brothers Company, January-February 1922.
Kerry & Hanson Flooring Co., December 1922.
East Jordan Lumber Company, January 1923.
Grand Rapids Trust Company, Receiver for Wm. Horner, January 1923.
Kneeland-Bigelow Company, January 1923.

We enclose for your information a statement in detail analyzing the results of the five test runs consolidated and considered as one test run. You will note that the 5% allowance for unforeseen hazards, etc. mentioned in Paragraph (f), Section 3 of Article XIV has been eliminated from the calculation in accordance with the action taken at the general meeting on July 19 annulling said paragraph and eliminating same from our Articles of Association.

Very truly yours, George W. Keehn, Secretary.

[fol. 5161] Average Cost Based upon Composite Result of Five Test Runs

These Test Runs were made as follows: 1 in January and February, 1922; 1 in December, 1922, and 3 in January, 1923.

Rough Lumber Used

579 M ft.	No. 1 Common	53%
305 " "	No. 2 Common	28 "
28 " "	No. 3 Common A	3 "
181 " "	No. 3 Common	16 "
1093 M ft.		100 "

Flooring Product

Clear	316 M ft.	38%
No. 1	366 " "	44 "
Factory	129 " "	15 "
Other Product	21 " "	3 "
	832 " "	100%
Waste	261 " "	24 "

Lumber used 1093 M ft.

Average Cost Based upon Composite Result of Five Test Runs—*Continued*

Present Average Cost of Rough Flooring Lumber F. O. B. Cars Flooring Mills

53.%	No. 1 Common	@	$64.	$33.92
28. "	No. 2 Common	"	44.	12.32
3. "	No. 3 Com. A	"	32.	.96
16. "	No. 3 Common	"	24.	3.84
100.%				
1000 ft.	Lumber Costs			51.04
760 "	Flooring Costs			51.04
1000 "	Flooring Costs			67.16
Manufacturing and Marketing Cost First Quarter 1923—Average				17.85
Average Cost F. O. B. Flooring Plant of 1000 ft. of Flooring Sold				85.01

Approximate Relative Average Costs of Flooring Product F. O. B. Cars at Flooring Mills

Clear:					
13/16 x 1½"		1.9%	@ $97	$1.84
	x 2 "	1.4%	97	1.36
	2¼"	27.4%	102	27.95
	3¼"	3.2%	87	2.78
	4 "	1.6%	87	1.39
Jtd.	3½"	.5%	92	.46
	3/8" All Faces	2. %	67	1.34
		38. %		37.12
No. 1:				
13/16 x 1½"		1.4%	@ 82	1.15
	2 "	1.7%	87	1.48
	2¼"	33.2%	92	30.54
	3¼"	4.6%	82	3.77
	4 "	1.2%	82	.98
Jtd.	3½"	.7%	87	.61
	3/8" All Faces	1.2%	47	.56
		44%		39.09

DEF. EXHIBIT F

RATE BOOK

AVERAGE FREIGHT RATES TO VARIOUS POINTS

Compiled by
Casey & Learned, Inc.
Freight Traffic Service,
Chicago, for

Maple Flooring Manufacturers Association

Stock Exchange Building

Chicago

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By Maple Flooring Manufacturers Association
Chicago

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KEY

Freight Rates	1.	2.	3.	4.	5.	6.	7.	8.	9.	0.
Index Letters	A.	B.	C.	D.	E.	F.	G.	H.	I.	J.

To open this book for the removal of old or the insertion of new leaves, press the little invisible buttons on the back of the book.

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5163

ILLINOIS

Abingdon	B G	Bushnell	B G
Albion	B F	Cairo	B I
Aledo	C B	Cambridge	B G
Algonquin	B D	Camp Point	B G
Alton	B G	Canton	B G
Anna	B I	Capron	B F
Antioch	B J	Carbondale	B I
Arcola	B E	Cardiff	B C
Arlington Hgts	B I	Carlinville	B G
Ashland	B E	Carlyle	B G
Assumption	B E	Carmi	B G
Astoria	B G	Carpenterville	B D
Athens	B E	Carriers Mills	B I
Atlanta	B D	Carrollton	B G
Auburn	B G	Carterville	B I
Augusta	B G	Carthage	B G
Aurora	B D	Casey(ClarkCo.)	B E
Barrington	B J	Central City (Marion Co.)	B F
Barry	B G		
Batavia	B D	Centralia	B F
Beardstown	B F	Champaign	B C
Beecher	B B	Charleston	B E
Belleville	B G	Chenoa	B D
Belvidere	B F	Cherry (Bureau Co.)	B I
Bement	B D		
Benton	B I	Chester	B I
Berwyn	B J	Chicago	B J
Bloomington	B D	Chicago Heights	B J
Blue Island	B J	Chillicothe	B G
Braceville	B D	Chrisman	B D
Bradley	B A	Christopher	B I
Breese	B G	Cicero	B J
Bridgeport	B E	Clinton	B D
Brookfield	B J	Coal City	B D
Brooklyn	B G	Colchester	B G
Brookport	B I	Collinsville	B G
Buda	B G	Cowden	B F
Bunker Hill	B G	Cuba(FultonCo.)	B G

October 30, 1922.

5186 =5208

MARYLAND

Annapolis	D D	Hancock	C H
Baltimore	C H	Havre de Grace	C I
Barton	C D	Highlandtown	C H
Bel Air	E A	Hyattsville	C H
Berlin	D A	Laurel	C H
Brunswick	C H	Lonaconing	C D
Cambridge	D A	Midland	C D
Catonsville	D J	Mt. Savage	C D
Centreville	D A	Mt. Washington	C H
Chestertown	D A	Oakland	C D
Cockeysville	C H	Oxford	D A
Crisfield	D A	Pocomoke	D A
Cumberland	C D	Port Deposit	C I
Deal's Island	E A	Princess Anne	D A
Deer Pk. Village	C D	Quantico	E A
Denton	D A	Rockville	C H
Easton	D A	St. Michaels	D A
Eckhart	C D	Salisbury	D A
Elkton	C I	Snow Hill	D A
Ellicott City	C H	Sparrows Point	C H
Emmitsburg	D E	Texas	C H
Federalsburg	D A	Towson	D F
Frederick	C H	Western Port	C D
Frostburg	C D	Westminster	C H
Hagerstown	C H	Williamsport (Washington Co.)	C H

August 15, 1922.

MASSACHUSETTS

All points D C

August 15, 1922. 5209=

Middletown	D	A	Oneida	C	G
Millbrook	D	C	Oneonta	C	I
Mineola	D	C	Oriskany	C	G
Minetto	C	D	Oriskany Falls	C	G
Mohawk	C	I	Ossining	D	A
Monroe	D	A	Oswego	C	D
Montgomery	D	A	Otisville	D	A
Monticello	D	C	Owego	C	D
Montour Falls	C	D	Oxford	C	G
Montrose	D	A	Oyster Bay, L. I.	D	D
Moravia	C	D	Ozone Park, L. I.	D	A
Mount Kisco	D	C	Painted Post	C	D
Mount Morris	C	B	Palmyra	C	D
Mount Vernon	D	A	Parkville, L. I	D	A
Nanuet	D	A	Patchogue	D	D
Naples	C	D	Pawling	D	C
Nepperhan	D	A	Pearl River	D	A
Newark	C	D	Peekskill	D	A
New Berlin	D	A	Pelham Manor	D	A
Newburgh	D	A	Penn Yan	C	D
New Hartford	C	G	Perrys	C	B
New Hyde Park	D	C	Perrysburg	B	D
New Paltz	D	A	Phelps	C	D
New Rochelle	D	A	Philmont	D	C
New York City	D	A	Phoenix	C	D
New York Mills	C	G	Piermont	D	A
Niagara Falls	B	D	Pittsford	C	D
Norfolk	D	C	Plattsburg	D	C
North Collins	B	D	Pleasant Plains	D	A
Northport	D	D	Pleasantville	D	C
North Tonawanda	B	D	Port Byron	C	D
Northville	D	H	Port Chester	D	C
Norwich	C	G	Port Ewen	D	C
Norwood	D	C	Port Henry	D	C
Nunda	C	B	Port Jefferson	D	D
Nyack	D	A	Port Jervis	D	A
Oakfield	C	B	Port Kent	D	C
Ogdensburg	D	C	Portland	B	E
Olean	C	B	Port Richmond	D	A

October 14, 1922

THE ATTACHED

DEF. EXHIBIT 21

Dated:	
1922	Title Sheet
none	Key Sheet
Feb.15,1923	Differential Sheet
"	Average Cost Chart sheet -13/16"
"	Delivered Cost Chart Sheets - 13/16"
"	Average Cost Chart Sheet - 3/8"
"	Delivered Cost Chart Sheets - 3/8"

REMOVED FROM RATE BOOK in accordance with action taken at the Association's general meeting on July 19, 1923. All members instructed to do this.

Revised Title Sheet, Key Sheet, 13/16" Freight Table and 3/8" Freight Table received from printer and mailed to members on August 2, 1923.

Aug. 2, 1923

Revised"Average Cost Chart Sheet 13/16" and "Average Cost Chart Sheet 3/8", dated July 19, 1923, mailed to members August 6, 1923.

Aug. 6, 1923

5249

Average Freight Rates
to Various Points

RATE BOOK

FREIGHT RATES
AND
INDEX OF TOWNS

Compiled by
Reed & Learned, Inc.
Freight Traffic Service,
Chicago, for

Maple Flooring Manufacturers Association

Stock Exchange Building

Chicago

Copyright 1922
By Maple Flooring Manufacturers Association
Chicago

5250

KEY

Freight Rates	1.	2.	3.	4.	5.	6.	7.	8.	9.	0.
Index Letters	A.	B.	C.	D.	E.	F.	G.	H.	I.	J.

To ascertain delivered costs at an unlisted point allow 25 cents for each one cent difference in the rate of freight between the nearest listed point and the unlisted point from point of shipment.

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5251

DIFFERENTIALS.

From Average Cost Charts of Maple 13/16″ D. & M.
February 15, 1923.

Average Cost of Beech 13/16″ D. & M. all Faces:

Clear—$10.00 less than Maple.
No. 1—$5.00 less than Maple.
Factory—Same as Maple.

Average Cost of Birch 13/16″ D. & M. all Faces:

Clear—$10.00 less than Maple.
No. 1—$5.00 less than Maple.
Factory—Same as Maple.

Average Cost of Wide Faces D. & M.

2½″ face same as 2¼″ face, 3″, 3½″ and 4″ faces same as 3¼″ face, of same wood, grade and thickness.

Average Cost of Thick Flooring D. & M.

1 1/16″—$5.00 more than 13/16″ D. & M.
1 1/16″—$7.00 more than 13/16″ D. & M.
1 1/16″—$10.00 more than 13/16″ D. & M.
of same wood, grade and thickness.

Average Cost of Jointed Flooring:

11/16″—$5.00 more than 13/16″ D. & M.
1 1/16″—$10.00 more than 13/16″ D. & M.
1 1/16″—$12.00 more than 13/16″ D. & M.
1 1/16″—$15.00 more than 13/16″ D. & M.
of same wood, grade and thickness.

February 15, 1923.

5252

DIFFERENTIALS.

Average Cost of Special Grades.

White Clear Maple, 11/16″, $20.00 more than Clear Maple, 11/16″, same face.

Red Clear Beech, 11/16″, $20.00 more than Clear Beech, 11/16″, same face.

Red Clear Birch, 11/16″, $20.00 more than Clear Birch, 11/16″, same face.

* * * * * *

White Clear Maple, ¾″, $15.00 more than Clear Maple, ¾″, same face.

Red Clear Beech, ¾″, $15.00 more than Clear Beech, ¾″, same face.

Red Clear Birch, ¾″, $15.00 more than Clear Birch, ¾″, same face.

Average Cost of Extra Shorts.

Clear Maple, Beech or Birch, 11/16″x2″ or 2½″ Face, under 22″, $5.00 less than standard lengths of Clear same wood and face.

Clear Maple, Beech or Birch, 11/16″x3¼″ Face, under 22″, $40.00 less than standard lengths of Clear same wood and face.

No. 1 Maple, Beech or Birch, 11/16″x2″ or 2½″ Face, under 16″, $40.00 less than standard lengths of No. 1, same wood and face.

No. 1 Maple, Beech or Birch, 11/16″x1¼″ Face, under 16″, $40.00 less than standard lengths of No. 1, same wood and face.

(OVER)

February 15, 1923.

5253

TERMS OF SALE.

Sixty days net or 2% discount for cash in 15 days, or 1% discount for cash in 30 days from date of invoice after deducting freight.

If the car has not arrived, the discount may be deducted on 90% of the invoice less estimated freight, for cash within proper discount period, the balance with original paid freight bill to be remitted net within 5 days after arrival of car. No cash discount will be allowed after 30 days from date of shipment.

5254

February 15, 1923.

DELIVERED COST CHART.

Includes Average Cost of Freight to Destination.

Freight Rates 4 cts. to 31 cts.			Freight Rates 32 cts. to 58 cts.		
Freight Rate Index	MAPLE BEECH BIRCH	1¼", 2" or 2½" FACE	Freight Rate Index	MAPLE BEECH BIRCH	1¼", 2" or 2½" FACE
D E	CLEAR No. 1	65.50 45.50	C B C C	CLEAR No. 1	68.25 48.25
C H	CLEAR No. 1	65.75 45.75	C D C E C F	CLEAR No. 1	68.50 48.50
I A J A	CLEAR No. 1	66.00 46.00	C G C H	CLEAR No. 1	68.75 48.75
A B A C	CLEAR No. 1	66.25 46.25	C I C J C A	CLEAR No. 1	69.00 49.00
A D A E A F	CLEAR No. 1	66.50 46.50	D B D C	CLEAR No. 1	69.25 49.25
A G A H	CLEAR No. 1	66.75 46.75	D D D E D F	CLEAR No. 1	69.50 49.50
A I A J A A	CLEAR No. 1	67.00 47.00	D G D H	CLEAR No. 1	69.75 49.75
B B B C	CLEAR No. 1	67.25 47.25	D I D J D A	CLEAR No. 1	70.00 50.00
B D B E B F	CLEAR No. 1	67.50 47.50	E B E C	CLEAR No. 1	70.25 50.25
B G B H	CLEAR No. 1	67.75 47.75	E D E E E F	CLEAR No. 1	70.50 50.50
B I B J B A	CLEAR No. 1	68.00 48.00	E G E H	CLEAR No. 1	70.75 50.75

KEY:

Freight Rates.....	1	2	3	4	5	6	7	8	9	0
Index Letters.....	A	B	C	D	E	F	G	H	I	J

5255=5257

February 15, 1923.

AVERAGE COST CHART

Average Cost of 3/8" Maple, Beech or Birch Flooring, F. O. B. cars at Flooring Mill.

Clear Grade—1½", 2" or 2¼" Face.....$65.00
No. 1 Grade—1½", 2" or 2¼" Face..... 45.00

February 15, 1923.

5258

AVERAGE COST CHART

Average Cost of 13/16" Maple Flooring F.O.B. Cars at Flooring Mill.

	MAPLE D. & M.	13/16" x 1½" FACE	13/16" x 2" FACE	13/16" x 2¼" FACE	13/16" x 3¼" FACE
F. O. B. MILL.	CLEAR	90.00	95.00	100.00	85.00
	No. 1	78.00	85.00	90.00	80.00
	FACTORY	30.00	40.00	45.00	50.00

new date

5259=5260

February 15, 1923.

DELIVERED COST CHART.

Includes Average Cost of Freight to Destination.

Freight Rates 15 cents to 26 cents.

Freight Rate Index	MAPLE D. & M.	13/16" x 1 1/2" FACE	13/16" x 2" FACE	13/16" x 2 1/4" FACE	13/16" x 3 1/4" FACE
A.E.	CLEAR	93.00	98.00	103.00	88.50
	No. 1	81.00	88.00	93.00	83.50
	FACTORY	33.00	43.00	48.00	53.50
A.F.	CLEAR	93.25	98.25	103.25	88.50
	No. 1	81.25	88.25	93.25	83.50
	FACTORY	33.25	43.25	48.25	53.50
A.G.	CLEAR	93.50	98.50	103.50	88.75
	No. 1	81.50	88.50	93.50	83.75
	FACTORY	33.50	43.50	48.50	53.75
A.H.	CLEAR	93.50	98.50	103.50	89.00
	No. 1	81.50	88.50	93.50	84.00
	FACTORY	33.50	43.50	48.50	54.00
A. I.	CLEAR	93.75	98.75	103.75	89.25
	No. 1	81.75	88.75	93.75	84.25
	FACTORY	33.75	43.75	48.75	54.25
B. J.	CLEAR	94.00	99.00	104.00	89.50
	No. 1	82.00	89.00	94.00	84.50
	FACTORY	34.00	44.00	49.00	54.50
B. A.	CLEAR	94.25	99.25	104.25	89.75
	No. 1	82.25	89.25	94.25	84.75
	FACTORY	34.25	44.25	49.25	54.75
B. B.	CLEAR	94.50	99.50	104.50	90.00
	No. 1	82.50	89.50	94.50	85.00
	FACTORY	34.50	44.50	49.50	55.00
B.C.	CLEAR	94.50	99.50	104.50	90.25
	No. 1	82.50	89.50	94.50	85.25
	FACTORY	34.50	44.50	49.50	55.25
B.D.	CLEAR	94.75	99.75	104.75	90.50
	No. 1	82.75	89.75	94.75	85.50
	FACTORY	34.75	44.75	49.75	55.50
B.E.	CLEAR	95.00	100.00	105.00	90.75
	No. 1	83.00	90.00	95.00	85.75
	FACTORY	35.00	45.00	50.00	55.75
B.F.	CLEAR	95.25	100.25	105.25	90.75
	No. 1	83.25	90.25	95.25	85.75
	FACTORY	35.25	45.25	50.25	55.75

KEY:
Freight Rates.....1 2 3 4 5 6 7 8 9 0
Index Letters.....A B C D E F G H I J

February 15, 1922.

5261

DELIVERED COST CHART.

Includes Average Cost of Freight to Destination.

Freight Rates 27 cents to 38 cents.

Freight Rate Index	MAPLE D. & M.	13/16" x 1 1/2" FACE	13/16" x 2" FACE	13/16" x 2 1/4" FACE	13/16" x 3 1/4" FACE
B. G.	CLEAR	95.50	100.50	105.50	91.00
	No. 1	83.50	90.50	95.50	86.00
	FACTORY	35.50	45.50	50.50	56.00
B. H.	CLEAR	95.50	100.50	105.50	91.25
	No. 1	83.50	90.50	95.50	86.25
	FACTORY	35.50	45.50	50.50	56.25
B. I.	CLEAR	95.75	100.75	105.75	91.50
	No. 1	83.75	90.75	95.75	86.50
	FACTORY	35.75	45.75	50.75	56.50
C. J.	CLEAR	96.00	101.00	106.00	91.75
	No. 1	84.00	91.00	96.00	86.75
	FACTORY	36.00	46.00	51.00	56.75
C. A.	CLEAR	96.25	101.25	106.25	92.00
	No. 1	84.25	91.25	96.25	87.00
	FACTORY	36.25	46.25	51.25	57.00
C. B.	CLEAR	96.50	101.50	106.50	92.25
	No. 1	84.50	91.50	96.50	87.25
	FACTORY	36.50	46.50	51.50	57.25
C. C.	CLEAR	96.50	101.50	106.50	92.50
	No. 1	84.50	91.50	96.50	87.50
	FACTORY	36.50	46.50	51.50	57.50
C. D.	CLEAR	96.75	101.75	106.75	92.75
	No. 1	84.75	91.75	96.75	87.75
	FACTORY	36.75	46.75	51.75	57.75
C. E.	CLEAR	97.00	102.00	107.00	93.00
	No. 1	85.00	92.00	97.00	88.00
	FACTORY	37.00	47.00	52.00	58.00
C. F.	CLEAR	97.25	102.25	107.25	93.00
	No. 1	85.25	92.25	97.25	88.00
	FACTORY	37.25	47.25	52.25	58.00
C. G.	CLEAR	97.50	102.50	107.50	93.25
	No. 1	85.50	92.50	97.50	88.25
	FACTORY	37.50	47.50	52.50	58.25
C. H.	CLEAR	97.50	102.50	107.50	93.50
	No. 1	85.50	92.50	97.50	88.50
	FACTORY	37.50	47.50	52.50	58.50

KEY:
Freight Rates.....1 2 3 4 5 6 7 8 9 0
Index Letters.....A B C D E F G H I J

February 15, 1922.

5262-5287

PENNSYLVANIA

Oakmont	B E	Pottstown	C I
Oil City	B E	Pottsville	C I
Old Forge	C I	Punxsutawney	C B
Olyphant	C I	Quakertown	C I
Oneida	C I	Ramey	C H
Orwigsburg	C I	Rankin Station	B E
Osceola Mills	C H	Reading	C I
Oxford	C I	Red Lion	D F
Palmerton	C I	Reedsville	C H
Palmyra	C I	Renovo	C H
Palo Alto	C I	Retreat	C I
Parkers Landing	B E	Reynoldsville	C B
Parkersburg	C I	Ridgway	C B
Parnassus	B E	Ridley Park	C I
Parsons	C I	Roaring Spring	C D
Patton (Cambria Co.)	C I	Rochester	B E
		Rock Point	B E
Peckville	C I	Rockwood	B H
Pen Argyl	C I	Roscoe	B G
Pennbrook	C H	Royersford	C I
Penn	B E	Saltsburg	B G
Pennsburg	C I	Saxton	C H
Perkasie	C I	Sayre	C D
Philadelphia	C I	Schuylkill Haven	C I
Philipsburg	C I	Scottdale	B G
Phoenixville	C I	Scranton	C I
Pine Grove	C I	Selinsgrove	C H
Pitcairn	B E	Sellersville	C I
Pittsburgh	B E	Sewickley	B E
Pittston	C I	Shaft	C I
Plains	C I	Shamokin	C I
Plymouth	C I	Sharon	B D
Plymouth Meet'g	C I	Sharon Hill	C I
Point Marion	B G	Sharpsburg	B E
Polk	B E	Sharpsville	B D
Portage	C D	Sheffield	C B
Port Allegany	C B	Shenandoah	C I
Port Carbon	C I	Shickshinny	C I
		Shinglehouse	C B

October 20, 1922.

5288 = 5321

FREIGHT TABLE

Cost of Freight per 1000 ft. of 13/16" Maple, Beech or Birch Flooring

Freight Rates 6c to 10c			Freight Rates 35c to 45c		
Freight Rate Index	¾ x 1½", 2" or 2½" face Weight, 1,800 lbs.	¾ x 2½" face Weight, 2,150 lbs.	Freight Rate Index	¾ x 1½", 2" or 2½" face Weight, 1,800 lbs.	¾ x 2½" face Weight, 2,150 lbs.
F	$1.25	$1.25	B F	$5.25	$5.75
G	1.50	1.50	B G	5.50	6.00
H	1.50	1.75	B H	5.50	6.25
I	1.75	2.00	B I	5.75	6.50
A J	2.00	2.25	C J	6.00	6.75
A A	2.25	2.50	C A	6.25	7.00
A B	2.50	2.75	C B	6.50	7.25
A C	2.50	3.00	C C	6.50	7.50
A D	2.75	3.25	C D	6.75	7.75
A E	3.00	3.50	C E	7.00	8.00
A F	3.25	3.50	C F	7.25	8.00
A G	3.50	3.75	C G	7.50	8.25
A H	3.50	4.00	C H	7.50	8.50
A I	3.75	4.25	C I	7.75	8.75
B J	4.00	4.50	D J	8.00	9.00
B A	4.25	4.75	D A	8.25	9.25
B B	4.50	5.00	D B	8.50	9.50
B C	4.50	5.25	D C	8.50	9.75
B D	4.75	5.50	D D	8.75	10.00
B E	5.00	5.75	D E	9.00	10.25

KEY:

Freight Rates	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**0**
Index Letters	**A**	**B**	**C**	**D**	**E**	**F**	**G**	**H**	**I**	**J**

July 19, 1923

5322-5325

AVERAGE COST CHART

Average Cost of 3/8" Maple Flooring,
F. O. B. cars at Flooring Mill.
As per Survey of Costs, July 19, 1923.

Clear Grade—1½", 2" or 2¼" Face.....$67.00
No. 1 Grade—1½", 2" or 2¼" Face..... 47.00

July 19, 1923.

5326

FREIGHT TABLE

Cost of Freight per 1000 ft. of
Maple, Beech or Birch Flooring
3/8" x 1-1/2", 2" or 2-1/4" Face
Weight 1000 lbs.

Frt. Rates 4c to 28c		Frt. Rates 29c to 53c		Frt. Rates 54c to 78c	
Freight Rate Index	Freight per 1M feet	Freight Rate Index	Freight per 1M feet	Freight Rate Index	Freight per 1M feet
D E F	$0.50	B I C J C A	$3.00	E D E E E F	$5.50
G H	0.75	C B C C	3.25	E G E H	5.75
I A J A A	1.00	C D C E C F	3.50	E I F J F A	6.00
A B A C	1.25	C G C H	3.75	F B F C	6.25
A D A E A F	1.50	C I D J D A	4.00	F D F E F F	6.50
A G A H	1.75	D B D C	4.25	F G F H	6.75
A I B J B A	2.00	D D D E D F	4.50	F I G J G A	7.00
B B B C	2.25	D G D H	4.75	G B G C	7.25
B D B E B F	2.50	D I E J E A	5.00	G D G E G F	7.50
B G B H	2.75	E B E C	5.25	G G G H	7.75

KEY:

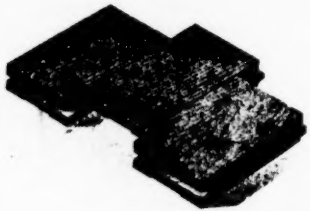
Freight Rates	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**0**
Index Letters	**A**	**B**	**C**	**D**	**E**	**F**	**G**	**H**	**I**	**J**

July 19, 1923

5327–5328

GRADING RULES

For Maple, Beech *and* Birch Flooring



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Stock Exchange Building
Chicago Illinois

5329

MFMA
TRADEMARK

To establish and enforce uniform grades and standard of products; to constantly improve methods of manufacture; to make the Association trade mark the symbol of excellence in methods and materials; to provide architect, dealer, and builder with an organized and always available guaranty of quality; to protect the integrity of the product and to stimulate its more intelligent and economical use; and to stabilize and improve the industry in all its activities—these are the essential purposes of the Maple Flooring Manufacturers Association.

5330

Grading Rules

The Clear Grade

CLEAR—$\frac{13}{16}$-inch and thicker, shall have one face practically free of all defects, but the question of color shall not be considered. Standard lengths in all widths in this grade shall be trimmed 2 to 16 feet; the proportion of lengths 2 to 3½ feet inclusive shall be what the stock will produce up to 20 percent.

This grade combines appearance and durability and has a face free of defects that will materially mar the appearance of the finished floor or impair its durability. It will be noted that the standard of appearance is that of a finished floor, not the top of a piano. A practical application of this rule will admit an occasional small sound pin knot not over ¼-inch in diameter, dark green or black spots or streaks not over ¼ inch wide and 3 inches long or its equivalent, birdseyes and small burls, a slightly torn grain or similar defect which can be readily removed by the ordinary method of smoothing the floor when it is laid, a slightly shallow place not over 12 inches long on under side of flooring if it does not extend to either end of the piece, an otherwise perfect tongue which is one-half short for 25% of length of piece is admissible, but the face must be free of checks or shake and the wood must be live and sound.

5331

The No. 1 Grade

No. 1—$\frac{13}{16}$-inch and thicker, will admit of tight, sound knots and slight imperfections in dressing, but must lay without waste. Standard lengths in all widths in this grade shall be trimmed 1½ to 16 feet; the proportion of lengths 1½ to 3½ feet inclusive shall be what the stock will produce up to 40 percent.

This grade is made for service rather than appearance. It admits of tight, sound knots prominent discolorations, numerous dark green or black spots or streaks, slight checks not exceeding three inches in length and running parallel with and well inside of the edges of the strip, dark spots or streaks with slight checks in center, small rough spots which cannot be wholly removed by the ordinary method of smoothing the floor when it is laid, slightly torn edges, short tongue if sufficient to hold properly in the floor, shallow or waney back if piece has sufficient bearings of full thickness to support it in floor, and slight variation in angle of end matching. While these and similar features are admissible, sufficient attention is given to appearance to make this grade desirable and satisfactory for use in stores, school houses and similar places where a waxed or varnished floor is not required.

5332

The Factory Grade

FACTORY—$\frac{13}{16}$-inch and thicker, must be of such character as will lay and give a good serviceable floor, with some cutting. Standard lengths in all widths in this grade shall be trimmed 1 to 16 feet; the proportion of lengths 1 to 3½ feet inclusive shall be what the stock will produce up to 60 percent.

This grade is suitable for factory, warehouse and kindred uses, and where a low priced floor is wanted for *wear* nothing better or cheaper can be obtained than the Factory grade.

Special Grades

WHITE CLEAR is special stock manufactured from White Clear Maple lumber from the outside of the log, winter-sawed and end-piled in sheds to prevent staining, is almost ivory white, and is the finest grade of Maple flooring it is possible to produce.

RED CLEAR Beech and Red Clear Birch are manufactured from all-red face stock, especially selected for color and are free from all defects. The color is a rich warm tint peculiar to no other wood.

Standard Measurement

Flooring $\frac{5}{8}$-inch and thicker, all faces, is measured ¾-inch waste for matching.

Flooring ½-inch and thinner, all faces, is measured ½-inch waste for matching.

Jointed flooring, all thicknesses and faces, is measured ½-inch waste.

All flooring shall be end-matched unless otherwise specified.

The actual thickness of $\frac{13}{16}$-inch and thicker flooring is $\frac{1}{32}$-inch scant of the thickness used as the trade name. The $\frac{1}{32}$-inch scant is taken from the under side of the flooring, leaving the thickness of the wearing surface unchanged.

Custom Governing Re-Inspection

In the manufacture and grading of Maple, Beech and Birch flooring, the highest type of machinery and workmen are employed, but years of experience have shown that the most efficient inspectors will occasionally let some pieces slip into the wrong grade. Consequently if a re-inspection which shall be made by an Official Inspector of the

Maple Flooring Manufacturers Association, does not result in a difference in favor of the party complaining of more than 5 percent in feet, of grade below the original inspection, the party demanding the re-inspection shall accept the flooring as originally graded and pay all expenses connected with the re-inspection.

The quality of the flooring in the condition in which it leaves the manufacturer is held to govern the grade, as subsequent lack of care and improper treatment in laying, scraping or finishing are not chargeable to the manufacturer.

Because of modern methods of laying hardwood floors, and the improved nail now used, the boring of dressed and matched flooring is no longer of practical value; consequently the practice of boring is being discontinued by the manufacturers and as it is not an essential feature in the manufacture and grading of flooring the absence of it will not be considered a basis for any reclamation.

Advantages of Standard Lengths

It will be found more advantageous to specify and use the Standard run of lengths in the different

5335

grades instead of special long lengths because lengths selected 4 feet or 6 feet and longer are much more expensive without compensating benefits.

Modern perfected methods of manufacturing hardwood flooring produce a larger proportion of shorter lengths than the old-time methods, because the defects are cut out closer, thus improving the average quality of the flooring, and experience has demonstrated that shorter lengths combined with longer lengths cost no more to lay and make as good or better floor at a material saving in cost than all long lengths. The shorter lengths can also be used to advantage in closets and other small spaces.

The stand of Maple, Beech and Birch stumpage is limited and is becoming rapidly depleted, and the sentiment in favor of conservation of forest resources is strongly in favor of the utilization to the greatest extent of these valuable woods, especially when the result attained in the finished floor is in nowise depreciated.

5336

DEF. EXHIBIT G.

MAPLE FLOORING MANUFACTURERS ASSOCIATION

July 13,1923

RECORD OF COMPLETED TRANSACTIONS

Report of Sales made during the week ended July 7, 1923.

DATE	QUANTITY	DESCRIPTION	DELD. PRICE	AVERAGE FRT. RATE	COMMISSIONS.	MILLS REPTG.
7-5	18,036	13/16x2-1/4 Clear Maple	$109.50	.23	$2.00	No.
	7,897	In 26 small sales.				
	25,933					
6-30	9,000	13/16x2-1/4 No. 1 Maple	110.00	.38		24
7-2	9,000	" Clear "	114.00	.22		
7-6	3,000	" " "	118.00	.43	2.00	
	21,000					
7-2	13,000	3/8x2 No. 1 Maple	46.25	.41	2.00	3
	6,000	" " Beech	44.25	.41	2.00	
	10,000	3/8x1-1/2 Clear Birch	54.25	.41	2.00	
	21,000	3/8x20 " Beech	49.25	.41	2.00	
	50,000	" " "	49.25	.41	2.00	
	15,000	" " "	49.50	.43	2.00	
	8,000	" " Maple	61.50	.43	2.00	
	5,500	13/16x2 " "	103.50	.43	2.00	
	4,250	" No.2 Com"	73.50	.43	2.00	
	4,500	" Clear Beech	93.50	.43	2.00	
	1,750	" Rgd " "	108.50	.43	2.00	
	2,000	" No. 1 "	83.50	.43	2.00	
	5,000	" " Birch	83.50	.43	2.00	
	3,500	13/16x2-1/4 " "	88.50	.43	2.00	
	1,250	" No.2Com. Beech	73.50	.43	2.00	
	150,750					
7-2	10,000	3/8x2 9/21" No.1&Clr MB&B	37.75	.27	2.00	5
7-5	16,000	13/16x2-1/4 9/21"No.1 Maple	54.50	.23	2.00	
	4,000	" 9/21" No.1&Clr B&B	54.50	.23	2.00	
7-7	1,500	3/8x1-1/2 Clear Beech	58.25	.32	1.50	
	2,500	3/8x2 " "	58.25	.32	1.50	
	2,000	13/16x2-1/4 " "	111.50	.32	1.50	
	3,000	" " Maple	111.50	.32	1.50	
	12,000	" Fcty. "	56.50	.32	1.50	
	23,000	" Clear "	113.50	.43	2.00	
7-2	5,000	3/8x2 " "	70.75	.85	1.50	
	13,000	13/16x2-1/4 Fcty. "	71.50	1.08	2.00	
	4,000	" Clear "	126.50	1.08	2.00	
	820	3/8x1-1/2 " Birch	63.75	.37	1.50	
	101	In small sale				
	96,921					
7-6	15,000	13/16x2-1/4 Clear Maple	113.50	.43	2.00	14
	5,000	3/8x2 " "	69.25	.43	2.00	
	20,000					
		NO SALE				26
7-2	3,000	13/16x1-1/2 1/3½ Fcty. Mpl	42.00	.85	2.00	30
	2,000	" 9/21 Clr "	62.00	.85	2.00	
	3,000	13/16x2 1/3½ Fcty. "	47.00	.85	2.00	
	7,000	" 1/3½ " "	67.00	.85	2.00	
	5,000	" x2-1/4 Clr. "	122.00	.85	2.00	
	5,685	" " "	127.00	.85	2.00	
	3,000	" 1/3½ Fcty. "	43.00	Mill		
	1,590	" " "	62.00	Mill		
	2,500	" x3-1/4 No.1 "	104.00	Mill		
7-3	20,500	" x2-1/4 Clr. "	109.00	.21		
	2,200	" 1/3½ Fcty. "	35.00	Mill		
	1,000	" x2 Clr. "	99.00	Mill		
	1,250	" x2-1/4 No.1 Beech	97.00	Mill		
	3,500	" " Mpl	104.00	Mill		
	5,000	" Clr. "	111.00	Mill		
	10,000	" " Birch	100.50	.27	2.00	
	7,000	" No.1 "	90.50	.27	2.00	5337
	15,000	" Clr. Mpl	109.50	.22	2.00	

DATE	QUANTITY	DESCRIPTION		DELD. PRICE	AVERAGE FRT. RATE	COMMIS-SIONS.	MILLS REP'TG.
7-5	1,625	13/16x2-1/4	Clear Maple	$112.00	Mill		No.30
	1,500	"	No. 1 "	104.00	Mill		
	1,300	"	" Beech	97.00	Mill		
	1,500	"	" Maple	104.00	Mill		
	104,150						
		NO SALE					37
7-5	110,000	13/16x3-1/4	No. 1 Maple	92.00	.55	$2.00	47
	32,000	" x2-1/4	Fcty. "	54.00	.38	2.00	
6-25	9,000	" x2	" "	47.00	Mill	2.00	
	6,500	" x1-1/2	" "	36.00	Mill	2.00	
	4,000	3/8x1-1/2	Clear "	65.00	Mill	2.00	
7-3	20,000	13/16x2-1/4	No. 1 "	60.00	Mill		
	5,000	" x1-1/2	Clear "	60.00	Mill		
	186,500						
7-5	3,000	3/8x1-1/2	Clear Maple	71.00	.46	1.50	7
	3,000	13/16x1-1/2	" "	110.00	.46	1.50	
	7,000	" x2-1/4	" "	117.00	.46	1.50	
	6,000	"	No. 1 "	107.00	.46	1.50	
7-6	20,000	" x1-1/2	Clear Birch	83.50	.43	1.50	
	10,000	" x2-1/4	No. 1 Maple	99.50	.22	1.50	
	8,000	"	Clear "	114.50	.22	1.50	
	2,000	" 2/3½	" "	104.50	.22	1.50	
	59,000						
7-2	13,000	13/16x1-1/4	No.1&Btr Mpl	66.50	Mill		23
	2,600	"	" " Birch	55.00	Mill		
	1,200	"	" " Beech	55.00	Mill		
	3,000	" x2-1/4	No. 1 Birch	85.00	Mill		
	1,000	3/8x1-1/2	Clear Maple	65.00	Mill		
	5,000	13/16x3-1/4	" "	98.50	.43	2.00	
	11,000	" x2-1/4	" "	108.50	.43	2.00	
	25,000	"	No. 1 "	95.00	.25	2.00	
	10,000	" x3-1/4	Fcty. "	66.50	.43		
	10,000	" x2-1/4	No. 1 "	90.00	.15	2.00	
	10,000	"	Clear Beech	94.00	.15	2.00	
	5,000	"	" Maple	104.00	.15	2.00	
	10,000	"	" Beech	90.00	.15	2.00	
	5,000	"	No. 1 Maple	90.00	.15	2.00	
	5,000	"	Fcty. "	54.00	.15	2.00	
	13,000	13/16x1-1/4	No.1&Btr"	66.50	Mill	2.00	
	5,000	" x2-1/4	No. 1 "	90.00	Mill	2.00	
	134,800						
7-2	1,000	13/16x2-1/4	Clear Maple	110.00	Mill		34
7-2	1,000	3/8x1-1/2	Clear Maple	67.50	.24	2.00	42
	1,000	13/16x2-1/4	" "	111.75	.24	2.00	
	2,000	"	" "	108.00	.15	2.00	
	10,000	"	No. 1 "	98.00	.15	2.00	
	3,000	"	Fcty. "	53.00	.15	2.00	
	20,000	13/16x3-1/4	No.1&Btr"	95.00	.66		
	3,000	" x2-1/4	Fcty. "	50.00	Mill		
	40,000						
		NO SALE					50
	27,000	13/16x2-1/4	Clear Maple	120.00			48
	20,000	"	No. 1 "	105.00			
	5,000	"	Fcty. "	65.00			
	52,000						
		NO SALE					51
	892,004	Reported by 16 Members.					5338

AVERAGES OF SALES WEEK ENDED JULY 7, 1923

13/16 x 2-1/4" fa ce Clear, No. 1 and Factory Maple Flooring, Standard Grades and Lengths:	CLEAR	NO. 1	FACTORY
Averages of Delivered Prices	$114.54	$98.50	$57.80
Averages of Average Freight Rates	.44	.25	.41
Average Cost of Freight	8.80	5.00	8.20
Averages of Prices Realized FOB Flooring Mill Basis	105.74	93.50	49.60

TOTAL SALES OF 13/16 x 2-1/4" FACE MAPLE FLOORING

Clear	192 M
No. 1	149 "
Factory	78 "
	419 "

NEXT GENERAL MEETING
THURSDAY, JULY 19TH,
CONGRESS HOTEL
CHICAGO

DEF.EXHIBIT G1.

MAPLE FLOORING MANUFACTURERS ASSOCIATION November 9, 1923.

RECORD OF COMPLETED TRANSACTIONS

Report of Sales made during the week ended November 3, 1923.

DATE	QUANTITY	DESCRIPTION		DELD. PRICE	AVERAGE FRT. RATE	COMMISSIONS.
10-16	7,089	13/16x2-1/4	No. 1 Maple	$93.25	.41	$2.00
	5,083	" x3-1/4	" "	89.25	.41	2.00
	5,063	" x2-1/4	Clear "	103.25	.41	2.00
	2,053	3/8x2	" "	64.00	.41	2.00
10-25	50,000	13/16x2-1/4	Fcty. "	52.75	.39	2.00
	10,092	"	Clear "	102.75	.39	2.00
	30,000	"	No. 1 "	92.75	.39	2.00
10-26	3,000	1-1/16x2-1/4	Clear "	107.00	.20	2.00
10-27	2,000	13/16x2	No. 1 "	87.00	.16	
	8,000	" "	Clear "	95.00	.15	
	25,000	" x3-1/4	No. 1 "	87.00	.41	2.00
	1,484	In 4 small sales.				
10-29	20,000	13/16x2-1/4	No. 1 Maple	89.00	.34	2.00
10-30	24,000	"	" Beech	81.50	.33	1.50
	10,800	"	" Maple	90.00	.25	2.00
	25,000	"	Clear "	102.00	.39	2.00
	25,000	"	No. 1 "	92.00	.39	2.00
	25,000	"	Fcty. "	55.00	.39	2.00
	25,000	1-1/16x2-1/4	No. 1 "	97.00	.39	2.00
	25,000	13/16x1-1/2	Fcty. "	25.00	.22	2.00
	20,000	" "	" "	25.00	.22	2.00
	20,000	" x2-1/4	Clear "	103.25	.41	2.00
	30,000	"	" "	100.00	.25	2.00
10-29	20,500	" x3-1/4	" Birch	89.75	.43	2.00
	21,183	" x2-1/4	" Maple	103.50	.43	2.00
	17,000	"	No. 1 "	88.75	.19	2.00
	64,000	17/16x2-1/4	Fcty. "	49.50	.22	2.00
	9,500	"	No. 1 "	97.50	.38	2.00
	18,000	13/16x3-1/2	" Jtd "	95.00	.54	2.00
10-30	20,000	" x2-1/4	" "	85.00	.18	
10-31	20,000	"	" "	85.00	.18	
	3,000	"	Clear "	98.50	.18	
	22,000	" x3-1/4	Fcty. "	58.50	.38	2.00
	20,000	17/16x3-1/4	Clear "	104.75	.43	2.00
11-2	17,000	13/16x3-1/4	Fcty. "	59.75	.43	2.00
	40,000	17/16x3-1/4	" "	53.00	.27	2.00
	10,000	13/16x2-1/4	No. 1 "	88.75	.19	2.00
	10,000	"	Fcty. "	48.75	.19	2.00
	5,950	In small sales.				
	716,797	Eastern Lower Michigan Mills - Group 1				
10-29	20,000	13/16x2-1/4	Clear Maple	96.00	.15	2.00
10-30	5,000	"	Fcty. "	56.50	.32	2.00
	15,000	"	No. 1 "	91.50	.32	2.00
11-1	9,500	"	Clear "	102.75	.25	1.50
	15,000	"	No.2 Com Beech	73.50	.43	2.00
	14,000	"	Clear Birch	93.50	.43	2.00
	2,000	"	" Maple	101.50	.43	2.00
	3,000	3/8x2	" Birch	59.50	.43	2.00
	5,000	13/16x2-1/4	" "	93.50	.43	2.00
11-3	15,000	" 9/21	"No.1&Clr B.& B.	58.50	.43	2.00
	17,000	"	Clear Maple	101.25	.41	1.50
11-1	6,000	3/8x1-1/2	" "	64.00	.38	1.50
	3,000	13/16x1-1/2	" "	92.50	.38	1.50
	12,000	" x2-1/4	" "	100.50	.38	1.50
10-29	7,000	"	" "	101.50	.43	2.00
10-31	2,000	3/8x1-1/2	" "	63.25	.32	2.00
10-31	40,000	13/16x2-1/4	" "	100.00	.43	2.00
11-1	53,500	"	" "	100.00	.22	2.00
	5,000	"	" "	95.25	.16	1.50
	5,000	"	No. 1 "	85.25	.16	1.50
	5,000	" x3-1/4	Clear "	96.75	.43	2.00
	5,000	"	No. 1 "	88.75	.43	2.00
	15,000	"	"&Fcty"	66.75	.43	2.00

DATE	QUANTITY	DESCRIPTION	DELD. PRICE	AVERAGE FRT. RATE	COMMIS-SIONS.
11-3	10,000	3/8x2 Clear Maple	$64.25	.43	$2.00
11-1	20,000	13/16x2-1/4 " "	95.00	.15	1.50
	5,000	" No. 1 "	85.00	.15	1.50
	25,000	" Clear "	94.00	.15	1.50
10-29	8,400	" x3-1/4 Fcty. "	61.00	.36	
10-29	5,000	" x2 9/21"Clear "	55.50	.27	2.00
	6,000	" 9/15"No. 1 "	40.50	.27	2.00
	5,000	" 2/3½'Clear "	75.50	.27	2.00
	3,500	" x2-1/4 9/21"Fcty."	24.50	.27	2.00
	3,500	" No.1Com&Btr.	26.50	.27	2.00
	4,000	" Clear Maple	101.50	.43	2.00
	8,000	" No. 1 "	93.50	.43	2.00
10-31	3,000	" x2 1½/3½' " "	65.50	.27	2.00
	4,000	" x2-1/4 Fcty. "	55.50	.27	2.00
11-2	5,000	" Clear "	103.50	.43	2.00
	20,000	" " Birch	93.50	.43	2.00
	25,000	" " "	93.50	.43	2.00
11-3	12,000	" " " "	93.50	.43	2.00
	3,500	3/8x2 " Maple	69.00	.43	2.00
	3,000	13/16x2-1/4 " "	104.00	Mill	
	31,422	In 41 small sales.			
	489,322	Western Lower Michigan Mills - Group 2			
10-29	7,000	3/8x1-1/2 Clear Maple	68.00	.24	1.50
	1,500	13/16x2-1/4 No. 1 "	89.00	.24	1.50
10-30	6,000	" " "	90.00	.26	
	3,000	" Clear "	105.00	.26	
	5,500	" x1-1/2 No. 1 "	80.00	.20	1.50
	5,000	" x2-1/4 Fcty. "	48.50	.20	1.50
11-1	12,500	" Clear "	98.50	.20	2.00
	12,500	" No. 1 "	85.00	.20	2.00
	33,000	" Fcty. "	62.00	.85	
10-29	10,000	3/8x1-1/2 No. 1 "	41.50	.27	2.00
	15,000	13/16x1-1/2 " "	72.50	.27	2.00
	12,000	" x2-1/4 Clear "	98.00	.15	2.00
	2,000	" No. 1 "	88.00	.15	2.00
	30,000	" " Birch	92.00	.85	2.00
11-1	17,000	" Fcty. Maple	50.00	.27	
	5,000	" x1-1/2 " "	40.00	.27	
	7,000	13/16x2-1/4 Clear "	95.00	.20	
	4,000	" No. 1 "	85.00	.20	
	3,000	" Fcty. "	49.00	.20	
11-3	20,000	" Clear "	95.00	.20	
	5,000	" No. 1 "	85.00	.20	
11-3	20,000	" Clear "	95.00	.20	
	5,000	" No. 1 "	85.00	.20	
11-3	20,000	" " "	85.00	.20	
	20,000	" Clear "	95.00	.20	
	25,000	" Fcty. Mpl & Beech	49.00	.20	
	13,000	" Clear Maple	95.00	.20	
	12,000	" No. 1 "	85.00	.20	
10-30	30,000	" " Beech	94.00	.85	
	2,000	" Fcty. Maple	48.00		
10-29	17,000	" No. 1 "	85.00	.24	3.00
10-26	20,000	" Clear "	99.50	.27	2.00
	16,000	" No.1&Btr.Soft "	73.00	.20	4.00
	4,500	" x2 " " "	67.00	.20	4.00
	17,000	" x2-1/4 Clear "	95.50	.27	2.00
	8,000	" " "	94.00	.20	2.00
	12,000	" No. 1 "	84.00	.20	2.00
10-31	18,500	" " "	88.00	.41	2.00
10-27	23,000	" x3-1/4 " "	84.00	.41	2.00
	8,500	" x2-1/4 No. 1 Beech	79.00	.20	2.00
	8,500	" Clear "	84.00	.20	2.00
	12,000	" " Maple	97.50	.27	
	18,000	" " "	99.50	.37	2.00
	8,000	" Fcty. Maple	92.00	.27	2.00

DATE	QUANTITY	DESCRIPTION	DELD. PRICE	AVERAGE FRT. RATE	COMMISSIONS.
10-31	20,000	13/16x2-1/4 Clear Maple	$98.25	.41	$2.00
11-1	25,000	" " "	95.00	.20	2.00
	12,000	" " "	95.00	.24	
	2,000	" No. 1 "	88.00	.24	
	3,000	" x2 Clear "	90.00	.24	
	616,000	Upper Michigan Mills - Group 3			
10-29	850	13/16x2-1/4 Fcty. Maple	55.00	Mill	
11-1	2,000	" " "	55.00	Mill	
	20,000	" " "	51.00	.20	1.00
	20,000	" " "	45.00	Mill	1.00
10-29	30,000	" " "	50.00	..27	
	10,000	" No. 1 "	85.00	.27	
	10,000	" Fcty. Birch	50.00	.27	
	10,000	" x1-1/2 No. 1 "	70.00	.27	
11-1	1,100	" x2-1/4 Clear Maple	100.00	.27	
	1,000	" " Birch	90.00	.27	
	2,000	" x1-1/2 Fcty. "	40.00	.27	
	8,000	" x2-1/4 Clear "	83.00	.27	
	850	" No. 1 "	80.00	Mill	
	115,800	Wisconsin Mills - Group 4			
	27,000	13/16x2-1/4 Clear Maple			
	31,000	" No. 1 "			
	5,000	" Fcty. "			
10-23	18,000	" No. 1 "	87.00	.43	2.00
10-30	20,000	" x2-1/4 Fcty. "	53.00	.39	2.00
	15,000	" No. 1 "	87.00	.41	2.00
	3,000	" x3-1/4 Clear "	92.00	.41	2.00
	14,000	" x2-1/4 " "	99.00	Mill	2.00
	17,000	" x3-1/4 " "	94.75	.41	2.00
	30,000	" x2-1/4 No. 1 "	87.00	.41	2.00
	180,000	Chicago,St.Paul and Tupper Lake Mills - Group 5			
	2,117,919	Reported by 18 Members. No reports from Nos.37-23-22			

AVERAGES OF SALES WEEK ENDED NOVEMBER 3, 1923.

13/16x2-1/4" face Clear, No. 1 and Factory Maple Flooring, Standard Grades and Lengths:	Clear	No. 1	Factory
Averages of Delivered Prices	$98.62	$87.57	$52.58
Averages of Average Freight Rates	.29	.26	.32
Average Cost of Freight	5.80	5.20	6.40
Averages of Prices Realized FOB Flooring Mill Basis,	92.82	82.37	46.18

TOTAL SALES OF 13/16 x 2-1/4" FACE MAPLE FLOORING

Clear	620 M feet
No. 1	416 " "
Factory	260 " "
Total	1296 " "

DEF. EXHIBIT H.

STOCK CONDITIONS AND BAROMETER FOR JUNE 1923

STOCK CONDITIONS - PER CENT SOLD

GRADES	MAPLE-BEECH-BIRCH			MAPLE			MAPLE 2-1/4" FACE		
	Jun1 1923	Jun30 1923	Jun.30 1922	Jun1 1923	Jun30 1923	Jun 30 1922	Jun1 1923	Jun30 1923	Jun 30 1922
Clear	153	128	77	229	184	105	807	546	240
No. 1	229	198	180	255	209	191	487	324	1070
Fcty.	178	142	64	194	163	69	776	659	153
All 3	181	150	96	230	189	116	652	453	304

COMPARED WITH

M.B.& B.	A MONTH AGO				A YEAR AGO			
	Clear	No.1	Fcty.	All Three	Clear	No.1	Fcty.	All Three
Points Up					51	12	78	54
" Down	25	37	36	31				
Maple								
Points Up					79	18	94	73
" Down	45	46	31	41				
Maple 2-1/4"								
Points Up					306		506	149
" Down	261	163	117	199		746		

M F M A B A R O M E T E R F O R J U N E 1923

June 1923 - 1922 Compared
Reports of same 21 Members

STOCKS ON HAND

June 30, 1923	18,867 M	
" 30, 1922	27,877	
Decrease	9,010	
"	32.3 %	

UNFILLED ORDERS

June 30, 1923	28,265 M	
" 30, 1922	26,193	
Increase	2,072	
"	7.9 %	

SHIPMENTS

June 1923	11,033 M	
" 1922	14,237	
Decrease	3,204	
"	22.5 %	

PRODUCTION

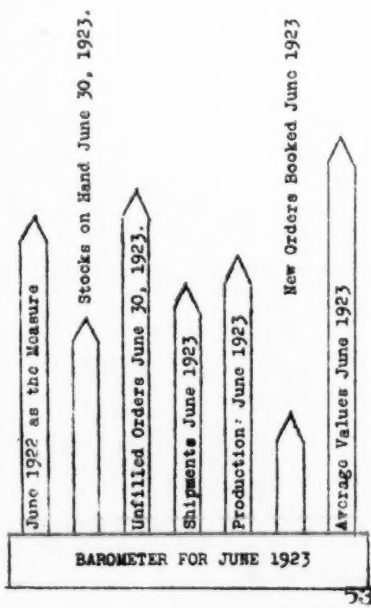
June 1923	10,509 M	
" 1922	12,025	
Decrease	1,516	
"	12.6 %	

NEW ORDERS BOOKED

June 1923	4,987 M	
" 1922	13,439	
Decrease	8,452	
"	62.9 %	

AVERAGE VALUES OF
13/16 x 2-1/4" Face
CLEAR, NO. 1 AND FACTORY
MAPLE FLOORING
FOB MICHIGAN & WISCONSIN MILLS

June 1923	$94.60	
" 1922	76.00	
Increase	18.60	
"	24.5%	



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July 13, 1923.

MAPLE BEECH AND BIRCH FLOORING STATISTICS (IN M FEET) JUNE 1923 - 1922 COMPARED

NO.		STOCKS ON HAND June 30th 1923	1922	UNFILLED ORDERS June 30th 1923	1922	SHIPMENTS June 1923	1922	PRODUCTION June 1923	1922	NEW ORDERS June 1923	1922	STOCK CHANGES 1923 June 1922 Incr.	Decr.	Incr.	Decr.	NO.
2	Young	1,202	1,422	1,477	1,796	694	988	772	908	195	726	63			102	2
3	Mitchell Bros.	598	3,694	208	1,462	123	906	None	775	143	1,093		240		100	3
5	Cobbs&MitchellInc	2,750	4,238	1,426	1,887	712	1,005	1,025	876	511	1,003	323			129	5
7	Stephenson	366	916	469	1,338	654	1,292	656	882	326	504		54		422	7
14	Cummer-Diggins	454	602	760	785	259	446	352	263	54	625	93			186	14
22	Osgood&Bledgett	101	168	None	10	21	60	None	54	21	None		15		11	22
23	Holt Hdwd.Co.	993	681	2,255	1,516	781	583	774	695	569	455	12			187	23
24	Kerry&Hannan	761	1,967	1,581	1,622	586	1,014	500	527	323	1,111		173		475	24
26	East Jordan	361	803	1,199	969	424	273	392	393	93	212		66	57		26
30	Nichols & Cox	1,317	1,048	1,069	905	856	588	1,048	573	376	672	202			15	30
33	Strable L&B Co.	737	1,626	2,560	1,625	787	994	821	786	422	1,214	5			419	33
34	Foster-Latimer	519	500	483	487	207	214	281	169	156	348	73			29	34
37	West Michigan	675	916	579	603	211	511	401	425	124	460	183		236		37
42	J.W.Wells L.Co.	1,283	1,801	1,992	2,146	487	624	467	482	160	525		49		51	42
44	Hwn.Cooperage	1,135	1,563	2,084	1,850	560	1,064	176	878	176	764		344		184	44
45	Flanner-Stoger	274	283	884	1,532	410	415	391	402	474	560	3			86	45
47	Wm. Horner	2,588	1,710	3,717	3,651	1,444	1,707	1,006	1,556	267	1,667		323		92	47
48	North Branch	256	324	512	217	162	256	161	221	50	200	14			2	48
49	Kneeland-Bigelow	1,230	1,538	4,635	1,251	1,085	561	868	615	416	725		208	55		49
50	Kneeland-McLurg	151	139	264	345	207	352	183	214	76	221		4		59	50
51	Oval Wood Dish	1,116	1,938	91	196	363	381	235	331	55	354	241			137	51
21	Members	18,867	27,877	28,265	26,193	11,033	14,237	10,509	12025	4,987	13,439	1212	1476	348	2686	21
	Increase Decrease	9,010	32.3%	2,072	7.9%	3,204	22.5%	1,516	12.6%	8,452	62.9%	1.4%	264	7.7%	2338	
21	June 1923	18,867		28,265		11,033		10,509		4,987		1.4%	264	7.7%	2338	21
21	May 1923	19,131		34,578		12,999		12,069		8,034		71	0.4%	9.7%	3252	21
	Decrease	264	1.4%	6,313	18.3%	1,966	15.1%	1,560	12.9%	3,047	37.9%					

July 13, 1923.

RECORD OF AVERAGE PRICES REALIZED

FOB Flooring Mills in June 1923 for New Orders Booked for 13/16 x 2-1/4" Clear, No. 1 and Factory Maple Flooring, Standard Grades and Lengths, after deducting Freight.

		CLEAR	NO. 1	FACTORY
GROUP A		June	June	June
Eastern	No.2	$107.41	$101.05	$58.00
Lower	24	109.94	99.95	None
Michigan	33	105.70	95.62	51.00
Mills	49	105.44	96.15	56.15
	Average	107.12	98.19	55.05
GROUP B				
Western	No.3	100.00	90.00	None
Lower	5	105.08	95.00	None
Michigan	14	None	None	None
Mills	26	106.27	95.00	50.00
	30	105.50	95.50	None
	37	105.85	95.94	None
	Average	104.54	94.29	50.00
GROUP C				
All Lower Michigan Mills	Average	105.69	96.02	53.79
GROUP D				
Upper	No. 7	107.98	96.11	57.20
Michigan	34	107.94	96.79	51.11
and	42	106.45	97.85	54.25
Wisconsin	44	105.86	95.79	52.38
Mills	50	102.41	89.44	59.80
	Average	106.12	95.19	54.94
GROUP E				
Michigan & Wisconsin Mills	Avge.	105.85	95.73	54.43
Tupper Lake, N.Yn Mill	No.51	101.70	98.25	53.00
GROUP F				
St. Paul	No.22	123.23	113.30	66.90
Chicago	48	120.00	105.00	65.00

July 13, 1923. Reports from 18 Members.

MISCELLANEOUS REPORTS JUNE 1923

SHIPMENTS OF EACH WOOD JUNE 1923 - 1922

JUNE	MAPLE	BEECH	BIRCH	TOTAL	SAME MEMBERS
1923	10,109 M	523 M	401 M	11,033 M	21
1922	12,931	824	482	14,237	21
Decrease	2,822	301	81	3,204	
Per cent	21.8%	36.5%	16.8%	22.5%	

****

PRODUCTION BY GRADES

	MAPLE			BEECH			BIRCH			ALL THREE		
Year	Clr.	No.1	Fcty.	Clr.	No.1	Fcty.	Clr.	No.1	Fcty.	Clr.	No.1	Fcty.
1916	50	34	16	63	25	12	64	28	8	52	33	15
1917	48	36	16	63	23	14	74	21	5	49	35	16
1918	49	36	15	64	22	14	72	22	6	50	35	15
1919	47	35	18	70	20	10	58	28	14	49	34	17
1920	41	36	23	53	28	19	51	31	18	43	34	23
1921	47	35	18	61	25	14	68	24	8	48	34	18
1922	46	37	17	57	28	15	60	30	10	47	36	17
Avge.	47	35	18	62	24	14	64	26	10	48	35	17
June 1923	41	35	24	62	31	7	52	33	15	42	35	23

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AVERAGE PRICES REALIZED FOB MICHIGAN AND WISCONSIN MILLS

For 13/16" x 2-1/4" face Maple Flooring
after deducting Freights and Commissions.

	JUNE OF EACH YEAR 1916 - 1923 COMPARED				
June	Clear as 50%	No. 1 as 35%	Factory as 15%	The Product	June 1916 as 100%
1916	$41.49	$35.28	$21.04	$36.25	100%
1917	51.42	46.32	32.02	46.73	129
1918	55.69	52.58	42.64	52.64	145
1919	65.10	59.80	48.90	60.82	168
1920	173.51	170.57	136.20	166.93	460
1921	89.35	64.91	30.58	71.98	199
*1922	90.64	75.96	27.28	76.00	210
Avge.	81.04	72.20	48.38	73.05	202
*1923	105.85	95.73	54.43	94.60	261

*Commissions not deducted.

MAPLE BEECH AND BIRCH FLOORING ON HAND JUNE 30, 1923.

	13/16 x 1-1/2	13/16 x 2	13/16 x 2-1/4	13/16 x 3-1/4	1-1/16 All Widths	1-5/16 All Widths	3/8 All Widths	1/2 All Widths	13/16 x 2½ Up Jointed	OTHER KINDS	TOTALS	% SOLD
CLEAR	1714M	1173M	2533M	727M	510M	13M	1497M	180M	46M	1407	9800	125
NO. 1	1083	480	2259	328	496	13	288	70	148	666	5831	192
FACTORY	283	202	530	331	878	10	48	20	354	580	3236	142
	3080	1855	5322	1386	1884	36	1833	270	548	2653	18867	150

MAPLE BEECH AND BIRCH UNFILLED ORDERS ON HAND JUNE 30, 1923.

	13/16 x 1-1/2	13/16 x 2	13/16 x 2-1/4	13/16 x 3-1/4	1-1/16 All Widths	1-5/16 All Widths	3/8 All Widths	1/2 All Widths	13/16 x 2½ Up Jointed	OTHER KINDS	TOTALS
CLEAR	1349M	1542M	7689M	339M	914M	19M	284M		123M	242M	12501M
NO.1	306	185	6371	1661	1668	39	42		669	227	11168
FACTORY	221	185	3186	215	238	15	7	1	237	291	4596
	1876	1912	17246	2215	2820	73	333	1	1029	760	28265

Reports from 21 Members

July 13, 1923.

MAPLE FLOORING ON HAND JUNE 30, 1923.

	13/16 x 1-1/2	% Sold	13/16 x 2	% Sold	13/16 x 2-1/4	% Sold	13/16 x 3-1/4	1-1/16 All Widths	1-5/16 All Widths	3/8 All Widths	1/2 All Widths	13/16 x 2½ Up Jointed	OTHER KINDS	TOTALS	% SOLD
CLEAR	1237M	103	928M	165	1336M	546	581M	464M	13M	602M	175M	46M	1103	6485	184
NO. 1	962	23	386	38	1748	324	212	496	13	259	63	148	617	4904	209
FACTORY	272	81	155	119	483	659	228	878	10	45	20	207	490	2788	163
	2471	69	1469	127	3567	453	1021	1838	36	906	258	401	2210	14177	189

MAPLE UNFILLED ORDERS ON HAND JUNE 30, 1923.

	13/16 x 1-1/2	13/16 x 2	13/16 x 2-1/4	13/16 x 3-1/4	1-1/16 All Widths	1-5/16 All Widths	3/8 All Widths	1/2 All Widths	13/16 x 2½ Up Jointed	OTHER KINDS	TOTALS
CLEAR	1271M	1535M	7295M	339	914M	19M	223M		123M	236M	11955
NO. 1	217	145	5670	1627	1668	39	30		669	184	10249
FACTORY	221	185	3182	215	238	15	7	1	237	253	4554
	1709	1865	16147	2181	2820	73	260	1	1029	673	26758

Reports from 21 members

July 13, 1923.

SURPLUS MAPLE FLOORING STOCKS JUNE 30, 1923

SIZE	CLEAR	NO.1	FACTORY	TOTAL
13/16 x 1-1/2"		No. 37,42.		2
13/16 x 2"	No. 51			1
13/16 x 3-1/4"	No. 2			1
3/8" All Widths	No. 5			1
1-1/16" All Widths			No. 2, 47, 49	3
June 30, 1923	3	2	3	8
June 30, 1922	14	10	10	34
Decrease	11	8	7	26

Items are listed as Surplus when the Stock on Hand exceeds the Unfilled Orders by about 100 M feet.

MAPLE FLOORING SURPLUSES IN M FEET JUNE 30, 1923.

SIZE	GRADE	MEMBER	ON HAND	UNSOLD
13/16 x 1-1/2"	No. 1	37	108	108
		42	172	167
			280	275
13/16 x 2"	Clear	51	200	183
13/16 x 3-1/4"	Clear	2	255	237
3/8" All Widths	Clear	5	260	221
1-1/16" All Faces Foty.		2	246	246
		47	105	95
		49	162	146
			513	490
TOTALS		8	1508	1406

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July 13, 1923.

5350

BEECH FLOORING ON HAND JUNE 30, 1923.

	13/16 x 1-1/2	13/16 x 2	13/16 x 2-1/4	13/16 x 3-1/4	3/8 All Widths	1/2 All Widths	13/16 x 2½ Up Jointed	OTHER KINDS	TOTALS	% SOLD
CLEAR	254 M	152 M	666 M	72 M	685 M	5 M		248 M	2082 M	11
NO. 1	74	72	81	90	12	7		29	365	145
FACTORY	9	21	12	75			6	90	213	18
	337	245	759	237	697	12	6	367	2660	30

BEECH UNFILLED ORDERS ON HAND JUNE 30, 1923.

	13/16 x 1-1/2	13/16 x 2	13/16 x 2-1/4	13/16 x 3-1/4	3/8 All Widths	OTHER KINDS	TOTALS
CLEAR	43 M	3 M	157 M		36 M		235 M
NO.1.	22	22	414	34		36 M	528
FACTORY						38	38
	65	25	571	34	36	74	805

Reports from 13 Members

July 13, 1923.

BIRCH FLOORING ON HAND JUNE 30, 1923

	13/16 x 1-1/2	13/16 x 2	13/16 x 2-1/4	13/16 x 3-1/4	1-1/16 All Widths	3/8 All Widths	13/16x2½ & up Jointed	OTHER KINDS	TOTALS	% SOLD
CLEAR	223 M	93 M	531 M	74 M	46 M	210 M		56 M	1,233 M	25
NO. 1	47	22	430	26		17		20	562	70
FACTORY	2	26	v35	28		3	141	"	235	2
	272	141	996	128	46	230	141	76	2,030	35

BIRCH UNFILLED ORDERS ON HAND JUNE 30, 1923.

	13/16 x 1-1/2	13/16 x 2	13/16 x 2-1/4	3/8 All Widths	OTHER KINDS	TOTALS
CLEAR	35	4	237	25	6	307
NO. 1	67	18	287	12	7	391
FACTORY			4			4
	102	22	528	37	13	702

Reports from 15 Members

July 13, 1923.

C351

RECORD OF RECEIPT OF JUNE 1923 REPORTS

MAPLE, BEECH AND BIRCH FLOORING

DATE OF RECEIPT 1923	STOCKS & UNFILLED ORDERS June 30, 1923	SHIPMENTS June 1923	PRODUCTION AND NEW ORDERS June 1923	AVERAGE PRICES REALIZED June 1923
July 3	48	48	48	48
5	14-24-37-45 50-51	3-5-24-37 45-50-51	3-5-24-37 45-51	3-5-14-24 37-51
6	34	14-34	34-50	34-50
7	3-5-47	47	14-47	
9	2-7-22-30-42 44	2-7-22-30 33-42-44	2-7-22-30 42-44	2-7-22-30 42-44
10	23-33-49	23-49	23-33-49	33-49
11	26	26	26	26

July 13, 1923.

DEF.EXHIBIT H 1.

STOCK CONDITIONS AND BAROMETER FOR JULY 1923

STOCK CONDITIONS - PER CENT SOLD

GRADES	MAPLE-BEECH-BIRCH July1 1923	July31 1923	July31 1922	MAPLE July1 1923	July31 1923	July31 1922	MAPLE 2-1/4"FACE July1 1923	July31 1923	July31 1922
Clear	128	104	80	184	147	106	546	383	293
No. 1	192	137	169	209	147	175	324	228	1624
Fcty.	142	110	69	163	113	77	659	491	250
All 3	150	115	98	189	140	117	453	321	413

COMPARED WITH

	A MONTH AGO Clear	No. 1	Fcty.	All Three	A YEAR AGO Clear	No. 1	Fcty.	All Three
M.B.& B. Points Up					24		41	17
" Down	24	55	32	35		32		
Maple Points Up					41		36	23
" Down	37	62	50	49		28		
Maple 2-1/4" Points Up					90		241	
" Down	163	96	168	132		1396		92

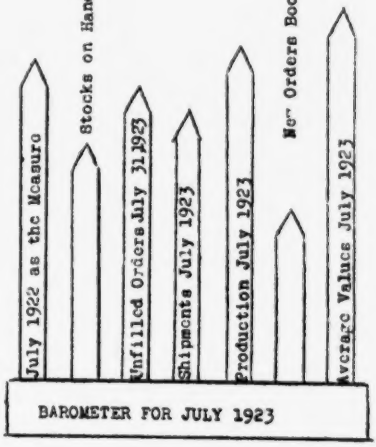
MFMA BAROMETER FOR JULY 1923

July 1923 - 1922 Compared
Reports of same 21 Members.

STOCKS ON HAND			
July 31, 1923		18,829	M
" 31, 1922		25,500	
Decrease		6,671	
"		26.2	%
UNFILLED ORDERS			
July 31, 1923,		21,715	M
" 31, 1922		23,597	
Decrease		1,882	
"		8	%
SHIPMENTS			
July	1923	10,515	M
"	1922	12,474	
Decrease		1,959	
"		15.7	%
PRODUCTION			
July	1923	10,590	
"	1922	10,085	
Increase		505	
"		5	%
NEW ORDERS BOOKED			
July	1923	5,671	M
"	1922	10,555	
Decrease		4,884	
"		46.3	%

AVERAGE VALUES OF
13/16 x 2-1/4" FACE
CLEAR,NO. 1 AND FACTORY
MAPLE FLOORING
FOB MICHIGAN & WISCONSIN MILLS

July	1923	$92.55
"	1922	79.03
Increase		13.52
"		17.1%



BAROMETER FOR JULY 1923

August 15, 1923.

MAPLE, BEECH AND BIRCH FLOORING STATISTICS (IN M FEET) JULY 1923 - 1922 COMPARED

	STOCKS ON HAND July 31st		UNFILLED ORDERS July 31st		SHIPMENTS July		PRODUCTION July		NEW ORDERS July		STOCK CHANGES July			
	1923	1922	1923	1922	1923	1922	1923	1922	1923	1922	1923 Incr.	1923 Decr.	1922 Incr.	1922 Decr.
GROUP 1 Eastern Lower Michigan Mills(4)	4110	6093	7382	6286	2682	2876	2886	2465	1221	2855	180			460
GROUP 2 Western Lower Michigan Mills(6)	6180	10166	3898	5549	2851	3941	2794	2750	1871	2746	31			1135
GROUP 3 Upper Michigan Mills(4)	5351	5091	7363	7678	2687	3370	2754	2866	1446	2961		21		215
GROUP 4 Wisconsin Mills (4)	1707	1669	2804	3446	1857	1774	1689	1445	975	1475		230	66	
GROUP 5 Chicago, St.Paul, Tupper Lake Mills (3)	1475	2481	268	638	436	513	467	559	158	518	2		51	
21 Mills	18829	25500	21715	23597	10515	12474	10590	10085	5671	10555	213	251	117	1810
Decrease	6671	26.2%	1882	8%	1959	15.7%			4884	46.3%	0.2%	38	6.2%	1693
Increase							505	5%						
July 1923	18829		21715		10515		10590		5671					
June 1923	18867		28265		11033		10509		4987					
Decrease	38	0.2%	6550	23.2%	518	4.7%			684	13.7%				
Increase							81	0.8%						

August 15,192

RANGE OF AVERAGE PRICES REALIZED

FOB Michigan and Wisconsin Flooring Mills in July 1923 for New Orders Booked for 13/16 x 2-1/4" Clear, No. 1 and Factory Maple Flooring, Standard Grades and Lengths, after deducting Freight.

	CLEAR	NO. 1	FACTORY
GROUP 1.	July	July	July
Eastern	$104.43	$89.80	$47.12
Lower Michigan	109.67	91.30	52.80
Mills		94.67	
Average	107.05	91.92	49.96
GROUP 2.			
Western	97.50	87.14	46.83
Lower Michigan	101.92	90.32	50.32
Mills	101.95	91.30	50.50
	104.90	94.84	51.46
	105.23		
Average	102.30	90.90	49.78
GROUP 3.			
Upper Michigan	98.50	93.33	48.00
Mills.	103.93	94.82	50.57
	105.23	95.85	55.20
	105.86		59.63
Average	103.38	94.67	53.35
GROUP 4.			
Wisconsin	108.68	93.20	54.45
Mills	110.50	98.57	55.50
Average	109.59	95.89	54.98
All Michigan & Wisconsin Mills. Average	104.48	92.93	51.87

Includes reports from 14 members.
No. 3 reported "No Sales"
No reports from Nos. 49, 23 and 45.
Reports of Nos. 48, 22 and 51 omitted to avoid disclosing their identity.

August 15, 1923.

MISCELLANEOUS REPORTS JULY 1923

SHIPMENTS OF EACH WOOD JULY 1923 - 1922

JULY	MAPLE	BEECH	BIRCH	TOTALS	SAME MILLS
1923	9,697 M	384 M	434 M	10,515 M	21
1922	11,196 "	803 "	475 "	12,474 "	21
Decrease	1,499 "	419 "	41 "	1,959 "	
Per cent	13.4%	52.2%	8.6%	15.7%	

PRODUCTION BY GRADES

	MAPLE			BEECH			BIRCH			ALL THREE		
	Clr.	No.1	Fcty.	Clr.	No.1	Fcty.	Clr.	No.1	Fcty.	Clr.	No.1	Fcty.
July 1923	43%	37%	20%	42%	38%	20%	55%	37%	8%	44%	36%	20%
Year 1922	46%	37%	17%	57%	28%	15%	60%	30%	10%	47%	36%	17%
7 Yr. Avge.	47%	35%	18%	62%	24%	14%	64%	26%	10%	48%	35%	17%

AVERAGE PRICES REALIZED FOB MICHIGAN & WISCONSIN MILLS

For 13/16" x 2-1/4" face Maple Flooring

JULYS OF 1913 - 1923 - 1922 & 1920 COMPARED

July	Clear as 50%	No.1 as 35%	Factory as 15%	The Product	July 1913 as 100%
1913	$ 43.85	$ 37.94	$ 23.57	$ 38.74	100%
1923	104.48	92.93	51.87	92.55	239%
1922	92.66	79.64	32.17	79.03	204%
1920 Peak Year	177.37	167.72	131.57	167.12	431%

August 15, 1923.

MAPLE BEECH AND BIRCH FLOORING ON HAND JULY 31, 1923

	13/16 x 1-1/2	13/16 x 2	13/16 x 2-1/4	13/16 x 3-1/4	1-1/16 All Widths	1-5/16 All Widths	3/8 All Widths	1/2 All Widths	13/16 x 2½ Up Jointed	OTHER KINDS	TOTALS	% Sold
CLEAR	1726M	1144M	2761M	544M	534M	12M	1450M	177M	31M	1262M	9641M	104
NO. 1	1182	590	2342	361	441	13	293	62	118	694	6096	137
FCTY.	268	187	571	312	1023	1	53	34	199	444	3092	110
	3176	1921	5674	1217	1998	26	1796	273	348	2400	18829	115

MAPLE BEECH AND BIRCH UNFILLED ORDERS ON HAND JULY 31, 1923

	13/16 x 1-1/2	13/16 x 2	13/16 x 2-1/4	13/16 x 3-1/4	1-1/16 All Widths	1-5/16 All Widths	3/8 All Widths	13/16 x 2½ Up Jointed	OTHER KINDS	TOTALS
CLEAR	1080M	1253M	6036M	244M	674M	38M	338M	117M	201M	9981M
NO. 1	330	209	4936	1459	707		19	447	226	8333
FCTY.	129	160	2508	127	113	3		189	172	3401
	1539	1622	13480	1830	1494	41	357	753	599	21715

Reports from All Members (21)

August 15, 1923.

MAPLE FLOORING ON HAND JULY 31, 1923

	13/16 x 1-1/2	% Sold	13/16 x 2	% Sold	13/16 x 2-1/4	% Sold	13/16 x 3-1/4	% Sold	1-1/16 All Widths	% Sold	1-5/16 All Widths	3/8 All Widths	1/2 All Widths	13/16 x 2½ Up Jointed	OTHER KINDS	TOTALS	% Sold
CLEAR	1309M	78	926M	134	1494M	383	402M	57	534M	126	12M	602M	177M	31M	1010M	6497M	147
NO. 1	1046	27	500	37	1870	228	220	661	441	160	13	240	62	118	652	5162	147
FCTY.	250	52	133	120	479	491	272	47	1023	11	1	46	34	193	420	2851	113
	2605	55	1559	102	3843	321	894	202	1998	75	26	886	273	342	2082	14510	140

MAPLE UNFILLED ORDERS ON HAND JULY 31, 1923

	13/16 x 1-1/2	13/16 x 2	13/16 x 2-1/4	13/16 x 3-1/4	1-1/16 All Widths	1-5/16 All Widths	3/8 All Widths	13/16 x 2½ Up Jointed	OTHER KINDS	TOTALS
CLEAR	1016M	1238M	5828M	228M	674M	38M	290M	117M	196M	9527M
NO. 1	288	187	4258	1455	707		16	447	216	7574
FCTY.	129	160	2352	127	113	3		189	161	3234
	1433	1585	12338	1810	1494	41	306	753	575	20335

Reports from All Members (21)

August 15, 1923.

MAPLE FLOORING SURPLUS STOCKS JULY 31, 1923.

CLEAR	GROUP 1 Mills	MFt.	GROUP 2 Mills	MFt.	GROUP 3 Mills	MFt.	GROUP 4 Mills	MFt.	GROUP 5 Mills	MFt.	TOTALS Mills	MFt.
13/16x1½"			1	99							1	99
13/16x2"									1	220	1	220
13/16x2½"			1	168							1	168
3/8" All Faces			1	273							1	273
1-1/16" All Faces	1	135									1	135
TOTALS	1	135	3	540					1	220	5	895
NO. 1												
13/16x1½"	1	102	1	122	1	144					3	368
13/16x2½"			1	180							1	180
TOTALS	1	102	2	302	1	144					4	548
FACTORY												
1-1/16" All Faces	2	479			1	160					3	639
GRAND TOTALS	4	716	5	842	2	304			1	220	12	2082

COMPARED WITH A YEAR AGO

Number Of Surpluses	Clear	No.1	Factory	Totals
July 31,1923	5	4	3	12
" " 1922	16	6	9	31
Decrease	11	2	6	19

Items are listed as Surplus when the Stock on Hand exceeds the Unfilled Orders by about 100 M feet.

Explanation:

Group 1.	Eastern Lower Michigan Mills	4
2.	Western Lower Michigan Mills	6
3.	Upper Michigan Mills	4
4.	Wisconsin Mills	4
5.	Chicago,St.Paul,TupperLake Mills	3
	TOTAL MILLS	21

5359.

August 15, 1923.

BEECH FLOORING ON HAND JULY 31, 1923

	13/16 x 1-1/2	13/16 x 2	13/16 x 2-1/4	13/16 x 3-1/4	3/8 All Widths	13/16 x 2½ Up Jtd.	OTHER KINDS	TOTALS	% Sold
CLEAR	237 M	133 M	543 M	110 M	653 M		234 M	1910 M	12
NO. 1	69	68	94	61	44		15	351	109
FCTY.	9	44	54	19	4	6	23	189	59
	315	245	691	190	701	6	272	2420	27

BIRCH FLOORING ON HAND JULY 31, 1923.

	13/16 x 1-1/2	13/16 x 2	13/16 x 2-1/4	13/16 x 3-1/4	3/8 All Widths	OTHER KINDS	TOTALS	% SOLD
CLEAR	180 M	85 M	724 M	32 M	195 M	18 M	1234 M	18
NO. 1	67	22	378	80	9	27	583	64
FCTY.	9	10	38	21	3	1	82	166
	256	117	1140	133	207	46	1899	39

BEECH UNFILLED ORDERS ON HAND JULY 31, 1923

	13/16 x 1-1/2	13/16 x 2	13/16 x 2-1/4	13/16 x 3-1/4	3/8 All Widths	OTHER KINDS	TOTALS
CLEAR	38 M	15 M	156 M		25 M		234 M
NO. 1	5	5	368			5 M	383
FCTY.			20			11	31
	43	20	344		25	16	648

BIRCH UNFILLED ORDERS ON HAND JULY 31, 1923

	13/16 x 1-1/2	13/16 x 2	13/16 x 2-1/4	13/16 x 3-1/4	3/8 All Widths	OTHER KINDS	TOTALS
CLEAR	26 M		152 M	16 M	23 M	3 M	220 M
NO. 1	37	17 M	310	4	3	5	376
FCTY.			136				136
	63	17	598	20	26	8	732

Reports from 12 members
August 15, 1923.

Reports from 15 Members
August 15, 1923.

RECORD OF RECEIPT OF JULY 1923 REPORTS

MAPLE, BEECH AND BIRCH FLOORING

DATE OF RECEIPT 1923	STOCKS & UNFILLED ORDERS JULY 31, 1923	SHIPMENTS JULY 1923	PRODUCTION AND NEW ORDERS JULY 1923	AVERAGE PRICES REALIZED JULY 1923
August 3	26-47-48	26-47-48	26-47-48	47-48
4	22-33-34	22-33-34 37	22-33-34	22-33-34
6	37		37	
7	3-5-7-24-42 44	3-5-7-24-42-44	3-5-7-24 42-44	3-5-7-24 42-44
8	30	14-30	30	30
9	14-45-49-50 51	45-50-51	14-45-49 50-51	14-50-51
10	2	2	2	2
11		49		26-37
14	23	23	23	

August 15, 1923.

DEF.EXHIBIT H 2.

STOCK CONDITIONS AND BAROMETER FOR SEPTEMBER 1923

STOCK CONDITIONS- PER CENT SOLD

Grades	MAPLE-BEECH-BIRCH			MAPLE			MAPLE 2-1/4"FACE		
	Sept1 1923	Sept30 1923	Sept30 1922	Sept1 1923	Sept30 1923	Sept30 1922	Sept1 1923	Sept30 1923	Sept30 1922
Clear	84	83	69	113	109	92	209	173	282
No. 1	108	99	164	113	102	179	126	103	798
Fcty.	103	87	74	107	95	88	422	378	283
All 3	96	89	93	112	104	115	186	154	375

COMPARED WITH

M. B. & B.	A MONTH AGO				A YEAR AGO			
	Clear	No. 1	Fcty.	All Three	Clear	No. 1	Fcty.	All Three
Points Up					14		13	
" Down	1	9	16	7		65		4
Maple								
Points Up					17		7	
" Down	4	11	12	8		77		11
Maple 2¼"								
Points Up							95	
" Down	36	23	44	32	109	695		221

M F M A B A R O M E T E R F O R S E P T E M B E R 1 9 2 3

September 1923 - 1922 Compared
Reports of same 21 Members.

STOCKS ON HAND

September 30, 1923	19,794 M	
" " 1922	23,417	
Decrease	3,623	
"	15.5 %	

UNFILLED ORDERS

September 30, 1923	17,671 M	
" " 1922	21,467	
Decrease	3,796	
"	17.7 %	

SHIPMENTS

September 1923	9,933 M	
" 1922	12,301	
Decrease	2,368	
"	19.3 %	

PRODUCTION

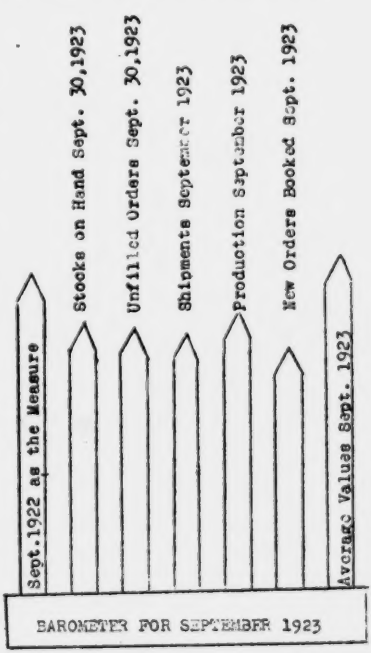
September 1923	10,422 M	
" 1922	11,957	
Decrease	1,535	
"	12.8 %	

NEW ORDERS BOOKED

September 1923	8,603 M	
" 1922	11,404	
Decrease	2,801	
"	24.5 %	

AVERAGE VALUES OF
13/16 x 2-1/4" FACE
CLEAR, NO.1 AND FACTORY
MAPLE FLOORING
FOB MICHIGAN & WISCONSIN MILLS

September 1923	$86.66
" 1922	82.83
Increase	3.83
"	4.6%



MAPLE, BEECH AND BIRCH FLOORING STATISTICS (IN M FEET) SEPTEMBER 1923 - 1922 COMPARED

	STOCKS ON HAND September 30th		UNFILLED ORDERS September 30th		SHIPMENTS September		PRODUCTION September		NEW ORDERS September		STOCK CHANGES September			
	1923	1922	1923	1922	1923	1922	1923	1922	1923	1922	1923 Incr.	1923 Decr.	1922 Incr.	1922 Decr.
GROUP 1 Eastern Lower Michigan Mills (4)	4236	4682	5298	6062	2613	3253	2875	3244	1457	3315		16		491
GROUP 2 Western Lower Michigan Mills (6)	6317	9788	4126	5618	2522	3177	2588	3356	3497	3781		49	117	
GROUP 3 Upper Michigan Mills (4)	5686	4792	5363	5653	2907	3664	2756	3180	2182	2715		89		78
GROUP 4 Wisconsin Mills (4)	1845	1528	2661	3580	1371	1540	1570	1512	1178	1145	165		113	
GROUP 5 Chicago, St.Paul Tupper Lake Mills (3)	1710	2427	223	554	520	667	633	665	289	448	231			127
21 Mills	19794	23417	17671	21467	9933	12301	10422	11957	8603	11404	396	154	230	696
Decrease	3623	15.5%	3796	17.7%	2368	19.3%	1535	12.8%	2801	24.6%			2%	466
Increase											242	1.2%		
September 1923	19794		17671		9933		10422		8603					
August 1923	19552		18681		11718		12447		7163					
Decrease	242	1.2%	1010	5.4%	1785	15.2%	2025	16.3%						
Increase									1440	20.1%				

October 25, 1923

5363

RANGE OF AVERAGE PRICES REALIZED

FOB Michigan and Wisconsin Flooring Mills in September 1923 for New Orders Booked for 13/16" x 2-1/4" Clear, No. 1 and Factory Maple Flooring, Standard Grades and Lengths, after deducting Freight

	CLEAR	NO. 1	FACTORY
GROUP 1	September	September	September
Eastern Lower Michigan Mills	$95.00 96.42 100.33 101.15	$85.64 85.80 90.80	$47.25 50.10 50.71
Average	98.23	87.41	49.35
GROUP 2			
Western Lower Michigan Mills	93.73 94.89 95.01 95.91	83.66 84.92 85.01 85.90	46.47 48.94 52.00
Average	94.89	84.87	49.14
GROUP 3			
Upper Michigan Mills	96.40 97.85 98.14 102.18	83.41 88.70 88.80 89.00	46.49 47.38 47.85 50.45
Average	98.64	87.48	48.04
GROUP 4			
Wisconsin Mills	97.17 102.36	90.00 90.85	49.11 52.91
Average	99.77	90.43	51.01
All Michigan & Wisconsin Mills Average	97.61	87.11	49.14

Includes reports from 14 Members.
No. 3 reported "No Sales".
No reports from Nos. 23,37 and 45.
Reports of Nos. 48,22 and 51 committed to avoid disclosing their identity.

October 19, 1923.

MISCELLANEOUS REPORTS SEPTEMBER 1923

SHIPMENTS OF EACH WOOD SEPTEMBER 1923 - 1922.

SEPTEMBER	MAPLE	BEECH	BIRCH	TOTALS	SAME MILLS
1923	9203M	260M	470M	9933M	21
1922	10997	694	610	12301	21
Decrease	1794	434	140	2368	
Per Cent	16.3%	62.5%	23%	19.3%	

****

PRODUCTION BY GRADES

	MAPLE			BEECH			BIRCH			ALL THREE		
	Clr.	No.1	Fcty.	Clr.	No.1	Fcty.	Clr.	No.1	Fcty.	Clr.	No.1	Fcty
September 1923	43%	35%	22%	74%	15%	11%	48%	34%	18%	44%	35%	21%
Year 1922	46	37	17	57	28	15	60	30	10	47	36	17
7 Yr. Avge.	47	35	18	62	24	14	64	26	10	48	35	17

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AVERAGE PRICES REALIZED FOR MICHIGAN & WISCONSIN MILLS

For 13/16" x 2-1/4" face Maple Flooring					
	SEPTEMBERS OF 1913, 1923, 1922 & 1920 COMPARED				
September	Clear as 50%	No. 1 as 35%	Factory as 15%	The Product	September 1913 as 100%
1913	$42.25	$37.66	$22.64	$37.70	100%
1923	97.61	87.11	49.14	86.66	230%
1922	95.34	85.18	35.65	82.83	220%
1920 Peak Year	164.98	156.09	97.12	151.69	402%

October 20, 1923.

MAPLE, BEECH AND BIRCH FLOORING ON HAND SEPTEMBER 30, 1923.

	13/16 x 1-1/2	13/16 x 2	13/16 x 2-1/4	13/16 x 3-1/4	1-1/16 All Widths	1-5/16 All Widths	3/8 All Widths	1/2 All Widths	13/16 x 2½ Up Jointed	OTHER KINDS	TOTALS	% Sold
CLEAR	1610M	1101M	3458M	377M	502M	19M	1266M	144M	46M	1104M	9627M	83
NO. 1	1190	515	3609	247	287	20	307	43	65	524	6807	99
FCTY.	248	136	632	528	1160	10	48	14	136	448	3360	87
	3048	1752	7699	1152	1949	49	1621	201	247	2076	19794	89

MAPLE, BEECH AND BIRCH UNFILLED ORDERS ON HAND SEPTEMBER 30, 1923.

	13/16 x 1-1/2	13/16 x 2	13/16 x 2-1/4	13/16 x 3-1/4	1-1/16 All Widths	1-5/16 All Widths	3/8 All Widths	1/2 All Widths	13/16 x 2½ Up Jointed	OTHER KINDS	TOTALS
CLEAR	1032M	1155M	4403M	198M	722M	6M	264M	16M	97M	115M	8008M
NO. 1	260	123	3834	766	733	-	40	8	669	298	6731
FCTY.	50	37	2061	177	194	-	-	-	247	166	2932
	1342	1315	10298	1141	1649	6	304	24	1013	579	17671

Reports from All Members (21)

October 19, 1923.

MAPLE FLOORING ON HAND SEPTEMBER 30, 1923.

	13/16 x 1-1/2"	% Sold	13/16 x 2	% Sold	13/16 x 2-1/4	% Sold	13/16 x 3-1/4	% Sold	1-1/16 All Widths	% Sold	1-5/16 All Widths	3/8 All Widths	1/2 All Widths	13/16 x 2½ Up Jointed	OTHER KINDS	TOTAL	% Sold
CLEAR	1275M	74	902M	128	2336M	173	240M	83	502M	144	19M	52CM	144M	46M	862M	6846M	109
NO. 1	1059	22	444	23	3258	103	125	562	287	255	20	257	43	65	480	6038	102
FCTY.	222	23	104	36	544	376	431	41	1160	17	10	40	14	132	396	3053	95
	2556	48	1450	69	6138	154	796	135	1949	85	49	817	201	243	1738	15937	104

MAPLE UNFILLED ORDERS ON HAND SEPTEMBER 30, 1923.

	13/16 x 1-1/2	13/16 x 2	13/16 x 2-1/4	13/16 x 3-1/4	1-1/16 All Widths	1-5/16 All Widths	3/8 All Widths	1/2 All Widths	13/16 x 2½ Up Jointed	OTHER KINDS	TOTALS
CLEAR	949M	1155M	4045M	196M	722M	6M	190M	16M	97M	90M	7468M
NO. 1	233	100	3367	703	733	-	38	8	669	891	6142
FCTY.	50	37	2059	177	194	-	-	-	247	151	2915
	1232	1292	9471	1078	1649	6	228	24	1013	532	16525

Reports from All Members (21)

October 19, 1923.

5387

MAPLE FLOORING SURPLUS STOCKS SEPTEMBER 30, 1923.

CLEAR	GROUP 1 Mills	Mft.	GROUP 2 Mills	Mft.	GROUP 3 Mills	Mft.	GROUP 4 Mills	Mft.	GROUP 5 Mills	Mft.	TOTALS Mills	Mft.
13/16x2"									1	160	1	160
13/16x2½"			1	634							1	634
3/8"All Widths			1	195							1	195
TOTALS			2	829					1	160	3	989
NO. 1												
13/16x1½"	1	118	1	105	1	178					3	401
13/16x2"	1	135									1	135
13/16x2½"			1	246	2	256	2	328	1	135	6	965
1-1/16"All Widths					1	180					1	180
TOTALS	2	253	2	351	4	614	2	328	1	135	11	1681
FACTORY												
1-1/16"All Widths	3	666			1	221					4	887
GRAND TOTALS	5	919	4	1180	5	835	2	328	2	295	18	3557

COMPARED WITH A YEAR AGO

Number of Surpluses	Clear	No. 1	Factory	Totals
Sept.30,1923	3	11	4	18
" " 1922	13	2	7	22
Decrease	10		3	4
Increase		9		

Items are listed as Surplus when the Stock on Hand exceeds the Unfilled Orders by about 100 M feet.

Explanation: Group 1. Eastern Lower Michigan Mills 4
2. Western Lower Michigan Mills 6
3. Upper Michigan Mills 4
4. Wisconsin Mills 4
5. Chicago, St. Paul, Tupper Lake Mills 3

Total Mills 21

October 19, 1923.

5368

BEECH FLOORING ON HAND SEPT. 30, 1923

	13/16 x 1-1/2	13/16 x 2	13/16 x 2-1/4	13/16 x 3-1/4	3/8 All Widths	13/16 x 2½ Up Jtd.	OTHER KINDS	TOTALS	% Sold
CLEAR	187M	84M	544M	47M	583M	-	212M	1657M	20
NO. 1	72	59	71	82	44	-	11	339	114
FCTY.	10	12	63	57	5	4M	52	203	8
	269	155	678	186	632	4	275	2199	33

BIRCH FLOORING ON HAND SEPT. 30, 1923.

	13/16 x 1-1/2	13/16 x 2	13/16 x 2-1/4	13/16 x 3-1/4	3/8 All Widths	OTHER KINDS	TOTALS	% Sold
CLEAR	148M	115M	578M	90M	163M	30M	1124M	19
NO. 1	59	12	280	40	6	33	430	47
FCTY.	16	20	25	40	3	-	104	-
	223	147	883	170	172	63	1658	25

BEECH UNFILLED ORDERS ON HAND SEPT. 30, 1923.

	13/16 x 1-1/2	13/16 x 2	13/16 x 2-1/4	13/16 x 3-1/4	3/8 All Widths	OTHER KINDS	TOTALS
CLEAR	80M	-	200M	-	31M	21M	332M
NO. 1	5	5M	345	23M	2	5	385
FCTY.	-	-	2	-	-	15	17
	85	5	547	23	33	41	734

Reports from 13 MEMBERS
October 19, 1923.

BIRCH UNFILLED ORDERS ON HAND SEPT. 30, 1923.

	13/16 x 1-1/2	13/16 x 2	13/16 x 2-1/4	13/16 x 3-1/4	3/8 All Widths	OTHER KINDS	TOTALS
CLEAR	3M	-	156M	-	43M	4M	206M
NO. 1	22	18M	122	40M	-	2	204
FCTY.	-	-	-	-	-	-	-
	25	18	280	40	43	6	412

Reports from 15 Members
October 19, 1923.

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RECORD OF RECEIPT OF SEPTEMBER 1923 REPORTS

MAPLE, BEECH AND BIRCH FLOORING

Date of Receipt 1923	Stocks and Unfilled Orders Sept. 30, 1923	Shipments September 1923	Production &New Orders September1923	Avg.Prices Realised Sept.1923
October 2	48	48	48	48
3	14	3-5-33	3-5	3-5
4	7-24-33-47-50-51	7-24-47-50-51	7-24-33-47 50-51	7-33-47-50-51
5	3-5-34-45	14-45	45	24-26
6	22-26	22-26-34	14-22-26-34	14-22-34
8	2-23-30-42	2-23-30-42	2-23-30-42	30-42-
9	44	44	44	44
11	37	37	37	2
17	49	49	49	49

October 19, 1923..

Factory:				
13/16 x 1½"	.....	.6%	$32	.19
" 2 "	.....	.6%	42	.25
" 2¼"	.....	11.1%	47	5.22
" 3¼"	.....	2.3%	52	1.20
" 4	.....	.7%	52	.36
Jtd. 3½"	.....	.2%	57	.11
		15.5		7.33
Other Product	.....	2.5%	60	1.50
Totals	.....	100.%		85.04

Flooring Product—Grades and Faces

Grades	13/16 x 1½"	2"	2½"	3½"	4"	Jtd. 3½"	3/8", all faces	Totals
Clear	1.9%	1.4%	27.4%	3.2%	1.6%	.5%	2. %	38%
No. 1	1.4%	1.7%	33.2	4.6%	1.2%	.7%	1.2%	44%
Fcty.	.6	.6	11.1	2.3	.7	.2	.....	15.5%
Other Product	.....	.....	.....	.....	.....	....	.....	2.5
Totals	3.9%	3.7%	71.7%	10.1%	3.5%	1.4%	3.2%	100.%

July 19, 1923.

(Here follow Defendants' Exhibits F, G, H, H-1, and H-2, marked side folio pages 5162-5370, inclusive.)

[fols. 5371-5377] DEFENDANT'S EXHIBIT I

Maple Flooring Manufacturers Association

Minutes of Meeting January 12, 1922

A general meeting of the Maple Flooring Manufacturers Association was held at the Hotel La Salle, Chicago, Thursday, January 12, 1922.

In the absence of Dr. Earle, President of the Association, Mr. Whedon, the Vice-President, acted as Chairman of the meeting.

Seventeen members of the Association were present and six members were absent, the absent members being Nos. 1, 4, 7, 26, 30 and 37.

The reading of the Minutes of the meeting held on December 22, 1921 was waived; copies of the Minutes of that meeting having been mailed to the membership soon after the meeting was held.

The Chairman stated that in accordance with the wishes expressed by the members at the previous meeting, the Secretary had requested Mr. Jacob Newman, as counsel of the Association, to give his written opinion regarding the decision of the U. S. Supreme Court in the so-called "Memphis Case or Open Competition Plan." The Secretary reported that Mr. Newman's written opinion had been obtained and it was thereupon read to the meeting and it is attached hereto and made a part of these Minutes. The Secretary was instructed to send a copy to each member of the Association.

After discussing the opinion, it was suggested that Mr. Newman be invited to attend the meeting to answer any questions the members might wish to ask regarding the Court's decision.

After further discussion of the whole subject with Mr. Newman, it was the sense of the meeting, that in view of his legal opinion and his analysis and interpretation of the spirit and meaning of the Supreme Court's decision, that the statistical work of the Association, which was immediately suspended when the decision of the Court became known, be resumed and proceeded with in accordance with Mr. Newman's legal advice in his written opinion.

On motion, it was ordered by unanimous vote that new Articles of Association be prepared and the Secretary was instructed to confer with Mr. Newman in drafting new Articles of Association and have them ready in time to submit to the next general meeting of the Association.

There being no further business, the meeting, on motion adjourned, subject to the call of the President.

George W. Keehn, Secretary.

[fols. 5378-5397] DEFENDANTS' EXHIBIT J

[Omitted in printing]

[fol. 5398] DEFENDANTS' EXHIBIT K

11-6-23.

Q. 23. Impossible to make accurate test runs owing to our planing mill and flooring mill operation being closely interwoven.

Q. 25. Rate per day during October of each year for labor in manufacturing flooring:

	1912	1913	1914	1915	1916	1917
Common laborers	1.85	1.85	1.85	1.85	2.10	2.50
Edgerman	2.50	2.50	2.50	2.50	2.70	3.10
Feeders	2.10	2.25	2.25	2.50	2.70	3.10
Gauger	2.40	2.50	2.50	2.75	2.95	3.35
Inspector	2.00	2.00	2.00	2.00	2.20	2.70
Tallyman	1.85	2.00	2.00	2.00	2.20	2.60
	12.70 = 97%*	13.10 = 100%*	13.10 = 100%*	13.60 = 104%*	14.85 = 113%*	17.35=132%*

	1918	1919	1920	1921	1922	1923
Common laborers	3.00	3.50	4.15	2.75	3.00	3.25
Edgerman	3.60	4.10	4.90	3.40	3.70	4.25
Feeders	3.60	4.10	5.05	3.55	3.85	4.50
Gaugers	3.85	4.75	5.55	4.05	5.00	5.50
Inspector	3.20	3.90	4.70	3.20	3.50	4.00
Tallyman	3.10	3.75	4.65	3.15	3.40	4.00
	20.35 = 155%*	24.10 = 184%*	29.00 = 221%*	20.10 = 153%*	22.45 = 171%*	25.50=195%*

[*In red in copy.]

Yours very truly, Cummer-Diggins Co.

[fol. 5399] DEFENDANTS' EXHIBIT L

No. 25

Wages Paid in Flooring Factory from September, 1915, When Factory Started, Until Present

1913 as 100 %	Sept., 1915	1916 Jan., 1917	1916 Dec., 1917	1918 June, 1919	1918 Aug., 1919	1918 Dec., 1919	Apr., 1920	Aug., 1920	Dec., 1920	Feb., 1921	Mar., 1921	June, 1921	Sept., 1922	May, 1923
Foreman	3.00	4.00	4.00	4.00	4.25	4.50	5.00	7.00	6.50	6.35	6.35	6.35	6.73	6.73
Asst. Foreman	2.00	2.50	3.50	3.50	3.75	4.00	4.50	5.00	4.50	4.00	3.50	3.25	3.50	3.75
Grader	2.00	2.50	2.90	3.75	4.00	4.25	4.75	5.50	5.00	4.50	4.00	4.00	4.75	5.00
Ripper	2.00	2.25	2.90	3.50	3.75	4.00	4.50	4.75	4.25	4.00	4.00	3.75	4.00	4.25
Feeding	2.00	2.00	2.65	3.50	3.75	4.00	4.50	4.50	4.00	3.75	3.25	3.00	3.50	3.75
End Matcher	2.00	2.00	2.15	3.25	3.50	3.75	4.50	4.50	4.00	3.75	3.25	2.75	3.35	3.75
Tiers & Bundlers	1.50	1.75	2.15	3.25	3.50	3.75	4.25	4.50	4.00	3.50	3.00	2.75	3.00	3.25
Swamper	1.75	1.75	2.00	3.00	3.25	3.50	4.00	4.50	4.00	3.50	3.00	2.75	3.00	3.25
Cut Off	1.75	1.75	2.00	3.00	3.25	3.50	4.25	4.50	4.00	3.50	3.00	2.75	3.25	3.50
Shed Men	1.75	1.75	2.00	3.00	3.25	3.50	4.50	4.50	4.00	3.50	3.00	2.75	3.00	3.25
Totals	19.75	22.25	26.25	33.75	36.25	38.75	44.75	49.25	44.25	40.35	36.35	34.10	38.08	40.48
		S. A. 24.25		S. A. 36.25			S. A. 46.08			S. A. 36.93				

[fol. 5400] Defendants' Exhibit P [omitted in printing]

[fols. 5401 & 5402] Defendants' Exhibit Q [omitted in printing]

25. Comparative Wages Paid Per Day to Employees, 1912 to 1923

Flooring Factory:	1912	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923
Foreman	3.85	4.25	4.60	4.60	4.60	4.60	5.20	5.77	7.42	9.00	9.00	9.50
Mill Right	2.50	2.75	2.75	2.20	2.75	3.00	3.50	3.85	5.00	6.00	6.00	6.00
Filer	2.75	2.75	2.75	2.00	2.50	2.90	3.25	3.50	8.05	5.50	5.00	5.25
Filer	2.50	2.50	2.50	1.60	2.00	2.75	3.00	3.25	6.50	4.75	4.25	4.75
Gauger	2.75	2.75	2.75	2.20	2.75	3.00	3.50	3.65	6.25	5.50	5.00	5.25
Oiler	2.00	2.00	2.00	1.60	2.00	2.50	2.75	3.25	4.50	4.00	3.50	3.50
Ripsaw	2.25	2.25	2.25	1.80	2.45	2.94	3.07	3.65	4.75	4.50	4.00	4.50
Matcher	1.60	1.70	1.70	1.36	1.84	2.77	2.82	2.82	5.08	3.75	3.25	3.75
End Matcher	1.50	1.65	1.75	1.40	1.79	2.55	2.66	3.93	5.08	6.25	6.00	6.00
Inspector	....	....	....	....	....	....	3.03	3.13	4.65	3.25	2.75	3.25
Sorting	1.60	1.70	1.70	1.36	1.79	2.00	2.25	2.35	4.34	2.50	2.25	2.75
Packer	1.75	1.85	1.85	1.28	1.75	2.39	2.56	2.91	4.96	3.50	3.00	3.50
Trimmer	1.75	1.85	1.85	1.48	1.75	2.50	2.77	2.97	5.08	3.25	2.75	3.25
Wood Saw	1.60	1.70	1.70	1.36	1.74	2.22	2.50	2.75	4.25	3.00	2.50	3.00
Bench Saw	2.00	2.00	2.00	1.60	2.15	2.24	2.61	2.97	4.96	3.00	2.50	3.25
Tie & Tally	1.60	1.50	1.50	1.20	1.73	2.11	2.25	2.45	4.52	3.25	2.75	3.25
Trucking	1.50	1.70	1.70	1.36	1.74	2.25	2.66	2.87	5.27	3.25	2.75	3.25
General	1.50	1.50	1.50	1.20	1.53	2.11	2.35	2.75	4.25	2.75	2.50	2.75
General	1.60	1.60	1.60	1.28	1.75	2.77	2.75	3.06	4.48	3.00	3.00	3.75
General	1.85	1.85	1.85	1.48	1.79	2.93	2.75	3.25	4.50	3.50	3.50	4.00
Resaw	1.50	1.65	1.60	1.32	1.65	2.22	....	....	....	3.75	3.25	3.75
Scraper	1.40	1.65	1.65	1.36	1.73	2.17	2.15	2.35	4.34	3.25	2.75	3.25
Dry Kiln:												
Foreman	2.25	2.50	2.50	2.50	2.50	3.00	3.75	3.75	5.00	4.25	3.75	4.50
Labor	1.60	1.65	1.70	1.36	1.70	2.50	2.87	3.13	4.75	3.70	3.20	3.45
Teamster	1.60	1.75	1.75	1.40	1.75	2.57	2.90	3.13	4.75	3.25	2.75	3.25
Blacksmith Foreman	2.50	2.50	2.50	2.00	2.50	3.25	4.00	4.25	7.00	7.00	6.00	6.25
Blacksmith	1.85	1.85	1.85	1.48	1.85	2.50	3.25	3.25	6.50	5.50	5.00	5.50

Machine Shop:												
Foreman	3.25	3.25	3.50	3.50	3.50	4.00	6.25	6.25	8.00	8.00	7.50	7.75
Machinist	3.00	3.00	3.00	2.40	3.00	3.75	5.00	6.00	7.00	6.75	5.00	5.25
Helper	2.00	2.00	2.00	1.60	1.75	2.00	2.50	3.00	4.25	5.00	4.50	5.25
Carpenter	2.00	2.00	2.00	1.60	2.00	2.25	2.50	2.75	4.25	4.25	3.75	4.00
Factory Shipping:												
Foreman	2.75	3.25	3.60	3.50	3.50	3.75	3.75	4.00	5.25	5.25	4.50	5.25
Loading	1.50	1.60	1.75	1.40	1.75	2.25	2.50	2.75	4.50	3.00	2.50	3.25
Piling	1.75	1.85	1.85	1.48	1.89	2.25	3.00	3.00	4.50	3.00	2.50	3.25
	65.90	68.70	68.85	57.94	69.82	86.77	99.62	109.61	169.03	142.45	127.20	141.45
1913 as 100%	96. %	100. %	102. %	84. %	102. %	126. %	145. %	160. %	246. %	207. %	185. %	206. %

[fol. 5404]

DEFENDANTS' EXHIBIT T-1

25 (cont'd). Comparative Cost of Operating Supplies, 1912 to 1923

Description.	1912	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922
¼ x 1 Set Screws—Per C	.95	.95	.95	1.33	2.28	2.28	2.11	1.90	2.09	1.70	1.30
¼ x 1½ " " — " "	1.20	1.20	1.20	1.68	2.88	2.88	2.66	2.40	2.16	2.20	1.60
¼ x 2 " " — " "	1.50	1.50	1.50	2.10	3.60	3.60	3.33	3.00	2.70	2.70	2.00
¼ x 3 " " — " "	2.25	2.25	2.25	2.80	5.40	5.40	4.98	4.50	4.05	4.00	3.00
½ x 3 Machine Bolts "	1.46	1.38	1.25	1.46	2.85	2.85	3.28	3.28	3.28	1.70	2.30
½ x 4 " " "	1.63	1.54	1.40	1.63	3.18	3.18	3.67	3.67	3.67	1.90	2.60
½ x 5 " " "	1.80	1.71	1.54	1.80	3.52	3.52	4.07	4.07	4.07	2.10	2.80
½ x 4 Lag Screws "	1.38	1.32	....	1.28	3.05	2.77	3.33	3.33	....	1.90	2.00
½" Cut Washers, C. W. T	4.90	4.90	3.35	4.25	5.25	8.00	8.50	7.00	8.50	4.00	6.50
½" " " "	4.60	4.60	2.95	3.80	4.75	7.00	8.00	6.00	8.20	3.70	6.10
½ x 3 Carriage Bolts, C	1.24	1.24	1.37	1.34	2.47	2.47	3.00	2.97	2.82	1.60	2.00
½ x 5 " " "	1.63	1.64	1.68	1.77	3.25	3.25	3.95	3.88	3.72	2.10	2.70
½ x 3 " " "	....	....	.34	....	.81	.81	1.01	.96	....	....	.75
Cotton Waste, lb.	.07	.09	.07	.09½	.09	.13½	.13½	.15	.15	.11	.10
Warehouse Brooms, each	.42	.44	.42	.50	.62½	.70	.77	.75	.75	.65	.70
8d Common Nails, C. W. T	2.35	2.30	2.25	3.10	3.70	4.55	5.00	4.75	5.15	3.90	3.90
10d " " "	2.30	2.25	2.20	3.00	3.65	4.50	4.90	4.65	5.05	3.80	3.80
20d " " "	2.25	2.20	2.15	2.95	3.60	4.45	4.85	4.60	4.85	3.60	3.60
40d " " "	2.25	2.20	2.15	2.95	3.60	4.45	4.85	4.60	4.85	3.60	3.60
3" Single Leather Belt, ft.	.31	.31	.28	.35	.43	.43	.47	.63	.51	.46	.47
4" " " " "	.41	.41	.38	.47	.58	.58	.62	.84	.68	.53	.62
3" Double " " "	.55	.57	.57	.65	.78	.78	.87	1.15	1.03	.76	.90
6" " " " "	1.09	1.15	1.15	1.30	1.56	1.56	1.73	2.30	2.05	1.53	1.80
10" " " " "	1.70	1.92	1.92	2.15	2.64	2.64	2.88	3.84	3.42	2.53	1.80
Copper Tacks, lb.	....	....	.35	.35	.50	.49	.59	.50	.64	.45	.39
Copper Rivets, "	.33	.33	.33	.38	.63	.65	.55	.50	.46	.33	.33
5" Slim Taper Files, doz.	.71	....	1.42	1.42	1.35	1.04	1.37	1.13	1.25	.96	1.07
6" " " " "	.75	.76	1.76	1.76	1.67	1.29	1.71	1.39	1.55	1.20	1.33

8" Mill Bastard Files, "	1.05	1.05	2.44	2.44	2.32	1.79	2.37	1.93	2.15	1.65	1.84
10" " " " "	1.36	1.36	3.18	3.17	3.03	2.33	3.08	2.52	2.80	2.16	2.40
Eldorado Engine Oil, gal.	.160	....	....	....	....	.26	.305	.36	.39	.377	.344
Capitol Cylinder Oil, "	.329	.32	.332	.34	.29	.38	.42	.46	.40	.477	.424
Renown Engine Oil, "	.204	.20	.22	.165	.174	.26	.31	.33	.30	.347	.314
Castor Machine Oil, "	.174	.18	.18½	.16	.179	.30	.315	.46	.30	.387	.344
Kerosine Oil, "	.085	.10	.099	.084	.079	.114	.13	.169	.197	.098	.138
12" 12 Gauge Ripsaws, each*	....	2.40	....	1.98	1.98	2.64	....	*6.00	5.28	....	....
14" 11 " " " *.....	....	2.90	2.90	2.38	2.38	3.18	....	*8.00	6.38	....	....
13" 15 " Cut-off " *.....	....	2.65	2.65	2.16	2.16	2.88	4.40	*7.50	5.00	....	....
34" 10 " " " "	....	....	6.75	6.07	6.07	....	....	13.50	14.85	....	....
13" 13 " Resaw "	....	....	2.65	2.16	2.16	2.88	4.80	7.50	8.00	....	....
	38.89	41.05	41.52	49.99	69.05	76.32	83.51	78.69	81.91	55.82	61.31
	95.	100.	101.	122.	168.	186.	203.	192.	200.	136.	149.
	%	%	%	%	%	%	%	%	%	%	%

[fol. 5405] DEFENDANTS' EXHIBIT V-4

[Omitted in printing]

[fol. 5406] DEFENDANTS' EXHIBIT V-5

[Omitted in printing]

[fol. 5407] DEFENDANTS' EXHIBIT V-6

[Omitted in printing]

[fol. 5408] DEFENDANTS' EXHIBIT V-7

[Omitted in printing]

[fol. 5409] DEFENDANTS' EXHIBIT V-24

[Omitted in printing]

[fol. 5410] DEFENDANTS' EXHIBIT W

[Omitted in printing]

[fol. 5411] DEFENDANTS' EXHIBIT Y

[Omitted in printing]

[fol. 5412] DEFENDANTS' EXHIBIT BB

Statement of Mr. Kerry Concerning Standardization of Grades and Sizes

I have been intrested in the manufacture of maple flooring since about 1901. For a great number of years maple was left standing in the forests by white pine operators. Maple lumber or maple wood was not then a commercial product and white pine operators did not consider it worth while to fell maple timber. C. J. L. Meyer of Hermansville invented machinery to manufacture maple flooring in the late nineties. This was necessary as the ordinary soft wood machines would not stand the hardships encountered in milling maple lumber, which is one of the hardest woods. The Meyer machine required three oprations before the flooring was finished; that is, they sized it, surfaced it and tongued and grooved. Later on the W. E. Wood Company put out a heavy duty machine that would perform these three functions at one time, but it had to be operated at a very low rate of speed and the very best grades of lumber had to be used, as there was no sale for short lengths. The W. E. Wood Company got up a machine for end matches in order to make the shorter lengths more desirable. In the late nineties the W. E. Wood Company sued the various users of end matching machines and in litigation was defeated, the court holding that flooring was

end matched before Wilce's machine was gotten up. Final decision was rendered some time in the early 1900's, probably in 1901 or 1902.

After this decision the manufacture of maple flooring became more general. At that time the grades were given different names in different parts of the United States. I have seen a maple flooring list from Minneapolis where the grades are designated as No. 1, No. 2 and No. 3 or factory flooring. This list is dated June 20th, 1901. I believe there was a maple flooring manufacturers' association as early as 1897. According to trade papers the members of the Asso-[fol. 5413] ciation in 1898 represented about 90 per cent of the supply of maple flooring. At that time there were three grades—namely, Clear, 1st Common and Factory. The grading rules were as follows:

Clear.—Shall have one face free of all defects, but the question of color shall not be considered, except that black streaks which would materially injure the appearance of the piece shall be excluded. Standard lengths in this grade shall be 6 feet and up for square butted ends and 4 feet and up for matched ends, and be trimmed to feet and half feet. The proportion of lengths 4 to 5½ ft. inclusive shall be what the stock will produce up to 5 per cent. Flooring 1⅛″ or thicker shall be 4 to 16 ft. in length for both matched and butted ends. In all cases in jointed flooring ½″ shall be added to face measurement for working.

First Common.—Will admit of tight sound knots and slight imperfections in dressing, but must lay without waste. Standard lengths in this grade shall be from 4 to 16 feet inclusive, trimmed to feet and half feet for butted ends; matched ends, 2 to 16 feet inclusive.

Factory Flooring.—Must be of such a character as will lay and give a good serviceable floor with some cutting.

The rules for grading flooring in 1901 were as follows:

Clear.—Shall have one face free of all defects, but the question of color shall not be considered. Standard length in this grade shall be 4 ft. and up and be trimmed to feet and half feet. The proportion of lengths 4 to 5½ ft. inclusive shall be what the stock will produce up to 10 per cent.

[fol. 5414] First Common.—Will admit of tight sound knots and slight imperfections in dressing, but must lay without waste. Standard lengths in this grade shall be from 2 to 16 feet inclusive, trimmed to feet and half feet.

Factory Flooring.—Must be of such a character as will lay and give a good serviceable floor with some cutting. Lengths 2 to 16 ft.

The rules for grading in 1903 were as follows:

Clear.—Shall have one face free of all defects, but the question of color shall not be considered. Standard lengths in this grade shall be trimmed from 4 to 16 ft. inclusive. The proportion of lengths 4 to 5½ ft. inclusive shall be what the stock will produce up to 10 per cent.

Number 1.—Will admit of tight sound knots and slight imper-

fections in dressing, but must lay without waste. Standard lengths in this grade shall be trimmed from 2 to 16 ft. inclusive.

Factory Flooring.—Must be of such a character as will lay and give a good serviceable floor with some cutting. Lengths 2 to 16 ft.

The grading rules in 1905 were as follows:

Clear.—Shall have one face free of all defects, but the question of color shall not be considered. Standard lengths in this grade shall be trimmed from 4 to 15 ft. inclusive.

Number 1.—Will admit of tight sound knots and slight imperfections in dressing, but must lay without waste. Standard lengths in this grade shall be trimmed from 2 to 16 ft. inclusive.

Factory Flooring.—Must be of such a character as will lay and give a good serviceable floor with some cuting. Lengths 2 to 16 ft.

[fol. 5415] After June 1st, 1905, the rules for clear maple flooring were as follows:

Clear—Shall have one face free of all defects, but the question of color shall not be considered. Standard lengths in all widths in this grade shall be 2 to 16 ft. inclusive. The proportion of lengths 2 to 3½ ft. shall be what the stock will produce up to 5 per cent to 10 per cent.

The rules were the same in September, 1905, except that with respect to clear it was provided that the proportion of lengths 2 to 3½ ft. should be what the stock would produce up to 7 per cent.

In 1906 the rules were as last stated, except that the standard lengths in No. 1 were 1½ to 16 ft. inclusive and the lengths in factory flooring were from 1 to 16 ft.

In October, 1909, the clear was 2 to 16 ft. inclusive proportion of lengths 2 to 3½ ft. shall be what the stock will produce up to 10 per cent.

In the No. 1 the proportion of lengths 1½ ft. to 3½ ft. shall be what the stock will produce up to 25 per cent.

The factory flooring standard lengths shall be 1 to 16 ft. The proportion of lengths 1 to 3½ ft. shall be what the stock will produce up to 50 per cent.

Later on the proportion of lengths 2 to 3½ ft. in the clear grade was what the stock would produce up to 20 per cent and the proportion of lengths 1½ to 3½ ft. in the No. 1 grade were what the stock would produce up to 60 per cent.

These rules are now in effect.

[fol. 5416] Thicknesses

In the early days of the industry the thickness of the flooring manufactured from 4/4 rough maple lumber was ⅞ of an inch thick. Later on the standard lengths of the finished flooring was 13/16 of an inch instead of ⅞ of an inch.

In 1920 the standard thickness was reduced from 13/16" to 25/32", the 1/32" scant being taken from the underside of the flooring, leaving the wearing surface just the same as before when the standard thickness was 13/16".

These various changes in the thickness of the finished flooring have been made from time to time in order to conserve the raw material and the larger proportions of short lengths admissible in the standard grades was also done for the purpose of conserving the raw material, and this also applies to the lengths in the No. 1 and factory grades.

Attached to this statement is a copy of the grading rules now in force. These grading rules were adopted on July 29th, 1920, by the Association then in existence. It will be observed by a comparison of the previous grading rules and those now in force that the grades are much more fully defined. Modern perfected methods of manufacturing hardwood flooring produced a larger proportion of shorter lengths than the old time methods, because the defects are cut out closer, thus improving the average quality of the flooring, and experience has demonstrated that shorter lengths combined with longer lengths cost no more to lay and make as good or better floors at a material saving in cost, than all long lengths. Shorter lengths can always be used to advantage in closets and other small spaces.

[fol. 5417] The stand of maple, beech and birch stumpage is limited and is becoming rapidly depleted, and the sentiment in favor of conservation of forest resources is strongly in favor of the utilization to the greatest extent of these valuable woods, especially when the result obtained in a finished floor is in no wise depreciated. In the extravagant process of earlier times the shorter lengths now used were burned as offal. Were it not for the utilization of these shorter lengths the cost of the longer lengths to the consumer would be greatly increased. In other words, if these shorter lengths were thrown away as was done in the early days of the industry, the cost to the consumer per thousand feet of the other product composed of longer lengths would be greatly increased.

For many years I took an active interest in standardization, both as a manufacturer of maple flooring and subsequently as a member and chairman of the Grades Committee. I found that some manufacturers were center matching, also using a large round tongue, which left a lesser wearing surface, and others were using a smaller tongue, and some of them a wedge shaped tongue. We finally in our own factory established the use of the smaller wedge-shaped tongue. By having a smaller tongue and putting it below the center gives a better wearing surface. We also had letters of comment from some of our users, advising that they could lay floors where the wedge shaped tongue was in use for at least $1.00 per thousand less than where the round shaped tongue was used. Taking those things into consideration, our Committee thought it advisable to establish uniformity of matches and selected the smaller wedge-shaped tongue as preferable. Some of the manufacturers insisted on staying by their present methods of matching, thinking [fol. 5418] it gave them a preference over the other manufacturers regarding their individual customers, thinking that their customers would not want to change if the new matching was different from theirs as this would necessitate their carrying two manufacturers

of flooring. However, we finally got them all to agree to use the same size tongue and groove and put it in the same location as to distance from top and bottom. This gives purchasers of maple flooring an opportunity to purchase their flooring whenever they could do so to the best advantage as to price. In order to establish this uniformity in matching it was necessary to get the committee together at various times. After it was agreed upon I looked after the manufacturing of these steel templets to be furnished to every member of the Association; also blue prints covering this uniformity of matching. Some of these templets were sent direct to the manufacturers by me and some of them were sent to Chicago and distributed by the Association.

(The grading rules now in force were detached from this statement, because they had theretofore been introduced in evidence.)

[fols. 5419-5421] DEFENDANTS' EXHIBIT BB-1

[Omitted in printing]

DEFENDANTS' EXHIBIT C. C.

Manufacturers Who Are Not Members of the Defendant M. F. M. A.

54—920

			1920 Maple, beech & birch flooring	
			Capacity in M feet	Production in M feet
New Hampshire	Boulia-Gorrell, The Lumber Co.	Lakeport, N. H.	600	400
	Studley Box & Lumber Co.	Rochester, N. H.	3,000	.....
			*3,600	*400
Vermont	Morse, George A., & Co.	Morrisville, Vt.	3,000	1,114
	Prouty & Miller	Newport, Vt.	3,000	275
	Valley Lumber Co.	Orleans, Vt.	2,000	540
			*8,000	*1,929
Mass.	Shepard & Morse Lumber Co.	Boston, Mass.	1,500	368
			*1,500	*368
New York	Blount, The Lumber Co.	Lacona, N. Y.	2,500	2,500
	Griffin Lumber Co.	Hudson Falls, N. Y.	75	21
	Hauenstein, A. G., Lumber Co.	Buffalo, N. Y.	75	25
	Meyers Lumber Co.	North Tonawanda, N. Y.	100	100
	Montgomery Bros. & Co.	Buffalo, N. Y.	5,000	1,200
			*7,750	*3,846

[*In red in copy.]

Manufacturers Who Are Not Members of the Defendant M. F. M. A.—*Continued*

			1920 Maple, beech & birch flooring	
			Capacity in M feet	Production in M feet
Michigan	Brown Lumber Co.	Manistique, Mich.	2,500	980
	Dwight Lumber Co.	Detroit, Mich.	4,500	.....
	Forman, Thomas Co.	Detroit, Mich.	7,500	1,827
	Kerry & Way Lumber & Mfg. Co.	Saginaw, Mich.	2,500	925
	Ward Bros.	Big Rapids, Mich.	6,000	4,521
			*23,000	*8,253
Wisconsin	Beck, August C., Co.	Milwauke, Wis.	6,000	2,874
	Connor, R., Company	Marshfield, Wis.	5,000	3,479
	Krouskop, A. H.	Richland Center, Wis.	500	200
	Robbins Flooring Co.	Rhinelander, Wis.	4,200	4,200
	Sawyer, Goodman Co.	Marinette, Wis.	1,000	604
	Schroeder, John, Lumber Co.	Milwaukee, Wis.	5,000	783
			*21,700	*12,140
Minn.	Tennant, G. H., Co.	Minneapolis, Minn.	5,000	1,288
			*5,000	*1,288
Illinois	Wilce Flooring Co.	Chicago, Illinois	5,500	1,401

			*5,500	*1,401
Ohio	Farrin, The M. B., Lumber Co.	Cincinnati, Ohio	2,500	601
			*2,500	*601
Tenn.	Bruce, E. L., Co.	Memphis, Tenn.	30,000	126
	Harris Mfg. Co.	Johnson City, Tenn	6,000	805
	Nashville Hardwood Flooring Co.	Nashville, Tenn.	17,000	1,145
			*53,000	*2,076
W. Va.	Meadow River Lumber Co.	Rainelle, W. Va.	9,000	100
			*9,000	*100
Virginia	Ritter, W. M., Lumber Co.	Mills in Virginia	25,000	2,072
			*25,000	*2,072
Arkansas	Bradley Lumber Co.	Warren, Ark.	8,000	248
			173,550	34,722

[*In red in copy.]

[fol. 5423] DEFENDANTS' EXHIBIT CC-½

History of the Lumber Market from January 1, 1918, to June 1, 1923

The period covered by the dates above enumerated mark one of the most interesting eras in entire lumber annals, beginning with a period when this Nation was a participant with European Allied countries in the World War, going thru the last year of that war and proceeding thru the subsequent scarcity of all products of civilized life with its riot of prices at a height which had never been conceived, when all factories and workmen were pushed harder than during the fever of war-times until wants were fairly well satisfied and the expected realized, which, although somewhat anticipated, acted as a restraining force to further enlargements of industry and increase of values.

We see lumber advancing from the beginning of this period, especially lumber used in the manufacture of Maple Flooring and similar products, from a base of $30.00 per M for 4/4 #1 Common, $25.00 for #2 and $23.00 for #3 to $122.00 per M for the #1 Common, $82.00 for the #2 and $37.00 for the #3 in June 1920, and to recede from this pinnacle by the end of 1921 to $75.00 per M for the #1 Common, $45.00 for the #2 and $38.00 for the #3, and by October 1921, $40.00 per M for the #1 Common, $24.00 for the #2 and $17.00 for the #3; to advance slightly in June of the following year to $52.00 for the #1 Common, $32.00 for the #2 and $22.00 for the #3 and to gradually advance from these prices to $60.00 per M for the #1 Common, $40.00 for the #2 and $25.00 for the #3 of this year.

[fol. 5424] During the above period it is very interesting to note the cost of production of Maple Flooring lumber and we have taken as a basis of this cost the minimum wage paid in both the mill and woods departments of representative sawmills in the district of the Northern Peninsula of Michigan. At the beginning of this period, Jan. 1, 1918, common labor at the sawmill was receiving $2.50 per day and woods labor was receiving an average of $40.00 per month and keep. However, in the case of the mill labor no keep is included.

We note that sawmill labor advanced April 1, 1918 to $2.75 and August 1st to $2.90; woods labor showed no advance until August 1st and was advanced to $45.00 and again on Oct. 1st, to $50.00 per month, this rate being held until February 1st, 1919, at which time the sawmill labor had reached $3.00 per day. In June 1919 the sawmill labor was getting $3.25 per day and the woods labor $45.00 per month. At the end of this year, 1919, however, woods labor had reached $55.00 per month and sawmill labor $3.75 per day. We see a steady advance from this point, in both sawmill and woods labor, until Dec. 1, 1920, when sawmill labor had reached the hitherto unheard-of rate of $5.00 per day for common labor and woods labor $75.00 per month, which is the peak and highest wages ever paid in this district for labor. From this point a decline is noticed somewhat gradual and Jan. 1, 1922 sees sawmill labor at $2.50 per day and woods labor $26.00 per month and keep. It advanced, however,

DEF. EXHIBIT CO-

1918	J.W. Wells Lbr. Co.	Sawyer Goodman Co.	East Jordan Lbr. Co.	Wis.	Mich.	Chgd Flg. Fact.	Net Proceeds rec'd by J.W.Wells Lbr. Co. #2&Btr.	Gulls	COMMON WAGES Mill Per Day	Woods Per Month	Unfilled orders, J.W.Wells Lbr. co. (Hardwood)
Jan.	$45 FAS 30 #1 25 #2 23 #3-A		$30 #1 25 #2 23 #3-A			23.00	51.83	20.92	$ 2.50	$40.00	8,249M'
Feb.						23.00	64.00	23.08	2.50	40.00	
Mar.						23.00	29.83	19.90	2.50	40.00	
April						23.32	50.87	17.66	2.75	40.00	
May	$45 FAS 31 #1 26 #2 23 #3-A					23.00	33.27	21.14	2.75	40.00	
June						23.00	41.41	19.70	2.75	40.00	
July						23.00	34.87	22.26	2.85	40.00	11,082M'
Aug.						23.00	48.69	24.20	2.90	45.00	
Sept.	$45 FAS 30 #1 25 #2 23 #3-A					23.00	47.14	26.92	2.90	45.00	
Oct.						23.00	32.20	22.44	2.90	50.00	
Nov.						23.45	39.46	20.24	2.90	50.00	
Dec.						40.00	58.69	21.75	2.90	50.00	3,790M'
1919											
Jan.	$45 FAS 30 #1 26 #2 24 #3-A		$31 #1 26 #2 23 #3			23.00	80.92	25.49	3.00	50.00	5,081M'
Feb.			$31 #1 26 #2 23 #3	$31 #1 26 #2 17 #3-A		23.00	41.61	23.97	3.00	50.00	
March		$32 #1 27 #2 20 #3-A	$31 #1 26 #2 23 #3	$31 #1 26 #2 20 #3-A		23.00	47.52	27.00	3.00	40.00	
April		"	$31 #1 26 #2 23 #3	$29 #1 24 #2 24 #3-A	$35 #1 30 #2 29 #3-A	23.00	47.16	23.21	3.00	40.00	3,026M'
May		"	$31 #1 26 #2 23 #3	"	"	27.00	39.37	23.03	3.00	40.00	
June	$52 FAS 35 #1 30 #2 25 #3-A	$37 #1 27 #2 19 #3-A	$31 #1 26 #2 23 #3	$37 #1 29 #2	$35 #1 30 #2 29 #3-A	27.00	41.34	24.13	3.25	45.00	

18									COMMON WAGES		
1919 Cont'd	J.W. Wells Lbr. Co.	Sawyer Goodman Co.	East Jordan Lbr. Co.	Wis.	Mich.	Chgd Flg. Fact.	Net Proceeds rec'd by J.W.Wells Lbr. Co. #2A Str.	Culls	Mill Per Day	Woods Per Month	Unfilled orders J. W. Wells Lbr Company. (Hardwood)
July		$37 #1 27 #2 19 #3-A	$31 #1 26 #2 23 #3	$40 #1 32 #2	$35 #1 30 #2 29 #3-A	27.00	36.91	24.50	$ 3.25	$ 50.00	7,206M'
Aug.	$40 #1 30 #2 25 #3	"	$37 #1 32 #2 25 #3	$45 #1 34 #2	$42 #1 36 #2 34 #3-A	27.00	43.39	21.68	3.75	55.00	
Sept.		"	"		"	35.00	47.53	20.90	3.75	55.00	
Oct.		"	"	$48 #1 34 #2	$48 #1 42 #2 40 #3-A	32.00	58.67	18.75	3.75	55.00	6,878M'
Nov.	$	$50 #1 39 #2 23 #3-A	$37 #1 32 #2 25 #3	$50 #1 39 #2		40.00	58.69	21.75	3.75	55.00	
Dec.		"	"		$65 #1 52 #2 50 #3-A	40.00	58.52	27.00	3.75	55.00	
1920											
Jan.		$51 #1 41 #2 25 #3-A	$60 FAS 48 #1 42 #2	$100 #1 70 #2 50 #3		40.00	71.89	25.49	4.00	60.00	2,265M'
Feb.		$103 #1 83 #2 37 #3-A	"	$102 #1 76 #2 57 #3-A		40.00	61.26	23.97	4.00	60.00	
March		$117 #1 82 #2 40 #3-A	"			50.00	105.86	27.00	4.25	65.00	
April		$117 #1 82 #2 40 #3-A	"			50.00	112.68	23.21	4.50	70.00	6,732M'
May		"	"			46.60	80.40	23.03	4.50	70.00	
June		$122 #1 82 #2 37 #3-A	$90 #1 65 #2 40 #3			46.00		24.13	4.50	75.00	
July		"	"			50.00	117.92	24.50	4.50	75.00	2,882M'
Aug.		$107 #1 72 #2 34 #3-A	"	$117 #1 82 #2 60 #3-A		50.00	133.11	21.68	5.00	75.00	

DEF. EXHIBIT CO#

1920 Cont'd J.W. Wells Lbr. Co.	Sawyer Goodman Co.	East Jordan Lbr. Co.	Wis.	Mich.	Chgd Flg. Fact.	Net Proceeds rec'd by J.W.Wells Lbr. Co. #2 Btr.	Culls	COMMON WAGES Mill Per Day	COMMON WAGES Wood Per Month	Unfilled orders, J.W.Wells Lumber Company. (Hardwood)
Sept.	$107 #1 72 #2 34 #3-A	$ 90 #1 65 #2 40 #3	$107 #1 72 #2 55 #3-A		50.00	141.24	20.90	$ 5.00	$ 75.00	
Oct.	$100 #1 70 #2 55 #3-A	"	$ 92 #1 62 #2 45 #3-A		50.00		18.75	5.00	75.00	2,745M'
Nov.	$ 90 #1 55 #2 45 #3-A	"			50.00	113.64	21.75	5.00	70.00	
Dec.		$ 80 #1 50 #2 33 #3-A				121.88	27.00	4.00	45.00	
1921										
Jan.	$ 75 #1 45 #2 38 #3-A		$ 62 #1 37 #2 26 #3-A			92.31	19.81	3.50	40.00	2,529M'
Feb.	$ 60 #1 40 #2 32 #3-A			$ 75 #1 50 #2 35 #3-A				3.50	40.00	
March	"		$ 52 #1 32 #2		40.00	84.00	14.92	3.50	40.00	
April	"				35.00	55.56	19.54	3.50	30.00	2,413M'
May $ 75 FAS 40 #1 28 #2 20 #3-A			"	$ 50 #1 35 #2 25 #3-A	30.00	43.27	19.27	3.00	30.00	
June	"				30.00	70.90	11.75	3.00	26.00	
July	"	$ 45 #1 35 #2 20 #3-A		$ 40 #1 28 #2 20 #3-A	30.00		13.90	3.00	30.00	2,165M'
Aug.	"	$ 37 #1 25 #2 16 #3-A			30.00	52.45	17.82	3.00	30.00	
Sept.	"	"				47.17	11.61	2.50	26.00	
Oct. $66⅔ FAS 32⅓ #1 23⅓ #2 16⅔ #3-A	$ 40 #1 24 #2 17 #3-A	"		$ 38 #1 28 #2 20 #3-A		49.50	11.33	2.25	26.00	2,535M'
Nov.	$ 45 #1 30 #2 17 #3-A	"				29.42	15.81	2.25	26.00	
Dec.	"	"				35.08	14.76	2.50	26.00	

DEF. EXHIBIT CO½

1922	J.W. Wells Lbr. Co.	Sawyer Goodman Co.	East Jordan Lbr. Co.	Wis.	Mich.	Chgd. -Flg. Fact.	Net Proceeds rec'd by J.W.Wells Lbr. Co. #2&Btr.	Culls	COMMON WAGES Mill Per Day	Woods Per Month	Unfilled orders, J. W. Wells Lumber Company. (Hardwood)
Jan.		$45 #1 30 #2 17 #3-A	$ 45 #1 30 #2 12 #3-A						$ 2.50	$ 26.00	1,524M'
Feb.	$65 FAS 39 #1 25 #2 15 #3-A	"							2.50	26.00	
March		"							2.50	26.00	
April	$65 FAS 39 #1 25 #2 15 #3-A	$45 #1 27 #2 15 #3-A				33.57	49.44	9.80	2.50	26.00	1,573M
May		"		$43 #1 23 #2 13 #3-A		27.72	31.68	10.47	2.50	26.00	
June		"				27.89	51.35	12.31	2.50	30.00	
July		$47 #1 30 #2 15 #3-A				27.61	50.75	15.00	2.50	30.00	3,115M
Aug.		$52 #1 32 #2 22 #3-A					51.23	13.88	2.75	35.00	
Sept.		"				40.00	65.59	10.47	2/75	35.00	
Oct.		"		$52 #1 29 #2 20 #3			63.56	9.55	3.00	35.00	2,955M'
Nov.		"		"			49.09	10.43	3.00	40.00	
Dec.		"		$52 #1 32 #2 20 #3		40.00	65.43	14.81	3.00	40.00	
1923											
Jan.		$57 #1 37 #2 22 #3-A				40.00	75.76	15.90	3.00	40.00	2,044M'
Feb.		"	-			40.00	93.21	17.77	3.00	40.00	1,065M'
March		65 #1 45 #2 27 #3-A				40.00	84.36	19.97	3.25	40.00	1,354M'
April		"				40.00	86.79	18.65	3.25	50. 0	1,069M'
May		"				40.00	89.57	16.01	3.50	50.00	1,173M'
June		"				40.00	81.24	24.26	3.50	50.00	1,170M'
July		$60 #1 40 #2 25 #3-A				40.00	88.00	21.15	3.50	50.00	1,165M

[fol. 5425] until by the end of the year, on account of shortage of men, woods labor was receiving $40.00 per month and mill labor $3.00 per day, from which point, during 1923, mill labor is advanced to $3.25 per day and woods labor to from $50.00 to $60.00 per month. According to the records kept by the J. W. Wells Lumber Co. the peak seems to have been reached both insofar as net returns on lumber are concerned and the highest wages paid for men both at mill and in the woods department, in Sept. 1920. This has special reference also to the net rates for Maple Flooring values, following very closely the cost of production and the law of supply and demand.

(Here follows reproduction of a portion of Defendants' Exhibit CC½, marked side folio pages 5426, 5427, 5428, and 5429.)

[fol. 5430]

DEFENDANTS' EXHIBIT CC-1

Members of the Defendant M. F. M. A.		Capacity, M feet, 1920	Production, M ft., 1920
Michigan	W. D. Young & Co.	9,900	8,054
	Mitchell Bros. Company	9,600	8,567
	Wisconsin Land & Lumber Co.	9,800	6,609
	Cobbs & Mitchell, Inc.	10,800	10,156
	I. Stephenson Co., Trustees	8,400	6,122
	Cummer-Diggins Co.	2,750	3,197
	Kerry & Hanson Flooring Co.	9,000	6,147
	East Jordan Lumber Co.	3,675	4,651
	Nichols & Cox Lumber Co.	6,000	4,124
	Strable Lumber & Salt Co.	9,000	9,523
	West Michigan Flooring Co.	6,000	2,665
	J. W. Wells Lumber Co.	6,500	3,203
	Northwestern Cooperage & Lbr. Co.	6,500	7,173
	Grand Rapids Trust Co.—Rec. for Wm. Horner	29,700	24,709
	Bigelow-Cooper Co.	5,250	8,302
		132,875*	113,202*
Wisconsin	Holt Hardwood Co.	8,400	4,927
	Foster-Latimer Lbr. Co.	3,000	2,655
	Flanner-Steger Land & Lbr. Co.	4,325	3,969
	Kneeland-McLurg Lbr. Co.	2,000	1,012
		17,725*	12,563*

[fol. 5431]

DEFENDANTS' EXHIBIT CC-2

Production Statistics of Members of Defendant M. F. M. A.

Member No.	Year, 1913	Year, 1914	Year, 1915	Year, 1916	Year, 1917	Year, 1918	Year, 1919	Year, 1920	Year, 1921	Year, 1922	Number of matchers
2.....	9914.	9136.	10060.	9330.	9414.	8251.	6982.	8054.	5132.	8792.	8
3.....	9314.	9553.	8726.	9395.	9347.	4048.	8175.	8567.	5339.	7488.	6
4.....	11181.	12305.	11293.	11846.	9571.	6317.	7088.	6609.	8100.	9286.	7
5.....	9342.	11159.	10535.	11790.	10482.	8247.	9557.	10156.	8079.	10903.	8
7.....	14566.	12825.	10849.	9464.	7625.	5415.	4133.	6122.	6815.	9814.	7
14.....	2926.	3079.	3474.	2946.	3018.	1108.	2797.	3197.	2793.	3575.	2
22.....	1355.	1361.	1247.	1157.	496.	276.	373.	618.	553.	519.	1
23.....	....	....	....	....	....	3677.	5210.	4927.	5795.	7822.	3
24.....	5093.	5123.	5775.	5818.	6392.	5269.	4961.	6147.	3640.	6405.	4
26.....	5115.	4915.	3353.	5042.	4050.	2242.	4561.	4651.	3641.	3039.	3
30.....	4609.	4729.	4386.	5376.	4983.	3462.	3839.	4124.	4534.	7815.	3
33.....	9004.	8149.	6698.	7152.	7910.	4137.	5701.	9523.	4741.	9740.	4
34.....	3356.	3504.	3348.	3065.	2606.	2053.	2229.	2655.	1870.	2107.	3
37.....	4435.	4787.	3780.	5259.	3799.	2197.	3605.	2665.	2241.	4717.	4
42.....	5990.	6460.	5316.	4239.	5493.	3116.	4026.	3203.	3510.	5932.	3
44.....	8719.	7146.	8748.	8798.	7190.	6336.	6654.	7173.	6788.	9577.	5
15 mbrs.*	104919*	104231*	97588*	100677*	92376*16 mbrs.*	66151*	79891*	88391*	73571*	107531*	
45.....	....	....	....	....	....	....	4661.	3969.	2861.	4611.	3
47.....	....	....	....	....	....	....	25679.	24709.	20577.	21431.	11
48.....	....	....	....	....	3232.	1275.	1880.	3140.	1977.	2028.	2
49.....	....	....	....	7097.	7240.	4138.	6066.	8302.	5335.	7183.	4
50.....	....	....	....	....	....	....	1274.	1012.	2008.	2078.	1
						21 mbrs.*	119451*	129523*	106329*	144862*	
51.....	....	....	....	....	....	....	....	....5 mo. 1390.		3451.	2
										148313*	
											94

Continuous Statistics of Identical 15 Members

104919*	104231*	97588*	100677*	92376*	62474*	74681*	83464*	67776*	99709*	

[*In red in copy.]

CHART

TOO

LARGE

FOR

FILMING

RANGE OF SELLING PRICES FOR FLOORING MILLS FOR 13/16x2-1/4" FACE MAPLE FLOORING.

	EASTERN UPPER MICHIGAN MILLS						WESTERN UPPER MICHIGAN MILLS					
	CLEAR		NO. 1		FACTORY		CLEAR		NO. 1		FACTORY	
1913	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low
Sept.	46.25	41.78	40.93	35.37	25.74	23.01	42.86	40.39	36.71	35.83	23.00	21.50
Oct.	48.43	41.16	38.25	36.22	23.40	21.73	42.52	40.62	38.60	35.43	23.01	20.78
Nov.	45.02	40.83	39.53	36.85	29.00	21.76	43.10	40.16	38.48	36.00	25.00	21.45
Dec.	43.69	41.00	38.29	35.95	23.03	21.46	41.94	41.32	38.51	35.65	22.96	21.14
1914												
Jan.	43.98	41.54	37.21	35.14	25.87	22.50	44.65	41.02	39.12	36.59	21.23	20.11
Feb.	44.27	41.35	36.90	35.03	26.45	21.21	42.10	40.83	37.72	37.35	23.50	20.79
March	43.47	41.00	37.92	34.61	23.90	20.07	41.61	40.83	37.51	37.14	23.50	20.76
April	42.98	39.74	37.33	33.22	22.71	19.28	41.60	40.81	38.13	36.79	22.00	20.58
May	45.48	40.33	37.25	31.61	21.31	20.03	41.12	40.81	36.71	36.26	22.00	20.26
June	44.67	39.57	37.00	32.14	22.77	19.17	40.63	39.97	37.04	35.48	22.22	20.03
July	44.13	40.23	37.21	33.74	23.48	20.91	40.44	39.57	36.98	34.77	21.10	20.16
Aug.	43.06	40.44	37.30	34.90	22.99	20.02	40.94	39.90	36.14	35.30	21.33	20.28
Sept.	41.80	39.63	36.92	33.89	24.00	19.75	40.33	40.23	36.03	34.89	22.00	20.34
Oct.	41.85	39.14	37.00	35.28	20.96	20.80	41.32	39.35	35.77	34.55	21.00	19.67
Nov.	41.40	38.40	36.40	33.54	21.08	20.28	39.41	37.00	35.56	32.25	21.10	19.06
Dec.	40.81	38.65	34.88	34.11	21.71	17.65	40.18	39.03	35.77	33.58	20.70	19.00

	UPPER MICHIGAN & WISCONSIN MILLS						ALL MICHIGAN & WISCON MILLS					
	CLEAR		NO. 1		FACTORY		CLEAR		NO. 1		FACTORY	
1913	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low
Sept.	44.57	42.62	39.69	37.20	23.73	22.18	46.25	40.39	40.93	35.37	25.74	21.50
Oct.	44.39	41.95	40.00	37.55	24.47	20.80	48.43	40.62	40.00	35.43	24.47	20.78
Nov.	44.50	41.89	40.00	36.82	24.00	19.51	45.02	40.16	40.00	36.00	29.00	19.51
Dec.	44.00	41.40	40.00	37.15	24.00	20.90	44.00	41.00	40.00	35.65	24.00	20.90
1914												
Jan.	44.47	41.45	39.50	37.00	24.15	21.41	44.65	41.02	39.50	35.14	25.87	20.11
Feb.	44.11	41.48	39.23	37.26	23.73	21.26	44.27	40.88	39.23	35.03	26.45	20.79
March	44.00	41.24	40.00	37.15	24.00	20.53	44.00	40.83	40.00	34.61	24.00	20.07
April	44.22	41.78	39.44	38.28	22.66	21.58	44.22	39.74	39.44	33.22	22.71	19.28
May	43.82	41.12	39.61	36.27	22.80	20.16	45.48	40.33	39.61	31.61	22.80	20.03
June	43.44	41.78	40.65	37.63	22.85	20.57	44.67	39.57	40.65	32.14	22.85	19.17
July	43.57	42.00	39.16	36.69	22.47	21.33	44.13	39.57	39.16	33.74	23.48	20.16
Aug.	43.80	42.19	38.84	38.11	23.02	21.92	43.80	39.90	38.84	34.90	23.02	20.02
Sept.	43.25	40.91	38.77	36.73	22.36	21.38	43.25	39.63	38.77	34.47	24.00	19.75
Oct.	43.65	40.72	38.70	34.47	22.71	20.51	43.65	39.14	38.70	32.25	22.71	19.67
Nov.	42.35	39.92	38.26	36.47	22.05	20.20	42.35	37.00	38.26	33.58	22.05	19.06
Dec.	42.25	39.16	38.13	35.38	21.55	19.93	42.25	38.65	38.13		21.71	17.65

DEF. EXHIBIT HH.

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RANGE OF SELLING PRICES FOB FLOORING MILLS FOR 13/16x2-1/4" FACE MAPLE FLOORING

EASTERN LOWER MICHIGAN MILLS

1915	CLEAR High	CLEAR Low	NO. 1 High	NO. 1 Low	FACTORY High	FACTORY Low
Jan.	41.22	38.00	35.41	33.49	22.40	19.80
Feb.	43.76	38.43	35.48	32.96	21.69	19.68
March	39.54	37.95	34.66	33.33	20.16	18.75
April	41.22	37.97	34.87	31.30	22.06	17.90
May	39.58	38.04	35.01	32.98	20.83	17.42
June	38.93	37.51	34.10	32.28	20.00	17.91
July	39.34	36.93	33.78	31.20	19.38	17.73
Aug.	38.24	37.13	33.61	31.55	19.16	17.74
Sept.	39.08	37.46	34.27	31.76	20.00	17.26
Oct.	38.90	37.94	33.55	31.54	19.56	18.20
Nov.	39.53	37.90	33.57	32.49	19.93	17.98
Dec.	41.33	38.07	35.07	33.62	20.46	18.51

WESTERN LOWER MICHIGAN MILLS

1915	CLEAR High	CLEAR Low	NO. 1 High	NO. 1 Low	FACTORY High	FACTORY Low
Jan.	39.09	38.52	35.63	33.28	19.00	18.91
Feb.	38.72	38.41	35.58	33.42	20.84	18.51
March	38.52	38.38	35.50	33.29	20.97	18.33
April	38.32	38.05	35.49	33.68	20.90	18.69
May	38.02	37.18	34.74	33.16	20.99	18.00
June	38.24	37.04	34.56	32.34	21.00	17.11
July	39.68	37.38	34.42	32.63	22.50	16.39
Aug.	37.75	37.07	33.67	32.25	18.50	17.35
Sept.	37.75	37.22	33.61	32.00	21.00	16.46
Oct.	38.40	38.11	33.79	33.17	21.06	17.00
Nov.	38.67	38.34	33.52	33.31	21.06	17.00
Dec.	41.32	38.33	34.96	33.46	21.14	17.35

UPPER MICHIGAN AND WISCONSIN MILLS

1915	CLEAR High	CLEAR Low	NO. 1 High	NO. 1 Low	FACTORY High	FACTORY Low
Jan.	41.40	39.77	37.48	35.64	21.45	21.01
Feb.	41.11	40.09	37.25	34.74	21.61	19.00
March	41.50	39.22	36.38	35.77	21.39	19.29
April	41.31	39.30	35.31	35.23	20.77	18.87
May	41.04	39.57	36.19	35.23	21.05	18.85
June	41.07	39.45	36.14	35.49	21.27	19.19
July	41.23	38.82	36.44	34.14	20.70	18.57
Aug.	40.68	37.75	35.82	32.25	20.47	17.39
Sept.	41.13	37.75	35.94	32.00	21.12	18.23
Oct.	41.58	39.60	35.99	32.44	20.67	17.77
Nov.	41.55	40.48	36.21	33.05	20.35	18.47
Dec.	41.55	40.02	36.54	33.77	20.71	18.93

ALL MICHIGAN AND WISCONSIN MILLS

1915	CLEAR High	CLEAR Low	NO. 1 High	NO. 1 Low	FACTORY High	FACTORY Low
Jan.	41.40	38.00	37.48	33.28	22.40	18.91
Feb.	43.76	38.41	37.25	32.96	21.69	18.51
March	41.50	37.95	36.38	33.29	21.39	18.33
April	41.31	37.97	36.31	31.30	22.06	17.90
May	41.04	37.18	36.19	32.98	21.05	17.42
June	41.07	37.04	36.14	32.28	21.27	17.11
July	41.23	36.93	36.44	31.20	22.50	16.39
Aug.	40.68	37.07	35.82	31.55	20.47	17.35
Sept.	41.13	37.22	35.94	31.76	21.12	16.46
Oct.	41.58	37.94	35.99	31.54	21.06	17.00
Nov.	41.55	37.90	36.21	32.49	21.06	17.00
Dec.	41.55	38.07	36.54	33.46	21.14	17.35

RANGE OF SELLING PRICES FOB FLOORING MILLS FOR 13/16x2-1/4" FACE MAPLE FLOORING

EASTERN LOWER MICHIGAN MILLS

1916	CLEAR High	CLEAR Low	NO. 1 High	NO. 1 Low	FACTORY High	FACTORY Low
Jan.	42.63	38.09	35.75	33.80	21.00	19.05
Feb.	42.91	39.02	35.96	32.00	21.00	18.80
Mar.	42.40	39.56	37.50	34.17	19.78	19.12
April	43.00	39.68	36.50	34.87	21.49	19.94
May	43.00	38.70	36.68	34.32	21.07	20.05
June	45.00	39.03	35.68	33.84	22.00	19.40
July	42.00	40.97	38.00	35.50	22.05	20.83
Aug.	43.56	41.58	36.73	35.20	24.22	21.09
Sept.	45.71	41.44	38.07	34.86	23.00	21.68
Oct.	46.00	41.92	38.22	36.84	24.36	22.13
Nov.	46.50	42.15	39.66	37.48	26.00	22.84
Dec.	47.84	45.09	42.07	38.81	27.26	24.31

WESTERN LOWER MICHIGAN MILLS

1916	CLEAR High	CLEAR Low	NO. 1 High	NO. 1 Low	FACTORY High	FACTORY Low
Jan.	41.77	41.11	34.94	33.58	21.66	17.70
Feb.	42.21	40.93	35.55	33.60	21.10	20.00
Mar.	42.16	41.46	35.51	34.64	22.34	20.00
April	42.10	41.58	35.53	34.69	21.77	20.00
May	43.02	42.25	36.70	35.56	22.80	19.89
June	42.45	40.79	35.44	33.96	22.04	19.32
July	42.63	42.55	36.00	35.78	22.23	20.67
Aug.	44.45	42.13	38.52	35.65	25.00	20.89
Sept.	43.76	42.79	38.09	36.42	23.69	21.00
Oct.	44.64	42.73	38.51	36.80	25.00	22.50
Nov.	45.34	44.12	39.79	37.32	25.00	23.12
Dec.	46.71	45.17	41.27	39.77	28.24	25.07

UPPER MICHIGAN AND WISCONSIN MILLS

1916	CLEAR High	CLEAR Low	NO. 1 High	NO. 1 Low	FACTORY High	FACTORY Low
Jan.	43.26	41.33	37.36	35.34	20.47	19.63
Feb.	43.67	41.90	37.68	36.19	21.95	20.03
Mar.	43.68	41.89	38.23	34.64	22.25	19.99
April	45.03	41.90	38.14	34.72	22.61	19.58
May	44.67	41.87	38.00	35.94	22.37	19.45
June	44.38	41.85	38.15	37.12	22.09	21.22
July	44.90	42.90	38.12	36.85	22.53	20.82
Aug.	44.30	43.47	37.98	36.68	22.96	21.13
Sept.	45.00	43.87	38.59	36.55	23.70	21.68
Oct.	45.39	44.10	38.98	38.09	24.80	22.82
Nov.	46.79	44.64	40.74	38.34	25.80	23.80
Dec.	46.30	46.69	41.80	40.21	27.46	26.05

ALL MICHIGAN AND WISCONSIN MILLS

1916	CLEAR High	CLEAR Low	NO. 1 High	NO. 1 Low	FACTORY High	FACTORY Low
Jan.	43.26	38.09	37.36	33.58	21.66	17.70
Feb.	43.67	39.02	37.68	32.00	21.95	18.80
Mar.	43.68	39.56	38.23	34.17	22.34	19.12
April	45.03	39.68	38.14	34.69	22.61	19.58
May	44.67	38.70	38.00	34.32	22.80	19.45
June	45.00	39.03	38.15	33.84	22.09	19.32
July	44.90	40.97	38.12	35.50	22.53	20.67
Aug.	44.45	41.58	38.52	35.20	25.00	20.89
Sept.	45.71	41.44	38.59	34.86	23.70	21.00
Oct.	46.00	41.92	38.98	36.80	25.00	22.13
Nov.	46.79	42.15	40.74	37.32	26.00	22.84
Dec.	46.30	45.09	42.07	38.81	28.24	24.31

RANGE OF SELLING PRICES FOB FLOORING MILLS FOR 13/16x2-1/4" FACE MAPLE FLOORING

EASTERN LOWER MICHIGAN MILLS

	CLEAR		NO. 1		FACTORY	
1917	High	Low	High	Low	High	Low
Jan.	48.00	46.34	42.05	40.48	27.46	26.88
Feb.	50.50	46.67	44.50	40.76	27.46	26.07
Mar.	50.91	48.63	45.50	42.61	29.00	27.57
April	50.50	47.73	46.12	42.38	30.08	27.88
May	52.06	48.80	46.50	43.52	32.00	29.31
June	52.56	50.66	46.60	45.90	32.06	31.23
July	52.50	50.17	47.95	45.00	33.88	31.31
Aug.	53.00	49.85	47.50	45.07	34.75	29.57
Sept.	51.74	49.88	46.74	44.17	34.15	33.47
Oct.	52.61	47.78	47.65	44.77	34.32	32.80
Nov.	52.50	47.11	47.50	43.74	35.50	32.57
Dec.	52.50	46.61	47.00	43.90	35.50	32.63

WESTERN LOWER MICHIGAN MILLS

	CLEAR		NO. 1		FACTORY	
1917	High	Low	High	Low	High	Low
Jan.	48.32	44.98	43.33	38.37	29.15	27.00
Feb.	47.87	47.43	43.59	42.53	29.95	27.00
Mar.	49.71	47.75	45.93	42.92	30.41	28.00
April	49.51	48.42	46.62	43.55	30.93	28.00
May	49.83	48.53	45.53	44.82	33.38	28.18
June	51.58	50.42	47.34	45.75	35.00	31.50
July	51.94	50.34	49.45	47.50	38.00	31.50
Aug.	52.26	50.34	50.00	47.50	39.00	33.50
Sept.	51.18	50.20	48.56	47.50	39.00	33.50
Oct.	49.59	48.49	47.53	46.90	37.48	33.50
Nov.	49.45	47.38	45.97	45.16	36.03	33.40
Dec.	48.22	47.19	46.03	44.25	36.43	33.50

UPPER MICHIGAN AND WISCONSIN MILLS

	CLEAR		NO. 1		FACTORY	
1917	High	Low	High	Low	High	Low
Jan.	49.81	46.04	43.86	41.06	29.95	26.75
Feb.	49.95	47.90	43.99	41.11	29.41	27.85
Mar.	51.01	49.00	44.74	42.74	30.23	28.26
April	51.43	48.85	45.02	42.61	30.06	28.53
May	53.11	50.55	46.85	43.90	31.80	31.06
June	53.51	49.85	47.08	45.10	33.33	30.94
July	53.04	51.73	47.29	45.80	35.50	32.44
Aug.	53.20	51.72	47.50	45.95	35.65	34.60
Sept.	52.51	50.93	46.30	46.56	35.82	34.81
Oct.	52.89	52.08	47.89	45.14	37.00	34.34
Nov.	51.33	48.08	47.12	44.82	34.73	33.55
Dec.	51.00	48.90	47.02	44.11	35.93	33.00

ALL MICHIGAN AND WISCONSIN MILLS

	CLEAR		NO. 1		FACTORY	
1917	High	Low	High	Low	High	Low
Jan.	49.81	44.98	43.86	38.37	29.95	26.75
Feb.	50.50	46.67	44.50	40.76	29.95	26.07
Mar.	51.01	47.75	45.93	42.61	30.41	27.57
April	51.43	47.73	46.62	42.38	30.93	27.88
May	53.11	48.53	46.85	43.52	33.38	28.18
June	53.51	49.85	47.34	45.10	35.00	30.94
July	53.04	50.17	49.45	45.00	38.00	31.31
Aug.	53.20	49.85	50.00	45.07	39.00	29.57
Sept.	52.51	49.88	48.56	44.17	39.00	33.47
Oct.	52.89	47.78	47.89	44.77	37.48	32.80
Nov.	52.50	47.11	47.50	43.74	36.03	32.57
Dec.	52.50	46.61	47.02	43.90	36.43	32.63

RANGE OF SELLING PRICES FOB FLOORING MILLS FOR 13/16x2-1/4" FACE MAPLE FLOORING

EASTERN LOWER MICHIGAN MILLS

	CLEAR		NO. 1		FACTORY	
1918	High	Low	High	Low	High	Low
Jan.	50.99	47.43	47.50	43.83	35.50	34.15
Feb.	49.81	47.53	46.65	43.98	35.19	32.89
Mar.	48.04	46.64	46.49	43.92	35.28	33.83
April	49.94	45.75	48.67	43.49	37.50	32.46
May	52.62	49.60	50.00	46.83	37.54	35.07
June	57.01	54.59	53.18	51.25	42.50	41.20
July	56.00	54.19	53.03	50.17	42.36	41.51
Aug.	57.51	55.40	54.25	52.45		
Sept.			53.77	53.16		
Oct.	56.75	56.43	54.85	51.27		
Nov.	57.65	56.70	55.22	52.84	45.77	42.67
Dec.	59.50	56.01	53.45	52.65	45.10	44.20

WESTERN LOWER MICHIGAN MILLS

	CLEAR		NO. 1		FACTORY	
1918	High	Low	High	Low	High	Low
Jan.	47.67	46.77	46.25	44.51	35.40	33.67
Feb.	48.19	45.59	45.96	44.66	36.20	33.50
Mar.	48.65	45.87	46.51	44.06	36.54	33.19
April	48.91	46.73	47.93	44.04	37.99	33.67
May	52.08	49.84	48.27	46.84	40.08	36.00
June	56.73	54.98	52.65	51.67	44.52	43.75
July	57.05	54.85	53.71	51.85		
Aug.	56.99	54.96	54.41	52.15	45.00	43.10
Sept.	56.57	56.38	53.30	51.98	47.95	44.68
Oct.	58.30	56.00	54.45	51.73	51.00	45.00
Nov.	63.00	55.98	59.00	51.97	51.24	44.00
Dec.	63.00	55.45	55.80	51.85	47.30	43.86

UPPER MICHIGAN AND WISCONSIN MILLS

	CLEAR		NO. 1		FACTORY	
1918	High	Low	High	Low	High	Low
Jan.	49.91	48.80	46.57	46.20	35.99	33.60
Feb.	51.00	47.94	46.83	44.96	35.75	34.07
Mar.	51.38	48.15	47.12	44.68	35.55	34.40
April	50.37	46.58	47.09	42.88	36.12	33.00
May	52.55	51.32	49.29	47.34	38.59	36.51
June	57.49	54.29	54.50	51.80	43.50	40.50
July	58.14	55.83	53.77	52.75	42.93	40.99
Aug.	58.13	55.20	54.51	52.59	47.10	44.49
Sept.	58.96	57.22	55.03	53.10	47.19	44.73
Oct.	59.48	55.00	55.19	53.50	47.00	45.50
Nov.	59.33	56.50	56.07	52.01	47.89	44.00
Dec.	58.65	56.93	55.06	53.51	47.90	46.74

ALL MICHIGAN AND WISCONSIN MILLS

	CLEAR		NO. 1		FACTORY	
1918	High	Low	High	Low	High	Low
Jan.	50.99	46.77	47.50	43.83	35.99	33.60
Feb.	51.00	45.59	46.83	43.98	36.20	32.89
Mar.	51.38	45.87	47.12	43.92	36.54	33.19
April	50.37	45.75	48.67	42.88	37.99	32.46
May	52.62	49.60	50.00	46.83	40.08	35.07
June	57.49	54.29	54.50	51.25	44.52	40.50
July	58.14	54.19	53.77	50.17	42.93	40.99
Aug.	58.13	54.96	54.51	52.15	47.10	43.10
Sept.	58.96	56.38	55.03	51.98	47.95	44.62
Oct.	59.48	55.00	55.19	51.27	51.00	45.00
Nov.	63.00	55.98	59.00	51.97	51.24	42.67
Dec.	63.00	55.45	55.80	51.85	47.90	43.86

RANGE OF SELLING PRICES FOB FLOORING MILLS FOR 13/16x2-1/4" FACE MAPLE FLOORING

EASTERN LOWER MICHIGAN MILLS

1919	CLEAR High	CLEAR Low	NO. 1 High	NO. 1 Low	FACTORY High	FACTORY Low
Jan.	56.75	56.03	52.83	52.30	46.95	42.62
Feb.	57.34	55.93	53.95	52.73	45.72	44.63
Mar.	58.36	54.90	53.87	50.70	46.65	41.96
Apr.	57.53	56.62	54.02	52.71	45.52	43.80
May	58.54	56.81	54.05	51.40	46.98	42.70
June	64.40	63.72	62.79	58.84	53.29	46.71
July	73.38	71.69	67.73	67.34	61.78	54.50
Aug.	79.10	77.14	76.50	67.94		
Sept.	92.10	82.01	84.06	76.76	66.00	63.22
Oct.	99.52	95.66	94.58	90.20		
Nov.	102.40	91.41	98.40	87.91	82.04	72.70
Dec.	111.63	106.15	107.65	104.81	97.70	90.04

WESTERN LOWER MICHIGAN MILLS

CLEAR High	CLEAR Low	NO. 1 High	NO. 1 Low	FACTORY High	FACTORY Low
57.42	55.68	55.55	51.74	45.85	44.00
57.20	55.81	59.50	51.85	50.00	45.00
57.29	55.79	54.16	51.99	45.32	44.10
57.26	55.85	54.31	51.68	45.90	44.08
59.30	56.63	54.95	52.01	46.73	44.00
66.52	64.68	63.90	58.14	56.57	47.56
73.86	70.50	72.65	66.92	65.50	56.82
82.50	77.67	75.86	74.24	67.00	57.50
87.50	82.50	83.24	77.33	75.36	
91.93	88.85	86.63	83.08	76.47	66.50
96.00	96.95	94.93	89.00	84.35	72.65
107.36	105.32	101.26	99.34	90.64	76.50

UPPER MICHIGAN AND WISCONSIN MILLS

1919	CLEAR High	CLEAR Low	NO. 1 High	NO. 1 Low	FACTORY High	FACTORY Low
Jan.	58.35	57.67	54.38	52.91	47.64	44.96
Feb.	58.83	56.25	54.70	52.44	47.04	43.81
Mar.	59.17	57.22	55.43	54.20	46.69	43.51
Apr.	59.57	55.65	55.36	51.40	46.91	43.58
May	60.91	56.10	57.54	52.32	48.37	45.48
ne	67.99	59.21	62.20	55.36	53.13	46.50
y	76.26	69.34	69.18	65.22	58.64	53.02
	85.21	77.67	75.92	68.79	64.72	57.19
Sep.	90.30	82.40	85.12	76.28	69.20	62.99
Oct.	97.90	87.75	93.10	83.75	79.70	69.75
Nov.	102.80	97.33	95.77	90.88	79.90	76.50
Dec.	114.55	106.72	105.70	101.44	96.03	89.33

ALL MICHIGAN AND WISCONSIN MILLS

CLEAR High	CLEAR Low	NO. 1 High	NO. 1 Low	FACTORY High	FACTORY Low
58.35	55.68	55.55	51.74	47.64	42.62
58.83	55.81	59.50	51.85	50.00	43.81
59.17	54.90	55.43	50.70	46.69	41.96
59.57	55.65	55.36	51.40	46.91	43.58
60.91	56.10	57.54	51.40	48.37	42.70
67.99	59.21	63.90	55.36	56.57	46.50
76.26	69.34	72.65	65.22	66.50	53.02
85.21	77.14	76.50	67.94	67.00	57.19
92.10	82.01	85.12	76.28	75.36	62.99
99.52	87.75	94.58	83.08	79.70	66.50
102.80	91.41	98.40	87.91	84.35	72.65
114.55	105.32	107.65	99.34	97.70	76.50

RANGE OF SELLING PRICES FOB FLOORING MILLS FOR 13/16x2-1/4" FACE MAPLE FLOORING

EASTERN LOWER MICHIGAN MILLS

1920	CLEAR High	CLEAR Low	NO. 1 High	NO. 1 Low	FACTORY High	FACTORY Low
Jan.	143.35	126.00	134.42	114.39	112.75	103.82
Feb.	178.00	146.50	174.75	131.35	144.75	119.62
Mar.	190.36	154.38	194.43	173.50		
Apr.	198.55	188.20	187.00	173.92		
May	194.00	183.04	189.00	168.73		145.63
June			190.00	167.70		
July			167.10	163.93	128.38	124.55
Aug.	177/27	173.20	170.00	168.20		
Sept.	160.85	160.58		148.32	94.32	79.23
Oct.	147.22	136.00	143.00	136.84	80.27	78.00
Nov.	140.47	134.24	132.63	103.08	70.38	63.06
Dec.	118.30	99.24	110.43	97.74	70.45	54.72

WESTERN LOWER MICHIGAN MILLS

1920	CLEAR High	CLEAR Low	NO. 1 High	NO. 1 Low	FACTORY High	FACTORY Low
Jan.	135.02	120.30	117.71	111.60	108.98	108.98
Feb.	158.56	134.72	150.47	128.70	131.50	124.00
Mar.	176.36	154.57	184.77	149.56	155.15	137.60
Apr.	194.45	169.56	189.24	164.53	160.75	146.69
May	196.60	169.35	187.46	164.20	168.00	152.03
June	202.78	169.54	178.99	164.60	139.63	131.54
July	180.58	169.95	175.06	162.33	134.05	122.00
Aug.	178.24	175.96	169.04	164.60	128.94	109.75
Sept.	168.93	165.75	159.92	154.05	115.10	97.76
Oct.	152.62	144.66	154.67	129.00		
Nov.	143.50	137.88	128.45	115.32		
Dec.	119.18	103.47	108.12	84.35		53.13

UPPER MICHIGAN AND WISCONSIN MILLS

1920	CLEAR High	CLEAR Low	NO. 1 High	NO. 1 Low	FACTORY High	FACTORY Low
Jan.	168.10	122.75	130.37	112.70	113.10	97.54
Feb.	197.20	146.96	169.43	129.52	147.20	115.20
Mar.	217.50	183.00	196.75	172.91	154.90	137.28
Apr.	222.50	186.60	197.50	182.71	166.90	145.14
May	225.00	186.16	189.87	178.65	156.80	146.20
June	195.75	182.60	197.50	167.14	150.00	131.07
July	182.29	176.73	173.50	166.37	148.00	132.01
Aug.	180.35	174.20	171.44	161.80	128.65	125.00
Sept.	171.69	159.55	158.50	149.92	100.00	96.45
Oct.	154.35	139.66	151.92	144.86	100.16	86.10
Nov.	142.40	126.20	145.00	111.28	87.40	74.04
Dec.	125.20	100.31	110.78	85.05	80.00	53.15

ALL MICHIGAN AND WISCONSIN MILLS

1920	CLEAR High	CLEAR Low	NO. 1 High	NO. 1 Low	FACTORY High	FACTORY Low
Jan.	168.10	120.30	134.42	111.60	113.10	97.54
Feb.	197.20	134.72	174.75	128.70	147.20	115.20
Mar.	217.50	154.38	196.75	149.56	155.15	137.28
Apr.	222.50	169.56	197.50	164.53	166.90	145.14
May	225.00	169.35	189.87	164.20	168.00	145.63
June	202.78	169.54	197.50	164.60	150.00	131.07
July	182.29	169.95	187.10	162.33	148.00	122.00
Aug.	180.35	173.20	171.44	161.80	128.94	109.75
Sept.	171.69	159.55	159.92	148.32	115.10	79.23
Oct.	154.35	136.00	154.67	129.00	100.16	78.00
Nov.	143.50	126.20	145.00	103.08	87.40	63.06
Dec.	125.20	99.24	110.78	84.35	80.00	53.13

RANGE OF SELLING PRICES FOB FLOORING MILLS FOR 13/16x2-1/4" FACE MAPLE FLOORING

EASTERN LOWER MICHIGAN MILLS

1921	CLEAR High	CLEAR Low	NO. 1 High	NO. 1 Low	FACTORY High	FACTORY Low
Jan.	101.30	98.44	85.40	83.20	50.42	50.00
Feb.	101.94	96.31	84.85	84.67	50.43	48.50
Mar.	96.17	88.55	76.20	74.79		
Apr.	86.88	84.53	71.05	63.65	34.50	26.45
May	91.44	84.93	63.33	59.59	29.10	26.42
June	93.27	86.30	66.08	63.86	30.50	29.06
July	89.92	86.00	56.21	61.60	29.87	26.05
Aug.						
Sept.	84.05	82.71	55.21	54.62	20.67	20.55
Oct.	82.27	81.90	55.60	53.50		
Nov.	88.35	86.13	63.86	56.68		
Dec.	89.36	83.89	64.44	61.35	28.41	21.71

WESTERN LOWER MICHIGAN MILLS

CLEAR High	CLEAR Low	NO. 1 High	NO. 1 Low	FACTORY High	FACTORY Low
99.27	98.35	86.00	83.31		48.00
99.06	95.45	82.56	79.23	50.00	40.65
91.68	90.10	73.71	73.25	45.00	37.80
90.01	89.69	69.83	65.89	42.12	35.50
88.74	84.08	63.95	58.08	31.82	26.50
88.08	87.95	63.25	62.96		
88.56	87.76	67.82	63.11		
86.54	85.72	63.29	58.83	27.64	22.83
88.66	85.30	59.82	53.23		
84.24	83.00	59.20	52.99	21.22	20.45
85.55	84.18	59.66	55.00	20.51	19.76
88.00	84.60	68.08	62.56	21.14	18.34

UPPER MICHIGAN AND WISCONSIN MILLS

1921	CLEAR High	CLEAR Low	NO. 1 High	NO. 1 Low	FACTORY High	FACTORY Low
Jan.	102.97	96.01	88.50	74.40	51.90	49.85
Feb.	103.58	99.65	87.46	85.64	53.00	50.72
Mar.	96.09	91.72	81.94	76.06	45.52	36.26
Apr.	95.00	85.31	77.62	61.52	42.60	36.95
May	93.94	85.45	76.42	57.71	43.06	26.69
June	92.32	89.12	68.13	65.43	33.74	29.27
July	91.71	85.19	68.45	58.61	33.40	22.10
Aug.	92.61	84.06	64.69	54.97	32.24	20.30
Sept.	91.84	76.92	62.94	54.04	30.21	16.64
Oct.	89.29	83.48	61.88	50.19	22.15	16.17
Nov.	87.12	82.40	59.32	53.53	23.69	18.16
Dec.	92.34	86.08	67.61	58.22	31.00	16.59

ALL MICHIGAN AND WISCONSIN MILLS

CLEAR High	CLEAR Low	NO. 1 High	NO. 1 Low	FACTORY High	FACTORY Low
102.97	96.01	88.50	74.40	51.90	48.00
103.58	95.45	87.46	79.23	53.00	40.65
96.17	88.55	81.94	73.25	45.52	36.26
95.00	84.53	77.62	61.52	42.60	26.45
93.94	84.08	76.42	57.71	43.06	26.42
93.27	86.30	68.13	62.96	33.74	29.06
91.71	85.19	68.45	58.61	33.40	22.10
92.61	84.06	64.69	54.97	32.24	20.30
91.84	76.92	62.94	53.23	30.21	16.64
89.29	81.90	61.88	50.19	22.15	16.17
88.35	82.40	63.86	53.53	23.69	18.16
92.34	83.89	68.08	58.22	31.00	16.59

RANGE OF SELLING PRICES FOB FLOORING MILLS FOR 13/16x2-1/4" FACE MAPLE FLOORING

EASTERN LOWER MICHIGAN MILLS

1922	CLEAR High	CLEAR Low	NO. 1 High	NO. 1 Low	FACTORY High	FACTORY Low
Jan.						
Feb.	92.01	84.71	68.21	61.90	23.92	19.15
Mar.	85.20	83.95	64.30	60.89	19.77	17.17
Apr.	91.60	86.00	64.45	63.00	21.38	18.71
May	91.20	87.17	71.10	67.59	24.00	19.84
June	92.63	89.53	77.99	74.87	32.48	25.51
July	91.68	88.63	81.32	76.33	35.45	29.74
Aug.	97.18	88.97	86.71	80.33	36.32	34.37
Sept.	96.64	94.50	86.75	84.00	36.63	34.25
Oct.	97.20	95.00	86.44	83.70	36.23	35.00
Nov.	96.04	94.60	86.12	84.85	39.85	36.62
Dec.	96.46	94.92	86.14	85.73	41.30	37.66

WESTERN LOWER MICHIGAN MILLS

1922	CLEAR High	CLEAR Low	NO. 1 High	NO. 1 Low	FACTORY High	FACTORY Low
Jan.	88.97	87.90	68.50	62.80	25.16	20.92
Feb.	88.37	86.88	68.37	62.90	25.00	20.57
Mar.	88.29	84.78	68.69	59.88	25.06	17.60
Apr.	90.30	87.39	70.29	63.30	27.00	19.60
May	90.53	88.34	75.60	67.18	30.25	20.92
June	90.62	89.94	81.08	74.43	31.92	24.95
July	95.13	90.25	84.72	77.72	35.35	30.86
Aug.	95.68	91.68	85.45	80.64	41.50	30.00
Sept.	95.45	94.00	85.50	83.22	37.69	34.50
Oct.	95.55	94.84	85.92	84.12	35.90	34.73
Nov.	95.55	94.93	85.64	85.00	36.97	35.67
Dec.	95.65	94.06	85.39	84.90	41.20	35.42

UPPER MICHIGAN AND WISCONSIN MILLS

1922	CLEAR High	CLEAR Low	NO. 1 High	NO. 1 Low	FACTORY High	FACTORY Low
Jan.	93.90	87.63	67.01	58.50	26.46	15.84
Feb.	90.70	85.43	69.17	58.32	24.12	18.40
Mar.	93.22	85.30	66.95	58.93	22.27	15.17
Apr.	92.92	86.91	70.63	60.25	24.13	17.00
May	93.45	89.65	73.81	68.70	28.14	22.79
June	94.05	90.00	77.49	75.92	32.88	25.45
July	97.46	91.26	83.48	76.04	34.30	29.52
Aug.	97.77	92.08	83.95	81.70	37.25	32.62
Sept.	97.40	94.78	87.84	84.32	37.50	34.75
Oct.	98.83	93.98	88.06	84.87	38.14	34.86
Nov.	96.55	93.59	90.50	84.45	43.20	35.48
Dec.	98.16	95.40	87.00	84.80	43.00	35.48

ALL MICHIGAN AND WISCONSIN MILLS

1922	CLEAR High	CLEAR Low	NO. 1 High	NO. 1 Low	FACTORY High	FACTORY Low
Jan.	93.90	87.63	68.50	58.50	26.46	15.84
Feb.	92.01	84.71	69.17	58.32	25.00	18.40
Mar.	93.22	83.95	68.69	58.93	25.06	15.17
Apr.	92.92	86.00	70.63	60.25	27.00	17.00
May	93.45	87.17	75.60	67.18	30.25	19.84
June	94.05	89.53	81.08	74.43	32.88	24.95
July	97.46	88.63	84.72	76.04	35.45	29.52
Aug.	97.77	88.97	86.71	80.33	41.50	30.00
Sept.	97.40	94.00	87.84	83.22	37.69	34.25
Oct.	98.83	93.98	88.06	83.70	38.14	34.73
Nov.	96.55	93.59	90.50	84.45	43.20	35.48
Dec.	98.16	94.06	87.00	84.80	43.00	35.42

Def Exhibit I

RECORD OF AVERAGE PRICES REALIZED

FOB Flooring Mills in March and February 1920 for New Orders Booked for ⅝" x 2¼" Clear, No. 1 and Factory Maple Flooring, after deducting Freight and Commission

	CLEAR		NO. 1		FACTORY	
GROUP A	Mar.	Feb.	Mar.	Feb.	Mar.	Feb.
Eastern № 2	154.38	146.50	186.07	131.35		119.62
24	159.60	148.30	173.63	143.20		131.46
Lower 33	186.00		173.50		138.39	
Michigan 49	190.36	178.00	194.43	174.75		144.75
Average	174.40	168.02	180.31	143.71	138.39	125.48
Gain	6.38		36.60		12.91	
GROUP B						
Western № 3	154.57	134.72	149.56	128.70	153.16	
5	157.52	146.18	153.13	131.85		124.00
Lower 14	160.83	158.56	154.96	150.47	137.60	131.50
Michigan 30	176.36	142.80	184.77	145.44	155.15	127.50
Average	160.60	146.25	157.69	137.54	152.18	129.46
Gain	14.35		20.15		22.72	
GROUP C						
All Lower Michigan) Avge.	165.15	149.11	168.23	138.59	141.39	126.54
Gain	16.04		29.64		14.85	
GROUP D						
Upper № 4	183.00	181.27	175.30		148.94	
7	217.50	157.11	196.75	145.87	149.80	115.20
Michigan 23		147.70		129.52		124.83
34	198.62	146.96	172.91	140.52	147.07	116.88
and 42		176.00	188.98	165.00	145.74	139.11
44	192.83	178.00	188.20	169.43	137.28	132.35
Wisconsin 50		197.20			154.90	147.20
Average	199.61	174.93	187.97	159.00	145.49	129.47
Gain	24.68		28.97		16.02	
GROUP E						
Michigan and Wisconsin) Avge.	166.89	159.07	179.11	149.20	143.08	128.57
Gain	7.82		29.91		14.51	
GROUP F						
Chicago № 48	189.30	175.00	172.77	165.00	155.00	150.00
Minneapolis 46	218.50	213.03	192.16	200.00	146.12	163.00

April 17, 1920.

Reports from 16 Members

Dzf 24.11-2

RECORD OF AVERAGE PRICES REALIZED

FOB Flooring Mills in March and February, 1922
for New Orders Booked for 13/16x2-1/4"Clear, No.1 &
Factory Maple Flooring after deducting Freight and Commissions.

		CLEAR		NO. 1		FACTORY	
GROUP A		Mar.	Feb.	Mar.	Feb.	Mar.	Feb.
Eastern	M 24	83.95	84.71	60.89	61.90	17.17	19.15
Lower	33	85.20		62.60		17.60	
Michigan	49		92.01	64.30	68.21	19.77	23.92
	Average	84.84	90.06	61.99	63.99	17.99	22.07
	Loss	5.22		2.00		4.08	
GROUP B							
Western	M 3	88.29	88.32	68.32	68.37		
Lower	5	88.23	88.37	68.69	68.04		
Michigan	14	87.59	88.00	62.54	63.00	25.06	25.00
	26	84.78	88.36	61.97	62.90	17.60	20.57
	30	87.82	86.88	63.13	64.15	20.99	22.56
	37	84.82		59.88		20.02	
	47	87.06		63.39		19.20	
	Average	86.95	87.85	63.82	66.11	19.45	22.60
	Loss	.90		2.29		3.15	
GROUP C							
All Lower Michigan	Avge.	86.51	88.30	63.41	65.26	18.91	22.51
	Loss	1.79		1.85		3.60	
GROUP D							
Upper	M 4	90.26	88.83	64.53	64.70	17.70	18.40
Michigan	7	89.93	90.01	62.10	61.43	19.82	19.62
and	23	85.30		59.30		17.26	
Wisconsin	34	92.81	90.40	66.95	69.17	21.61	23.89
	42	88.11	85.43	62.63	60.63	18.00	18.73
	44	86.55	88.01	58.93	59.26	15.17	19.41
	50	93.22	90.70	66.86	58.32	22.27	24.12
	Average	88.56	87.70	61.53	60.68	18.11	19.31
	Gain	.86		.85			
	Loss					1.20	
GROUP E							
Michigan and Wisconsin	Avge.	87.23	88.03	62.59	62.36	18.55	20.43
	Gain			.23			
	Loss	.80				1.88	
Tupper Lake, N. Y.	M 51	87.35		66.23	70.00		
GROUP F							
Chicago	M 48	100.00	98.28	74.84	72.29	33.70	32.56
St. Paul	22	102.81	98.00	78.00	80.00	38.00	38.00

April 19, 1922. Reports from 20 Members.

5459

[fol. 5436] DEFENDANTS' EXHIBIT DD-1

Stumpage Owned by Members of Defendant Maple Flooring Manufacturers' Association

No.	Name	Maple, beech & birch in M feet
2.	W. D. Young & Company, Bay City, Mich.....	25,000
24.	Kerry & Hanson Flooring Co., Grayling, Mich..	None
33.	Strable Lumber & Salt Co., Saginaw, Mich.....	"
*49.	Bigelow-Cooper Company, Bay City, Mich.....	243,750
3.	Mitchell Bros. Company, Cadillas, Mich.....	None
5.	Cobbs & Mitchell, Inc., Cadillac, Mich.....	72,674
14.	Cummer-Diggins Company, Cadillac, Mich.....	125,000
26.	East Jordan Lumber Company, East Jordan, Mich.....	116,000
30.	Nichols & Cox Lumber Company, Grand Rapids, Mich.....	None
37.	West Michigan Flooring Co., Manistee, Mich....	"
4.	Wisconsin Land & Lumber Co., Hermansville, Mich.....	203,622
7.	I. Stephenson Co., Trustees, Wells, Mich.....	99,040
42.	J. W. Wells Lumber Co., Menominee, Mich....	75,000
44.	Northwestern Cooperage & Lumber Co., Gladstone, Mich.....	86,000
47.	Grand Rapids Trust Co. Rec. for Wm. Horner, Newberry, Mich.....	100,000
23.	Holt Hardwood Company, Oconto, Wis.....	None
34.	Foster-Latimer Lumber Co., Mellen, Wis.....	50,000
45.	Flanner-Steger Land & Lumber Co., Blackwell, Wis.....	50,000
50.	Kneeland-McLurg Lumber Co., Phillips, Wis...	105,000
48.	North Branch Flooring Co., Chicago, Ill.....	None
22.	Osgood & Blodgett Mfg. Co., St. Paul, Minn....	None
51.	Oval Wood Dish Corporation, Tupper Lake, N. Y.	125,000
		1,476,086 M

(Here follow Defendants' Exhibits EE, FF FF-1, FF-2, FF-3, FF-4, FF-5, FF-6, FF-7, FF-8, FF-9, HH, II-1, and II-2, marked side folio pages 5437-5459, inclusive.)

*Now Kneeland-Bigelow Company.

[fol. 5460] DEFENDANTS' EXHIBIT JJ

Profit and Loss Statements, Covering a Period of Years, Submitted by Six Members of the Defendant Maple Flooring Manufacturers' Association

Year	Net sales	Net profit or [loss]*	Per cent
1913.....	1,223,050.92	98,931.60	8.09
1914.....	1,146,916.32	65,257.03	5.69
1915.....	1,092,459.73	71,267.40	6.52
1916.....	1,126,502.50	46,889.29	4.16
1917.....	1,000,912.43	67,005.27	6.69
1918.....	717,010.28	30,414.49*	4.24*
1919.....	1,563,021.84	61,379.36	3.93
1920.....	1,989,419.01	393,919.42	19.81
1921.....	1,269,178.09	39,687.62*	3.13*
1922.....	3,785,925.48	431,134.75	11.39
Totals.....	14,914,396.60	1,165,682.01	7.82

Consolidated from reports of following:

I. Stephenson Co: Trustees, 1913-1922.
Osgood & lodgett Mfg. Co., 1913-1922.
West Michigan Flooring Co., 1913-1922.
J. W. Wells Lumber Co., 1913-1921 & Jan'y-Aug. 1922.
North Western Cooperage & Lbr. Co., 1913-1922.
Grand Rapids Trust Co. Receiver for Wm. Horner, year 1922 only.

[fols. 5461 & 5462] DEFENDANT'S EXHIBIT KK

July 20, 1922.

Department of Commerce, Bureau of the Census, Washington, D. C.

Attention of Dr. Frank M. Surface, Special Agent

DEAR SIR: Referring to our correspondence regarding the normal capacity of the Association flooring mills for the manufacture of Maple, Beech and Birch Flooring, we wish to advise you that we have finally succeeded in collecting this information from all of our members.

The normal capacity of the mills of the 20 members whose other statistics, beginning with March, 1919, we sent you with our letter of June 7th, is as follows:

[*In red in copy.]

Normal capacity per year	146,400 M
" " " month	12,200 "
Average days run per year	281 days
" working hours per day	9.8 hours

We wish to state for your further information that the normal capacity of the mills of the 22 members, which is our total present membership, is as follows:

Normal capacity per year	158,400 M
" " " Month	13,200 "
Average days run per year	281 days
" working hours per day	9.8 hours

Yours very truly, George K. Keehn, Secretary.

[fol. 5463] DEFENDANTS' EXHIBIT KK-2

Department of Commerce,

Bureau of the Census

Washington, May 23, 1922.

Maple Flooring Manufacturers Association, 1045 Stock Exhange Building, Chicago, Illinois.

Attention of Mr. George W. Keehn, Secretary

DEAR SIR: A short time ago you sent us statistics on the maple-flooring industry. We have been attempting to put these into shape for the "Survey of Current Business," but find certain difficulties. Your comparisons as put out in your monthly statements are perfectly all right because you make there comparisons between the reports of identical firms for this month and the same month a year ago. As you are aware we attempt to show the trends in the various movements for the past two years. The number of members who report to you varies from around 20 up to 29 at various times. This seems to introduce some discrepancies in the figures and makes it difficult to compare one month with those which precede or follow it.

You mentioned at one time about compiling figures on the normal capacity of the plants. If this were done it would be possible to relate each month's figures to a given base by computing the per cent which the actual production is to the normal production of the firms reporting. I wonder if you have been successful in securing these figures. If not, would it be possible for you to compile monthly reports on the basis of about 22 identical firms? I mention this number because most of your reports cover that number of firms.

We would like very much to use these figures in the "Survey of Current Business," but would like the comparison clear before we publish them.

Very truly yours, Frank M. Surface, Special Agent.

FMS/CW.

[fol. 5464] DEFENDANTS' EXHIBIT KK-8

May 13, 1922.

Department of Commerce, Bureau of the Census, Washington, D. C.

Attention of Dr. Frank M. Surface, Special Agent

DEAR SIR: We are in receipt of your letter of the 5th, and in compliance with your request we are glad to send you herewith the monthly statistics you refer to for each month of the calendar years 1920 and 1921.

We are also enclosing the Barometer for the month of December, 1919, so you will have as a starting point the Stocks and Unfilled Orders on Hand on January 1st, 1920. This will complete your file of statistical data regarding Maple, Beech and Birch Flooring from January 1, 1920 to May 1, 1922, inclusive.

Perhaps we should say by way of explanation that the 13/16 x 2-¼" face Maple Flooring in the three grades, Clear, No. 1 and Factory, constitutes a large percentage of the output, probably about 70%, and that the total of Maple Flooring product averages about 50% Clear, 35% No. 1 and 15% Factory.

Regarding the approximate percentage of the Maple Flooring industry which is covered by our reports, it is our impression that our Association represents about 70% of the output. We of course, have no data regarding the output of non-member mills, so we have no means of knowing what the total production of Maple Flooring is in the United States, so our estimate of approximately 70% is based upon general information only.

We wish to thank you for sending us the Survey of Current Business as of January 1, 1922, and we will send to the Superintendent of Documents, Washington, D. C., our subscription for the Survey and Commerce Reports in order that we shall receive them regularly and have the benefit of the valuable information they contain.

Yours very truly, George W. Keehn, Secretary.

[fol. 5465] DEFENDANTS' EXHIBIT KK-4

Department of Commerce,

Bureau of the Census,

Washington, May 5, 1922.

Maple Flooring Manufacturers Association, 1045 Stock Exchange Building, Chicago, Illinois.

Attention of Mr. George W. Keehn Secretary

DEAR SIR: Your letter of April 25, addressed to the Department of Commerce, was received sometime ago. I have not replied before because there were certain matters of policy in the Department, which I hope might be decided and would perhaps have some effect upon the figures we might use.

We are indeed very glad to know that you are willing to furnish your figures to the Department and I feel very sure that we can use most of them in the "Survey of Current Business."

The figures, which you have sent us, appear to be satisfactory so far as the yearly averages are concerned; however, we would like to have, if possible, monthly figures for the same items covering the years of 1920 and 1921. This would put the information in the same form as that of other commodities which we use in the "Survey." I am forwarding, under separate cover, a copy of the January number, which is the last quarterly issue, and you will note there that we give monthly figures for the two years so far as it is possible to obtain them.

I note that you are collecting data showing the normal capacity of the plants in the association. I think these would be of great assistance and I trust you will be successful in compiling them.

Can you give any idea of the approximate percentage of the total maple-flooring industry which is covered by your reports?

Very truly yours, Frank M. Surface, Special Agent.

FMS/CW.

[fol. 5466] DEFENDANTS' EXHIBIT KK-5

April 25, 1922.

Department of Commerce, Bureau of the Census, Washington, D. C.

GENTLEMEN: Referring to my interview on April 13th with Mr. Lane, assistant to Dr. F. M. Surface of the Bureau of Census:

As stated at that time, our Association will be very glad to cooperate with the Department of Commerce and furnish from time to time to the Department and to the lumber trade press for the information of the public, the following statistics which we under-

stood from Mr. Lane is that portion of our statistical data which would be useful to you and of general interest:

1. *Total Stocks on Hand at the end of each month.*
2. Total Unfilled Orders at the end of each month.
3. Total Shipments during each month.
4. Total Production during each month.
5. Total New Orders Booked during each month.
6. Average Prices Realized F. O. B. cars at Flooring Plants, during each month, for 13/16 x 2-¼" Clear, No. 1 and Factory Maple Flooring.

These statistics are compiled monthly, are compared with the same month of the previous year and are in the form shown in our so-called Barometer, a copy of which for the month of February was left with Mr. Lane. We are enclosing similar statistical statements for the months of January and March.

We also left with Mr. Lane copies of our Barometer and statistical statements for the calendar years 1921-1920, and as he said that he would like to have similar statistical data covering past years, we are enclosing a copy of a statement giving similar statistical data covering the past ten years, namely from 1912 to 1921 inclusive. There have been so many changes in membership during that period, many mills having discontinued operations and new mills coming in, that it is impossible to reconcile the data to show exact comparisons of identical mills, etc.

We are endeavoring to collect data showing the normal manufacturing capacity of all the flooring plants in the Association, so that the actual Production each month and each year can be compared with the normal capacity in order to know to what extent the normal capacity is being operated. If we succeed in getting this data in accurate and dependable form, we will include same as a feature in our monthly Barometers.

Yours very truly, Maple Flooring Manufacturers Assn., by —— ——, Secretary.

(Here follows Defendants' Exhibit LL, marked side folio pages 5467-5470, inclusive.)

[fols. 5471-5503] DEFENDANTS' EXHIBIT MM

[Omitted in printing]

(Here follow Defendants' Exhibits OO, PP, QQ, marked side folio pages 5504, 5505, 5506, 5507, and 5508.)

CHART

TOO

LARGE

FOR

FILMING

[fol. 5504]

Member	1912		1913		1914		1915	
	Amount	Per cent	Amount	Per cent	Amount	Per cent	Amount	Per cent
2. Daily Wage 4 Classes of Workmen	848	101	839	100	846	101	926	110
4. Labor Cost Per M feet Flooring	441	100	440	100	421	96	395	90
5. Labor Cost Per M feet Flooring	341	97	351	100	398	113	362	103
7. Daily Wage 32 Classes of Workmen	6,590	96	6,870	100	6,985	102	5,794	84
14. Daily Wage 6 Classes of Workmen	1,270	97	1,310	100	1,310	100	1,360	104
22. Hourly Wage Classes of Workmen	115	100	115	100	115	100	115	100
24. Labor Cost Per M feet Flooring	444	98	452	100	486	108	482	107
34. Daily Wage 8 Classes of Workmen	1,595	99	1,605	100	1,620	101	1,546	96
37. Daily Wage 16 Classes of Workmen	3,432	96	3,567	100	3,676	103	3,506	98
42. Daily Wage 11 Classes of Workmen	2,560	100	2,560	100	2,560	100	2,310	90
44. Daily Wage 29 Classes of Workmen	6,216	100	6,216	100	6,216	100	6.216	100
48. Daily Wage 7 Classes of Workmen	1,400	99	1,417	100	1,452	102	1,502	106
50. Daily Wage 10 Classes of Workmen	1,975	100	1,975	100	1,975	100	1,975	100
Simple Average		99		100		102		99

The same basis was used by the same member in each year.

EXHIBIT 60

, Question No. 25

1917		1918		1919		1920		1921		1922		1923	
Amount	Per cent	Amount	Per cent	Amount	Per cent	Amount	Per cent	Amount	Per cent	Amount	Per cent	Amount	Per cent
1,130	135	1,335	159	1,615	192	2,125	253	1,525	182	1,250	149	1,675	200
535	122	683	155	805	183	1,082	246	762	173	684	155	725	165
451	128	583	166	703	200	855	244	842	240	652	186	.....	...
8,677	126	9,962	145	10,961	160	16,903	246	14,245	207	12,720	185	14,145	206
1,735	132	2,035	155	2,410	184	2,900	221	2,010	153	2,245	171	2,550	195
1,235	107	1,465	127	185	161	300	261	258	224	215	187	.....	...
767	170	975	216	1,399	310	1,749	387	1,303	288	1,109	245	1,181	261
1,976	123	2,268	141	2,735	170	3,377	210	2,480	155	2,500	156	2,638	164
4,121	116	4,903	137	5,765	162	6,672	187	5,770	162	5,445	153	5,867	164
2,615	102	3,015	118	3,725	146	5,525	216	4,600	180	3,650	143	4,725	185
8,301	134	11,278	181	13,823	222	16,415	264	15,288	246	14,080	227	.....	...
1,635	115	1,808	128	2,852	201	3,825	270	3,840	270	3,371	238	3,605	254
2,425	123	2,625	133	3,625	184	4,608	233	3,693	187	3,808	193	4,048	205
	124		151		190		249		205		184		154

[fol. 5505]

Index of Average Prices Paid for Rough Maple Flooring Lumber by Reporti

Member No.	Rough maple flooring lumber purchases	Year 1912		Year 1913		Year 1914		Year 1915		Year 1916	
		Avg. price	Index %	Avg. price	Index %	Avg. price	Index %	Avg. price	Index %	Avg. price	Index
3	1st's & 2nds										
30	" " "	3047	90	3396	100	3500	103				
37	" " "			2700	100						
48	" " "	2843	92	3090	100	3050	99	2725	88		
3	No. 1 Common & Better										
30	" " " "	2380									
3	No. 2 Common & Better										
30	" " "	2450	93	2640	100	2700	102	2410	91	2480	94
3	No. 1 Common with Selects										
30	" " " " "										
3	No. 1 Common										
30	" "	2400	88	2742	100	2468	90	2392	87	2648	97
34	" "			2015	100	2055	102			2058	102
37	" "	2150	95	2267	100	2250	99	2100	93	2300	101
48	" "	2269	89	2552	100	2461	96	2336	92	2542	99
3	No. 2 Common										
30	" "	1926	93	2075	100	1961	95	1892	91	2113	102
34	" "			1615	100	1522	94			1520	94
37	" "	1650	93	1767	100	1750	99	1600	91	1800	102
48	" "	1769	91	1952	100	1900	97	1736	89	2042	105
3	No. 3 A Common										
30	" " "									1700	
34	" " "			1420	100	1070	75			1095	77
37	" " "										
3	No. 3 Common										
30	" "	1340	89	1502	100	1550	103	1430	95	1380	92
37	" "			1100	100					1000	91
48	" "	1152	79	1452	100	1450	100	1243	86	1307	90
			992		1600		1354		903		
			92		100		97		90		96

DEFENDANTS' EXHIBIT PP

mber by Reporting Members of Defendant Maple Flooring Manufacturers' Association. Years 1912-1922. Year 1913 as 100%.

Year 1916		Year 1917		Year 1918		Year 1919		Year 1920		Year 1921		Year 1922	
Avg. price	Index %	Avg. price	Index %	Avg. price	Index %	Avg. price	Index %	Avg. price	Index %	Avg. price	Index %	Avg. price	Index %
								12716		6992		7334	
						7500	278	10000	370			7050	261
		4200	136	4500	146	6143	199	11940	386	6000	194	7183	232
												4880	
										4230		3840	
2480	94					4310	163	7560	286				
								10250		4766		5199	
										4578		5302	
								9265		4022		5068	
2648	97	3033	111	3460	126	4573	167	10000	365	4544	166	5245	191
2058	102	2420	120	3200	159	3789	188	10565	524	4775	237	4525	225
2300	101	3000	132	2900	128	4250	187	6500	287	4670	206	5143	227
2542	99	3443	135	3450	135	4628	181	9404	368	4338	170	4800	189
								7167		3299		3617	
2113	102	2467	119	3013	145	3968	191	6665	321	3235	156	3668	177
1520	94	1420	88	2700	167	3108	192	7878	488	3100	192	2850	176
1800	102	2400	136	2400	136	2500	141	2500	294	3320	188	3478	197
2042	105	2871	147	2883	148	3950	202	6788	348	2808	144	3188	163
								6080				2748	
1700						4107		4657		2593		2572	
1095	77			2500	176	2508	177	5015	353			1775	125
												2477	
								4420				2530	
1380	92	1490	99			3032	202	4040	269	2443	163	2653	177
1000	91	1600	145					3750	341			1367	124
1307	90	1885	130	2500	172	2975	205	5440	375	2208	152	2138	147
			1498	-	1638		2673		5375		1968		2611
	96		125		149		191		358		179		187

DANTS' EXHIBIT PP

nbers of Defendant Maple Flooring Manufacturers' Association. Years 1912-1922. Year 1913 as 100%.

Year 1917		Year 1918		Year 1919		Year 1920		Year 1921		Year 1922		Year 1923	
. price	Index %	Avg. price	Index %	Avg. price	Index %	Avg. price	Index %	Avg. price	Index %	Avg. price	Index %	Avg. price	Index %
						12716		6992		7334			
				7500	278	10000	370			7050	261	8850	328
200	136	4500	146	6143	199	11940	386	6000	194	7183	232		
										4880			
								4230		3840			
				4310	163	7560	286						
						10250		4766		5199		5600	
								4578		5302			
						9265		4022		5068			
033	111	3460	126	4573	167	10000	365	4544	166	5245	191		
420	120	3200	159	3789	188	10565	524	4775	237	4525	225		
000	132	2900	128	4250	187	6500	287	4670	206	5143	227	6296	278
443	135	3450	135	4628	181	9404	368	4338	170	4800	189	6000	235
						7167		3299		3617		3900	
467	119	3013	145	3968	191	6665	321	3235	156	3668	177		
420	88	2700	167	3108	192	7878	488	3100	192	2850	176		
400	136	2400	136	2500	141	2500	294	3320	188	3478	197	4223	241
871	147	2883	148	3950	202	6788	348	2808	144	3188	163	4000	205
						6080				2748		2940	
				4107		4657		2593		2572			
		2500	176	2508	177	5015	353			1775	125		
										2477		3074	
						4420				2530			
490	99			3032	202	4040	269	2443	163	2653	177		
600	145					3750	341			1367	124	1775	161
885	130	2500	172	2975	205	5440	375	2208	152	2138	147	2700	186
	1498		1638		2673		5375		1968		2611		1634
	125		149		191		358		179		187		233

[fol. 5506]

DEFENDANTS' EXHIBIT QQ

Production and Manufacturing Capacity

Year	Production							Members	
	Members			Non members			Total	Number reporting	Quantity
	Number reporting	Quantity	%	Number reporting	Quantity	%			
1922	22	148,313 M	70.7	58	61,317 M	29.3	209,630 M	22	158,400 M
1921	22	107,719 "	71.4	55	43,195 "	28.6	150,914 "	22	158,400
1920	21	129,523 "	73.5	50	46,616 "	26.5	176,139 "	21	154,800
1919	21	119,451 "	74.3	40	41,236 "	25.7	160,687 "	21	154,800
1918	..	.....	....	..	.....	....	.....	..	.....

Defendants' Exhibit QQ

Production and Manufacturing Capacity

Production					Manufacturing capacity						
	Non members				Members			Non members			
%	Number reporting	Quantity	%	Total	Number reporting	Quantity	%	Number reporting	Quantity	%	Total
70.7	58	61,317 M	29.3	209,630 M	22	158,400 M	39.9	38	238,610 M	60.1	397,010
71.4	55	43,195 "	28.6	150,914 "	22	158,400 "	41.8	36	220,900 "	58.2	379,300
73.5	50	46,616 "	26.5	176,139 "	21	154,800 "	47.	31	174,450 "	53.	329,250
74.3	40	41,236 "	25.7	160,687 "	21	154,800 "	54.1	26	131,450 "	45.9	286,250
....	..	.....	....	.....	..	.....	....	..	.....	....	.....

CHART

TOO

LARGE

FOR

FILMING

[fols. 5509-5516] DEFENDANTS' EXHIBIT No. 6
[Omitted in printing]

[fols. 5517-5582] DEFENDANTS' EXHIBIT No. 7
[Omitted in printing]

[fols. 5583-5635] DEFENDANTS' EXHIBIT No. 8
[Omitted in printing]

[fols. 5636-5711] DEFENDANTS' EXHIBIT No. 9
[Omitted in printing]

[fols. 5712-5749] DEFENDANTS' EXHIBIT No. 10
[Omitted in printing]

[fols. 5750-5831] DEFENDANTS' KEEN EXHIBIT No. 11
[Omitted in printing]

[fols. 5832-5835] DEFENDANTS' KEEN EXHIBIT No. 12
[Omitted in printing]

[fols. 5836-5846] DEFENDANTS' KEEN EXHIBIT No. 13
[Omitted in printing]

[fols. 5847-5874] DEFENDANTS' KEEN EXHIBIT No. 14
[Omitted in printing]

[fols. 5875-5880] DEFENDANTS' KEEN EXHIBIT No. 15
[Omitted in printing]

[fols. 5881 & 5882] DEFENDANTS' KEEN EXHIBIT No. 17
[Omitted in printing]

[fol. 5883] DEFENDANTS' KEEN EXHIBIT No. 18
[Omitted in printing]

[fol. 5884] DEFENDANTS' KEEN EXHIBIT No. 19
[Omitted in printing]

[fol. 5885] DEFENDANTS' KEEN EXHIBIT No. 19-A
[Omitted in printing]

[fol. 5886] DEFENDANTS' KEEN EXHIBIT No. 19-B

[Omitted in printing]

[fol. 5887] DEFENDANTS' KEEN EXHIBIT No. 20

[Omitted in printing]

[fol. 5888] DEFENDANTS' KEEN EXHIBIT No. 21

[Omitted in printing]

[fol. 5889] DEFENDANTS' KEEN EXHIBIT No. 22

[Omitted in printing]

[fol. 5890] DEFENDANTS' BACON EXHIBIT No. 1

Hermansville, Michigan, 9, 4, 22.

Davenport Peters Co., Boston, Mass.

GENTLEMEN: We are in receipt of your inquiry of the 31st ult. for 13/16 x 2¼" Clear and #1 Maple Flooring and would advise that we are quite heavily oversold on both items and would not be able to make prompt shipment. However, our prices delivered Boston are:

13/16 x 2¼" Clear Maple Flg..... $106.50
" #1 " " 96.50

and we allow $1.50 per M commission.

Thanking you, we are

Yours truly, Wisconsin Land & Lumber Co., Sales Dept.

GE. EJ.

[fol. 5891] West Michigan Flooring Co.,

Manufacturers of Maple Flooring

For immediate acceptance and subject to change without notice, also to conditions printed on back of this sheet.

Manistee, Mich., Sept. 6, 1922.

Quotation No. 868

Davenport, Peters Company, Boston, Mass.

GENTLEMEN: In response to your valued inquiry of August 31st we quote you our "Acme" Brand Maple Flooring freight allowed Boston, Mass., rate subject to $2.00 per M commission upon our regular terms of 2% cash discount or 60 days net:

One car 13/16" x 2¼" face Clear D & M @ $103.50 per M.
One car 13/16" x 2¼" face No. 1 D & M @ $93.50 per M.

While we are sold up quite close to our machines on these two items, we could subject to prior sale make shipment within about ten days.

We thank you very kindly for this inquiry and will welcome your order.

Yours very truly, West Michigan Flooring Co., per Greene.
WHG-JF.

[fol. 5892] The quotation on reverse side of this sheet is subject to the following conditions:

All promises of shipment are as closely estimated as possible, we use our best efforts to ship within the time promised but do not guarantee to do so.

All agreements and deliveries are contingent upon strikes, accidents, delays of carriers and all other delays unavoidable or beyond our control including fire and floods.

Regular terms: 60 days net or 2 per cent discount for cash in 15 days or 1 per cent discount for cash in 30 days from date of invoice after deducting freight. War tax to be paid by consignee.

Standard Grading Rules to apply on all materials covered by this proposal unless otherwise specified.

All items of Hardwood Flooring, covered by this proposal to consist of our own manufacture, the "Acme" Brand unless otherwise specified.

If your order for this material is received, it will be understood that it is placed with us subject to these conditions.

[fol. 5893] Flanner-Steger Land and Lumber Co.,

Manufacturers of Northern Hardwoods, Hemlock, Maple and Birch Flooring, Lath and Shingles

Blackwell, Forest County, Wis., Sept. 4, 1922.

Contracts and agreements are not binding when circumstances and conditions arise that are beyond the control of this company.

Davenport, Peters Company, 70 Kilby St., Boston, Mass.

GENTLEMEN: Acknowledging receipt of your inquiry of the 31st, we are pleased to quote you f. o. b. Boston rate:

13/16 x 2¼ Clear Maple Flooring	$104.50
13/16 x 2¼ #1 Maple Flooring	89.50

Birch $5.00 per M less. These prices are subject to a commission of $2.00 per M to you.

Very truly yours, Flanner Steger Land & Lumber Co., by H. C. Ross.

HCR:LH.

[fol. 5894] Davenport-Evans Co.

Lumber

International Trust Bldg., 45 Milk Street

Boston, Mass., Sept. 8, 1922.

Davenport, Peters Company, 70 Kilby Street, Boston, Mass.

GENTLEMEN: Your inquiry of August 31st to the Holt Hardwood Company of Oconto, Wisconsin, has been referred to us for reply direct, and we are pleased to quote you on one car of 13/16 x 2¼" face Clear Maple Flooring $104.50, and one car of 13/16 x 2¼" face #1 Maple Flooring $94.50, subject to $2.00 per M commission to you. Shipment of the Clear could be made in about thirty days and the #1 in about sixty days.

Trusting that you will give these prices your consideration and that we may be favored with your valued order, we are,

Yours very truly, Davenport-Evans Co. R. M. Davenport, Secretary.

RMD/D.

[fol. 5895] DEFENDANT'S BROWN EXHIBIT No. 4

East Jordan Lumber Company,

Manufacturers of "Imperial" Maple Flooring, Hardwood, Pine and Hemlock Lumber, Shingles, Lath

All agreements are contingent upon fires, strikes, delay of carriers, or causes beyond our reasonable control. All quotations are for immediate acceptance only, and are subject to prior sale and change without notice. No agreement binding until accepted in writing by our home office. Delivered quotations guarantee freight rate only and not safe delivery.

East Jordan, Mich., February 8, 1923.

John A. Daley Lumber Co., 350 Madison Ave., New York City.

GENTLEMEN: Answering your favor of the 5th: we have experienced during the last two weeks a rather unexpected rush of orders for 2-¼ Clear, probably induced in part at least by the rise of price which we believe was quite general among the Flooring Manufacturers on 2-¼ which amounted to $5.00 per M.

We are enclosing new stock and price list showing our present condition.

2" No. 1 and Factory are oversold over four months and makes slowly now that we are back on rather high grade lumber. We do not dare sell any further ahead.

We are also sold ahead on 2-¼" Clear, but a good deal of this g

on jobs which are held up more or less, which leaves us with over 100M feet in the warehouse now. On this account we can spare up to 50M feet for prompt shipment.

We are expecially concerned over our 3-¼" Clear. Last year Kerry & Hanson Flooring Company beat us to it with a sale on theirs, and a good deal of what we have on hand has been here nearly a year. Our present prices are, we believe, quite a little less than most manufacturers are asking, but we wish you would have this item in mind and in case of any orders on which you need a lower price competition, we would almost feel like cutting the price another dollar or so rather than see prompt shipment business get away.

We are again taking up with Kerry and Hanson today the question of moving the ⅜ Flooring; also have asked for quotation on 1-1/16 as well as the lumber, and will let you know within a day or two what they say about it.

[fol. 5896] We are sorry that there has been this delay in getting our new prices to you. The writer has been out of the office with a second session with the La Grippe which partly explains this, but we will certainly make an effort to be a little more prompt from now on.

Yours very truly, East Jordan Lumber Company. Jno. J. Porter.

JJP:MD.
Encl.

[fols. 5897 & 5898] DEFENDANT'S VANDERBLUE EXHIBIT No. 1

[Omitted in printing]

[fols. 5899 & 5900] DEFENDANT'S VANDERBLUE EXHIBIT No. 2

[Omitted in printing]

[fol. 5901] DEFENDANTS' VANDERBLUE EXHIBIT No. 3

Harvard Economic Service

In Coöperation with the London and Cambridge Economic Service

Volume II. July 21, 1923. Weekly Letter No. 29

The Building Industry Since the Armistice

The Present Situation

Building construction has felt the stimulus of the present business cycle to a marked degree. The accumulated deficiencies resulting from the check to construction during the war had caused a rapid

expansion in building activity in 1919; but the expansion of that year felt—probably earlier than most other industries—the ill effect of the unsound business situation at that time, and in 1920 building contracts declined sharply. As in other industries, the boom had been short-lived.

Early in 1921, however, building again responded to the need of making good the war shortage, even before liquidation in other industries had ceased, and approximately a year before general business conditions had begun to show marked improvement. The persistent advance of 1921 brought building activity to high levels in the spring of 1922. Further advance was scored in the next twelve months, which brought issues of permits and awards of contracts to levels above those attained in any previous business cycle.

In this expansion the building industry, as frequently happens, moved in advance of other industries; and, similarly, it has recently felt the ill effects of extreme activity. Always presenting a difficult labor problem, it has recently suffered from labor shortage; so that wage increases and declining labor efficiency, combined with stiffly rising building-material prices, have increased costs very rapidly. The anticipated result—a sharp decline in activity—was early envisaged; and a persistent attempt has been made to have construction projects postponed, with the object of keeping activity stable on a high level. Early in March, Secretary Hoover recommended that the government initiate no new construction work save that most urgently necessary. In May, the governors of the American Construction Council recommended that all new construction be deferred for several months, that financing of speculative building be curtailed until after the end of the summer, and that municipal and state construction departments be urged to delay their work as much as possible until September and October.

Cautionary advice of this kind, the general conservatism of business opinion in recent months, and the advance in costs at the end of April, combined to bring about a sharp decline in the issue of building permits. This decline has been most pronounced in the large cities of the country, where the spring expansion had been greatest. In New York City, the situation had become most acute, and the developments were most spectacular. There the issue of building permits reached the astounding total of over 145 million dollars last March, as the result of fear of the repeal of the tax-exemption law in that city, combined with seasonal expansion and an increase which cannot be attributed to tax exemption. A pronounced recession followed in April and May; and this decline has been characteristic of other large cities of the country. It is in these cities that the ex-[fol. 5902] pansion last spring was most marked, and they have since shown the most drastic decline. In the smaller cities, the advance during the spring was moderate, and the following recession, though large, has been much less drastic.

The most recent developments in the industry have been the decline in the volume of building permits and contract awards, and the recession (in May) of the prices of building materials. Neither of these developments is surprising, in view of the preceding advance

and the effort which has been made to have construction postponed. Pressure on productive capacity has been to some extent relieved. Shortage of building accommodation, however, still exists. The recently postponed projects may also add later to the volume of construction. We look forward to a high level of business activity for the remainder of the year, and hence expect that building (allowing for the usual seasonal movements) will remain active during the last half of 1923. In the past, construction has usually remained large while business was prosperous.

Post-war Fluctuations in Building

Statistics indicating building activity do not relate to construction actually under way, but to the issue of permits or letting of contracts, which occur in advance of construction. Hence the figures for one month forecast activity for the months immediately following. As between permits and contracts, the general similarity of seasonal and cyclical fluctuations indicates that they precede actual construction by intervals not differing greatly in length; permits seem, if anything, to be the earlier of the two.

In this study, we have used figures for (a) the value of building permits issued in 66 of the larger cities and city areas in the United States[1] and (b) the value of contracts awarded in 27 Northeastern states, as published by the F. W. Dodge Company.[2] These figures have been adjusted for the very pronounced seasonal movement, and have been presented as bi-monthly averages. The latter practice was adopted to minimize the month-to-month irregularities in the figures, which, irrespective of seasonal movements, are very large; and to broaden the basis of the seasonal adjustment, since the accuracy of this adjustment was not felt to be sufficient to warrant the presentation of figures adjusted on a monthly basis. The effect of averaging monthly adjusted figures is to place the seasonal correction on a bi-monthly basis. In the following discussion, reference will be made to the bi-monthly figures adjusted for seasonal variation, unless otherwise specified.[3]

The accompanying charts compare the value of building permits and of contracts awarded, from 1919 to date, with the movements of the business and speculative curves (B and A) of our index chart.

In 1919, both building permits and contracts had moved up with the expansion of business; but after the first two months of 1920 they declined sharply, two months after the decline in the specu-

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[1] For these cities, see the map on page 195 and explanatory note.

[2] The twenty-seven Northeastern states include all states east of the Mississippi River and north of the Ohio; Delaware, Maryland, Virginia, District of Columbia, North and South Carolina; West Virginia, Tennessee, and Kentucky; Missouri the eastern half of Kansas, Iowa, and one county (containing Omaha) in Nebraska; Minnesota and North and South Dakota. In 1923 this area was extended to include 36 states. Figures for the 27 states, which have been available since 1910, are used in this Letter.

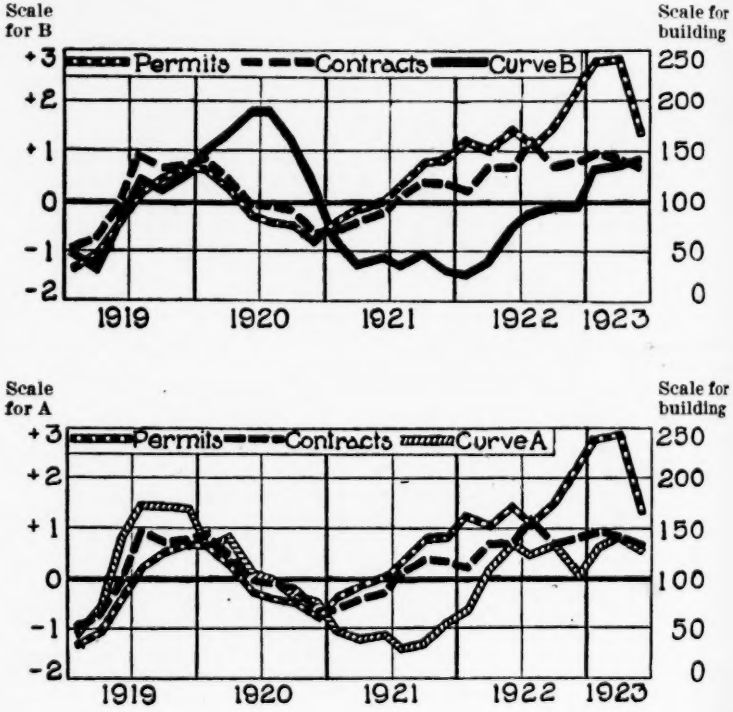
[3] A full explanation of the data and statistical methods employed, including detailed figures for the years 1910-23 and indices of seasonal adjustment, will appear in the Review of Economic Statistics for October, 1923.

lative curve (A) and six months in advance of the downward movement in the business curve (B). The decline in permits and contracts lasted throughout 1920, but early in 1921 substantial advance began, 8 months or more before the speculative market recovered, and a full year before general business conditions had shown marked improvement.

[fol. 5903] In general, the movements in building activity since the beginning of 1919 have corresponded with the pre-war experience of the industry. Periods of expanding and contracting operations have alternated, corresponding (though somewhat in advance) with similar movements in general business conditions. Such were, likewise, the movements of the pre-war years; in the three business cycles of 1903-14, building showed periods of prosperity and depres-

Chart 1.—The Value of Building Permits Issued and Contracts Awarded Compared with Curve B, Business, and Curve A, speculation

(Bi-monthly averages 1919-23. For contracts and permits, 1920-21 monthly average = 100. These figures are adjusted for seasonal variation)



sion corresponding with similar periods in business. The upward movements of building in 1904-07 and 1908-09 were substantial, and that of 1912 was slight; while the downward movements of 1907-08 and 1909-10 were likewise pronounced, and that of 1913-14 was slight.

Building permits and building contracts tend to move early in the business cycle, the upturns and downturns of the major advances and declines of the record of building permits often occurring in advance of the corresponding turning-points of business. In this connection, it should be kept in mind that permits (or contracts) are issued before construction is begun. In the three major downward movements of the years 1903-13, the movement of building permits preceded business by intervals of from 2 to 6 months, in 1909 even preceding the movement of speculation; while in the three upward movements, the relationship varied, permits moving 8 months in advance of the business curve in 1903-04, simultaneously with it in the spring of 1908, and two months after it in the winter of 1911-12. The exceptionally early recovery of building operations in the present cycle finds a ready explanation in the accumulated need for building accommodations. This had not been satisfied in the post-war boom; even the rise shown in our chart overstates the actual amount of building, since price levels were inflated during the last half of 1919 and the first half of 1920.

It is now two and one-half years since expansion in building began. Only recently has there been any well-marked recession, and this has come from strained productive capacity and business caution, rather than from the satisfaction of the demand for new structures. Even without the legacy of an accumulated shortage, the building expansion which began in 1904 lasted for three and one-half years, or up to the beginning of the depression of 1907. So long as business remained good during those years, building continued active; and, at the present time, we see no reason for an abrupt termination of building activity.

The Character of the Recent Movement

In the double chart above, the values of both building permits and contract awards have been used to indicate the post-war course of building construction. The movements of the two show no important differences before the middle of 1922. By July and Au- [fol. 5904] gust of that year, each had reached a level about 60 per cent above the 1920-21 average. Last fall and last winter, the adjusted figures for permits moved rapidly upward, and in March-April of this year rose slightly above the level of the two months preceding; while the adjusted figures for contract awards, after dropping in September-October to about the level of March-April 1922, moved up only slightly last winter and last spring.[1] In May-June,

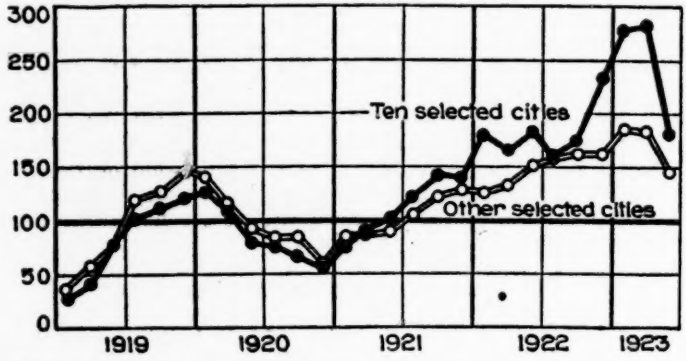
[1]These figures show very strikingly the effect of the adjustment for seasonal movement. Actual figures for building permits remained fairly constant during these months, averaging 183 million dollars in July-August 1922 and 184 million dollars in January-February 1923. Winter, however, is normally a

the figures for building permits fell off very sharply, while those for contract awards declined only slightly.

This discrepancy in their movements indicates one of the most striking characteristics in the expansion of building activity since last fall—the extent to which it has been a development in the larger cities, rather than in the smaller cities and the country. The 66 selected cities, for which this study of building permits has been made, include only a few under one hundred thousand in population; and well over one-half of the value of the permits issued in these cities is accounted for by 10 of the larger cities and city areas included. The Dodge figures for contracts awarded, on the other hand, "cover the small towns and the rural districts as well as the large cities." Thus, for the Northeastern section of the United States, they offer a more complete picture of the building field, and one in which the large cities play a much less important rôle than in the figures for building permits.

Chart 2.—The Value of Building Permits Issued in Ten Selected Cities and Other Selected Cities in the United States

(Bi-monthly averages 1919-23. 1920-21 monthly average = 100. Figures adjusted for seasonal variation)



It is in the large cities that the recent expansion was most marked. The accompanying chart compares building permits issued in ten of the largest cities selected from our list with those issued in the

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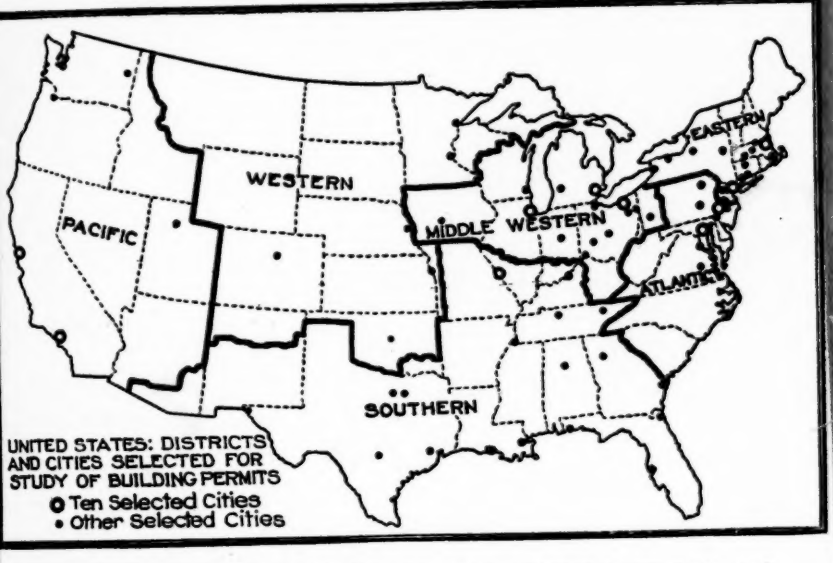
period of very marked decline; the seasonal indices average 110 for July-August and 72 for January-February. The maintenance of the high level of the actual figures during the winter months thus represented, relatively, a pronounced advance in activity, and this is show on the chart. The increase in March-April, on the other hand, though it brought the actual figures to record totals, represents only slightly more than the usual seasonal movement, and hence appears in the adjusted figures shown on our chart at about the level of the first two months of the year. Contract awards, on the other hand, if we leave out of consideration the July-August figure, showed scarcely more than a typical seasonal movement for the twelve months March 1922 to March 1923, and therefore the adjusted figures advanced only slightly during this period.

other cities included. (See map, page 195.) Each curve is corrected for its respective seasonal movement. The index for the value of building permits in these ten selected cities rose from 163 in July-August of last year to 282 in March-April 1923, and the index for the other cities from 158 to 181. The drop from the March-April figure to the May-June figure was likewise largest for our ten cities, the decline in the indices amounting to slightly over 100 points, as against 36 points for the others on our list.

Building in Different Sections of the United States

The districts which we have selected for the regional study of building are combinations of the federal reserve districts, so chosen as to bring together areas with similar seasonal movements, and thus to preserve characteristic differences in such movements as between the resulting districts. The boundaries of these districts are shown [fol. 5905] on the accompanying map. The cities for which building permits have been compiled embrace, for the Pacific district 83 per cent, and for all other districts, between 70 and 76 per cent, of the population living in cities of 25,000 or more inhabitants.

The values of building permits issued in the selected cities in each of these districts, from 1919 to date, are presented in the chart on the following page. In the left-hand column of the chart, bi-monthly



NOTE.—The following municipalities have been combined in our study, and are indicated as single points on the map: Albany and Troy; Boston, Cambridge, Chelsea, Everett, Medford, Newton, and Somerville; Duluth and Superior; Kansas City, Missouri, and Kansas City, Kansas; Minneapolis and St. Paul; Los Angeles and Pasadena; San Francisco, Oakland, and Berkeley.

averages without adjustment for seasonal variation are shown on the base: 1920-21 monthly average = 100. In the right-hand column are shown the same figures adjusted for seasonal variation. The result of this adjustment is to make each figure comparable not only with every other figure for the same district, but also with the figures for the other districts. Without seasonal adjustment, this would not be so, since one particular month may mean very different proportions of the year's building in different sections.

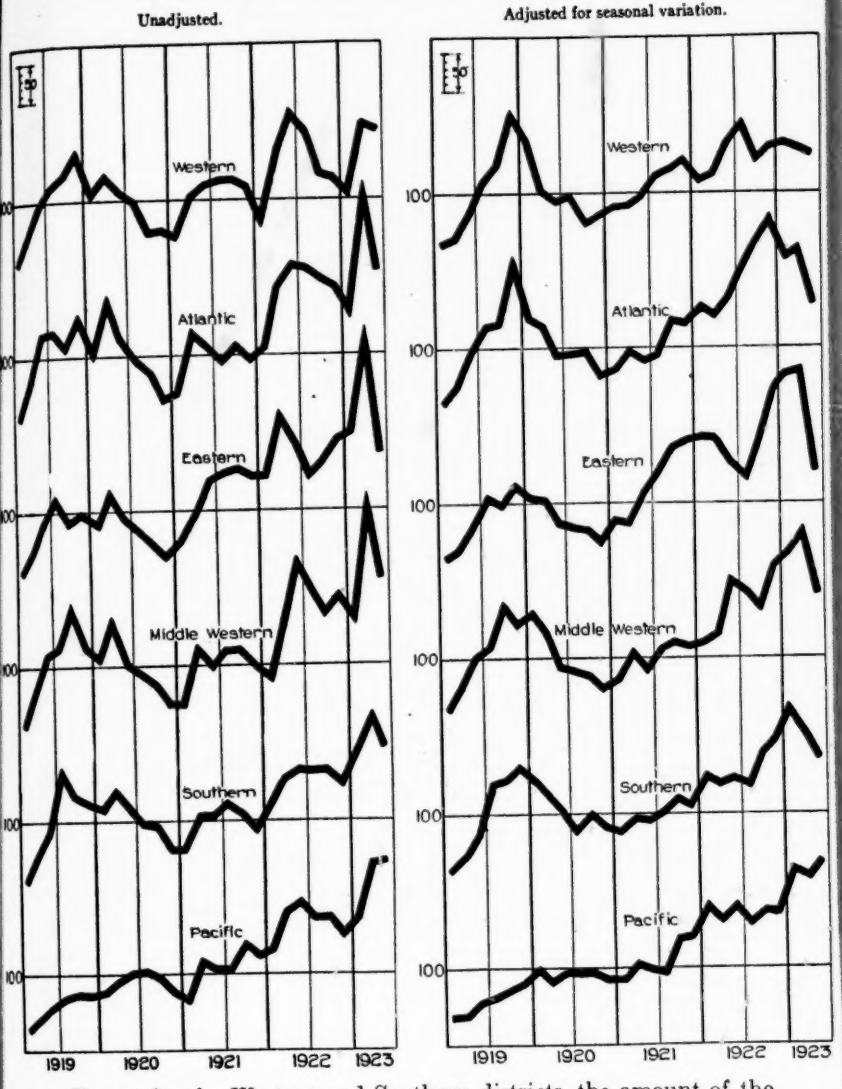
Building in all these districts—when their different seasonal movements are allowed for—has responded to the influence of the business cycle in a remarkably similar fashion. In each, a first upswing began in January-February 1919, and lasted until the next winter,[1] while a second began in the winter of 1920-21.[2] In the depression of 1919, however, the Pacific district did not decline as did the others; our curve shows a sidewise movement during the year, lying between the two periods of upward movement. In the building industry of this district, the depression was thus effective in checking expansion in 1920 rather than in causing a recession; and it is to be noted that the increase of building in this district in 1919 had been substantially less than in the others. All districts, however, show the effect of the cyclical movement of business at sub- [fol. 5906] stantially the same time, and this has been true in the building industry since 1914. No regular order in the timing of the up and down movement appears, and whatever differences occur are minor.

[1] Peak was reached for the Middle Western district in September-October 1919, and for the Pacific district in January-February 1920; for the others, in November-December 1919.

[2] Recovery in the Western district began in November-December 1920; in the Atlantic, Eastern, and Middle Western districts, in January-February 1921; in the Southern and Pacific districts, in March-April 1921.

Chart 3.—The Value of Building Permits Issued in the United States, by Districts

(Bi-monthly averages 1919-23. 1920-21 monthly average = 100)

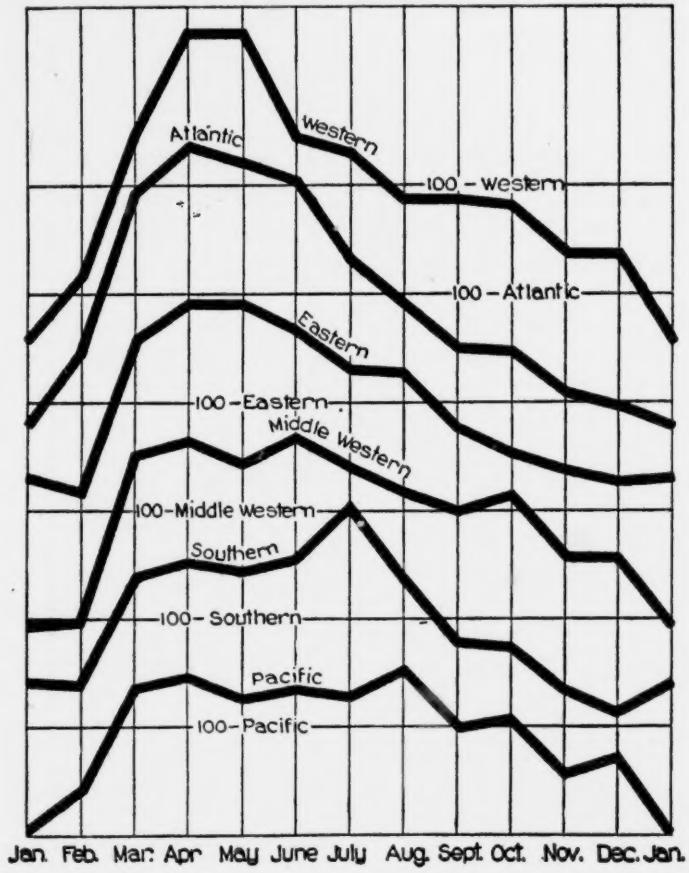


Except for the Western and Southern districts, the amount of the recent expansion has been much the same. In the Eastern, Atlantic, and Middle Western districts, our indices of the volume of permits

issued varied between 225 and 266 (1920-21 monthly average = [fol. 5907] 100) in March-April 1923, and in the Pacific district the index reached 238 in May-June. In the Western district, the index stood at only 155 in March-April (it had reached 188 in July-August), and in the Southern district at 202. This is to be explained by the absence of large cities in the two last districts. The Western contains none of the ten large cities shown in the map on page 195, and the Southern only one—St. Louis. Since it is in the large cities that the greatest gains have been recorded, their absence accounts, at least partially, for the relatively slighter advance in these two areas.

Chart 4.—Seasonal Variation in the Value of Building Permits by Districts

(Average for year = 100. Scale: for each district the 100 line of the district above = 130, and of the district below, 70)



Indices of the Value of Building Permits, by Districts

(Selected months, 1919-23. Monthly average 1920-21 = 100)

District	Jan.-Feb. 1919	High Nov.-Dec. 1919	Low Nov.-Dec. 1920	Mar.-Apr. 1923	May-June 1923
Western	33½	199	60†	155	149
Atlantic	29	207	63	225	155
Eastern	27	121½	51	266	139
Middle Western	34½	168*	59	259	181½
Southern	26	160	76‡	202	169
Pacific	37	99§	84½	217½	238

* Sept.-Oct. 1919.
† Sept.-Oct. 1920.
§ Jan.-Feb. 1920.
‡ Jan.-Feb. 1921.

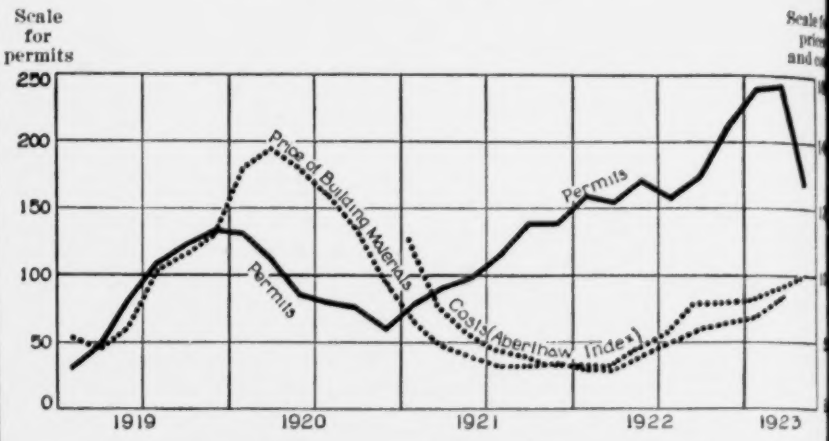
Building-Material Prices and Construction Costs

Recent changes in the price of building materials and in construction costs have, as usual, lagged behind similar changes in the volume of building. In 1919, the price of building materials moved upward by an unprecedented amount with the building expansion and the price inflation of that year. The price index number of the Bureau of Labor rose 76 per cent in the twelve months between March-April 1919 and March-April 1920. Two years of declining or stabilized prices followed, during the latter half of which building activity was rapidly expanding. Then prices again rose, the Bureau of Labor's index increasing 29 per cent between March-April 1922 and the same months a year later. The cost of constructing a reinforced concrete factory building, as measured by the Aberthaw index (continued by the M. C. Tuttle Company), has advanced very similarly to the prices of building materials during the past twelve months. These movements and our index of the value of building permits are presented in the chart on page 198. The indices of cost and prices have been plotted on a somewhat larger scale than that used for building permits, since the fluctuations in the former are normally smaller in extent.

Thus building-material prices have moved upwards and downwards with changes in the volume of building permitted, but somewhat later. This agrees with pre-war experience. The increase in building construction which began in May-June 1904 was followed by an advance in building-material prices a year later. Both [fol. 5908] moved together in the decline in 1907, but on the next

Chart 5.—The Value of Building Permits, Building-Material Prices, and the Aberthaw Index of the Cost of Constructing a Reinforced Concrete Factory Building

(Bi-monthly averages 1919-23. 1920-21 monthly average=100. Permits adjusted for seasonal variation)



upswing—in 1908—prices moved upward four months behind the increase in building permits. A lag also appeared in the movements of the years 1910-14.

Nor does the amount of the price increase seem surprising, although it has taken place in a very brief time. Building had already reached large volume before material prices began to rise, so that when the upward movement began it was very rapid. The increase since the low point of early 1922 has amounted to 32 per cent. The only building boom, during the years 1903-13, comparable in extent to the present was that of 1904-07; and in these years the advance of building-material prices amounted to 26 per cent. Too much importance should not be attached to the comparison of these two figures; but in view of the present shortage of building and the changed price level, it suggests that recent increases in such prices have not been extreme.

The relative level of the prices of building materials is higher than that of other classes of commodities, in comparison with both 1913 and 1919. Building-material prices in May were 102 per cent above the level of the earlier year, and approximately equal to that of 1919, while "all commodities" (including building materials) were only 56 per cent higher than in 1913, and 24 per cent lower than in 1919. This discrepancy is clearly the result of the relatively large demand for materials which resulted from shortage of housing.

Summary of Conclusions

1. In relation to the business cycle, the post-war movements of building have generally followed pre-war precedent.

2. Shortage caused by the war resulted in unusually early recovery of building in 1921.

3. The recent advance has been general throughout the United States. Differences in the extent of the advance among the different sections of the country may be partially explained by the recent large increases in the big cities.

4. Pressure on the productive capacity of the industry is most acute in the larger cities, and there the decreases in building activity since spring have been most pronounced.

5. The outlook is for a continuation of high levels of building during the remainder of 1923, allowance being made for the usual seasonal decline during the latter half of the year.

Harvard University Committee on Economic Research. Printed at the Harvard University Press, Cambridge, Mass., U. S. A.

[fol. 5909] DEFENDANT'S VANDERBLUE EXHIBIT No. 4

The Harvard Index of General Business Conditions

Its Interpretation

Harvard University Committee on Economic Research

Cambridge, Mass., U. S. A.

1923

[fol. 5910]

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By Harvard University

Printed at the Harvard University Press

Cambridge, Mass., U. S. A.

[fol. 5911] The Harvard Index of General Business Conditions

The Ups and Downs of Business

The varied experiences through which business has passed since the close of the war must have brought home one fact to every business man. Perpetual change is an inherent feature of modern industrial enterprise.

Prices rise and fall; markets expand and contract; production increases and decreases; orders accumulate beyond capacity and then suddenly seem to vanish altogether.

Business conditions are never normal. When commodity prices reach their peak, business is on the verge of depression, and when they hit bottom, business is on the threshold of recovery. Management always faces the problem of dealing with new and changing conditions.

Fortunately the course of business is not purely fortuitous or haphazard. Major price movements are not accidental. The chart here inserted presents an index of trade for the United States from 1903 to date. An examination of this chart reveals strikingly a well-defined ebb and flow of prosperity and depression. Depressions pave the way for business revivals; revivals develop into booms; booms breed crises; and after crises follow depressions. This round of changing conditions is known as the business cycle and constitutes one of the most persistent phenomena of the commercial world.

The Business Cycle

There are five well-defined phases of the business cycle. These phases usually occur in the same order: 1. Depression. 2. Recovery. 3. Prosperity. 4. Financial Strain. 5. Crises. Each phase develops gradually into the following and is distinguished by characteristic movements in the speculative, business, and money markets. [fol. 5912] Starting with phase 1, depression, we have as a legacy from the preceding period of liquidation, low prices of securities and small volume of speculation, depressed commodity prices and sluggish business activity, declining rates on commercial paper and increasing bank reserves. With marked dullness in speculation and business, the demand for credit slackens to a point which results in an accumulation of large quantities of money in the banks of the country. These funds seek an outlet in the security markets through the purchase of stocks and bonds which are now fluctuating around their lowest levels in the cycle. Idle money, therefore, is drawn into the speculative market to purchase high-grade bonds, high-grade stocks, and the lower-grade stocks in the order named, and an upward movement in security prices and speculative activity is under way.

After this upward swing in speculation has been in progress for several months business lifts its head from the depths of depression, commodity prices begin to advance, and we enter the second phase of the cycle, business recovery. This phase is characterized by advancing security prices, usually a strong bull market in stocks, rising commodity prices, and increasing business activity. Presently, however, the demands of speculation for funds to finance heavy stock-market operations while prices of stocks are rising, and the increasing demands of business for funds to facilitate industrial expansion, cannot both be granted under the pressure of the demand for credit. At this point we pass into phase 3 of the cycle, business prosperity.

Expanding business is now competing for funds aggressively, and speculation must give way. Manufacturers and dealers in commodities are the year-in and year-out customers of our banks and if shortness of funds makes discrimination necessary such discrimination must be in favor of business men and against speculators. The withdrawal of funds by the banks from the speculative market to finance business men whose needs grow as commodity prices continue to advance results in the culmination of the upward swing in security prices which began in phase 1, business depression.

[fol. 5913] This situation eventually leads to phase 4 of the business cycle, financial strain, the chief characteristics of which are high credit tension and more or less drastic liquidation in security markets. Money rates continue at a high level, the reasons for which are clear enough when the relation of industrial conditions and credit are considered. Business activity and commodity prices are now fluctuating around their highest levels in the cycle. There is considerable speculation in commodities and a large volume of forward buying which results in the accumulation of heavy inventories at greatly inflated prices. Railroad congestion, by slowing down deliveries, postpones collections and the prompt payment of bank loans. Unusual pressure is placed upon the money market because of the demand for credit to finance industry under the conditions which prevail. This situation is further aggravated by increasing production costs which, as the result of continued wage advances and rapidly declining labor efficiency, are now advancing out of proportion to selling price.

Doubt begins to arise concerning the willingness or even the ability of the banks to grant further accommodations in support of an unhealthy business structure. Banks are pressing their customers for the liquidation of loans. Business men, therefore, begin to make price concessions with the hope of improving their cash position. Such concessions coming at the peak of prosperity cause business men to wonder whether the turn of the tide has not been reached. The expectation of lower prices encourages cancellations; inventories become frozen; the renewal of loans becomes necessary. Money rates continue to harden because of the demand for credit by business men to satisfy the banks and other creditors who are pressing for payment. The belief that the upswing in business which began in phase 2 of the cycle, recovery, has culminated, thus spreads. The prevailing price level no longer attracts buyers and price concessions become the ruling factor of the day. A major downward movement of commodity prices and business activity is thus ushered in, and we pass into the fifth and final phase of the cycle, crisis.

[fol. 5914] Various Phases of the Business Cycles, 1903-14

Phase	Nov.-Dec., 1903 to Nov.-Dec. 1907	Jan.-Feb., 1908 to July-Aug., 1910	Sept.-Oct., 1910 to Nov.-Dec., 1913
	Months	Months	Months
Phase I: Depression	10	6	10
(a) Security prices begin to advance; speculative activity increases.			
(b) Commodity prices continue to decline; business activity is sluggish.			
(c) Rates on commercial paper decline; bank reserves increase.			
Phase II: Recovery	18	14	12
(a) Speculative activity is marked.			
(b) Business activity recovers, commodity prices begin to advance.			
(c) Rates on commercial paper begin to advance late in this phase of the cycle.			
Phase III: Business Prosperity	10	4	8
(a) Speculative activity is checked.			
(b) Business activity and commodity prices continue to increase.			
(c) Rates on commercial paper continue to advance while bank reserves decrease.			
Phase IV: Financial Strain	10	4	4
(a) Security prices decline sharply; speculative activity is depressed.			
(b) The upward tendency of business activity and commodity prices is checked.			
(c) Rates on commercial paper remain high or stiffen and the banking situation is strained.			
Phase V: Industrial Crisis	2	4	6
(a) Prices of securities reach bottom and speculative market are panicky.			
(b) Commodities are liquidated, prices fall, and business activity slumps badly.			
(c) Rates on commercial paper reach maximum and bank reserves reach minimum. The crisis breaks.			
Length of complete cycle ..	50	32	40

The crisis phase of the cycle is characterized by continued liquida-
[fol. 5915] tion in security markets and by more or less drastic liquidation in commodity markets, the intensity of the latter movement being governed largely by the degree of credit tension. If liquidation takes place gradually we have an industrial crisis similar to those of 1903 and 1910. Money strain may be so great, however, and liquidation so drastic, as to result in a repetition of the business experiences of 1907 and 1920.

Following the crisis, which generally runs its course in a few months, we find ourselves again in phase I, depression, characterized by the closing of factories, widespread unemployment, and depressed business conditions. This is the period of declining money rates, low security prices, and declining commodity prices, with which we started. At this point the cycle begins all over again.

Duration of the Business Cycle.—Various generalizations have been made by students of business conditions concerning the duration of the economic cycle or the length of time which usually intervenes between industrial depressions. The assumption which has received the widest currency is that depressions occur at ten-year intervals. The proponents of the ten-year theory cite in support of their case the crises of 1837, 1847, 1857, and again after the Civil War in the United States the crises of 1873, 1884, 1893, and 1903.

Another generalization is that crises, especially those of the last fifteen years have occurred regularly at seven-year intervals. Thus it is pointed out that commercial crises came in this country in 1907, 1914, and 1920.

It is an established fact that the business cycle has been a recurring phenomenon in the United States for more than a century. It has not been proved, however, that such cycles are of uniform duration. One of the most striking and significant things revealed by a careful study of business conditions over the past twenty-five years is the relatively short interval from depression to depression.

Evidence concerning the frequency of business depressions is offered by the course of commodity prices and money rates since 1890. The intervals between successive commodity price troughs from
[fol. 5916] 1892 to 1914 are, in months: 34, 26, 44, 44, 43, 43, and 36. The intervals between the low points in money rates are harder to determine because of the pronounced seasonal influence, but a study of the movement of interest rates over the past quarter-century shows that periods of cheap money occurred in 1892, 1894-95, 1898, 1900-01, 1904, 1908-09, 1911, 1914-15.

The movements of both of these important statistical series—commodity prices and money rates—support the conclusion that for twenty-five years preceding the war, periods of business depression occurred at intervals of approximately three or four years with one interval as short as twenty-six months. Business Cycles are, therefore, of comparatively short duration. Furthermore the lengths of complete cycles in the past, from twenty-two to forty-four months, have not been sufficiently uniform to warrant the prediction of

major turns in business activity on the basis of a constant time interval between crises.

[fol. 5917] DISTRICT COURT OF THE UNITED STATES, WESTERN DISTRICT OF MICHIGAN

In Equity. No. 1979

UNITED STATES OF AMERICA

vs.

MAPLE FLOORING MANUFACTURERS ASSOCIATION ET AL.

EXHIBITS TO DEPOSITION OF MARTIN H. ROBERTSON, TAKEN ON BEHALF OF DEFENDANTS, AT CHICAGO, OCT. 18, 1923

E. A. Eulass, Comm'r

Index

Witnesses	Direct	Cross	Redir.	Recr.
.....	...	..	..	..
.....	...	..	..	..

E. A. Eulass & Co., Court Reporters, 155 N. Clark St., Chicago. Telephones: Central 6211, Central 5412; Residence, Hyde Park 5612.

[fol. 5918] DEFENDANTS' ROBERTSON EXHIBIT NO. 1

Factory		No. 1		Clear	
Lower strata	Upper strata	Lower strata	Upper strata	Lower strata	Upper strata
40	60	35	65	35	65

[fols. 5919–5945] DEFENDANTS' ROBERTSON EXHIBIT NO. 2

Report of Association Inspection at Plant of No. 1

First Visit—April 30, 1914

Equipment

5 Double Circular Rip Saws.
10 Matchers—Woods, Hoyt and Berlin.
10 Wilce End Matchers.
2 Whitney Scrapers.

Find the machine work very good—matching correct, both side and end. Find a considerable quantity of shallow back, but most of

it seems to be full thickness when the gauge is applied, since the flooring generally averages strong gauge. Not much short tongue. Running grade below No. 1 and 2 Common Lumber.

Second Visit—July 11, 1914

At this visit I find but very little shallow back and practically no short tongue. All machine work is still good. The 10% of No. 1 found in the Clear may nearly all be eliminated by re-trimming, as suggested in my conversation with you at this visit. I find most of the line pieces are thrown to the grade below, and both Clear and No. 1; also that you discriminate probably a little too closely on dark spot and streak allowable in the two upper grades. This we discussed with one of your managers. Note by rules that the dark green or black spots or streaks not over 3 inches long are allowed in the Clear, and still more of these may be admitted in the No. 1.

I find your Factory (See report) slightly above standard—this is especially noticeable in the long lengths.

	Clear			No. 1				Factory			
	High	Low	No. 1	High	Low	Clear	Fac'y	High	Low	No. 1	No. 2
1st Trip:											
Assn. Ave.....	64.5	35.5	3.6	65.1	34.9	2.3	1.8	59.2	40.8	1	.9
Your Av.....	62	38	4.5	61	39	2	2	61	39	3	
2nd Trip:											
Assn. Av.....	64.6	35.4	3.8	65.8	34.2	2.9	2	58.8	41.2	2.4	.7
Your Av.....	62	38	10	62	38	1.5	6	60	40	6.5	

[fols. 5946-5970] DEFENDANTS' ROBERTSON EXHIBIT No. 3

[Omitted in printing]

[fols. 5971-5998] DEFENDANTS' ROBERTSON EXHIBIT No. 4

[Omitted in printing]

[fols. 5999-6026] DEFENDANTS' ROBERTSON EXHIBIT No. 5

[Omitted in printing]

[fols. 6027-6051] DEFENDANTS' ROBERTSON EXHIBIT No. 6

[Omitted in printing]

[fols. 6052-6075] DEFENDANTS' ROBERTSON EXHIBIT No. 7

[Omitted in printing]

[fols. 6076-6096] DEFENDANTS' ROBERTSON EXHIBIT No. 8

[Omitted in printing]

[fols. 6097-6124] DEFENDANTS' ROBERTSON EXHIBIT No. 9

[Omitted in printing]

[fols. 6125-6131] Holt Hardwood Company, Manufacturers of Maple, Beech and Birch Flooring, Kiln-Dried Hardwood Lumber

Oconto, Wisconsin, June 20th, 1919.

Holt Hardwood Company, Oconto, Wis.

GENTLEMEN: My inspection of maple flooring at your mill today shows your grades pretty nearly at our standards all around. We have a standard of 65 per cent high strata in both clear and No. 1 and 60 per cent in factory grade, this was established by a test of the majority of mills in our standardization problem.

Your grades today show clear at 63 per cent, No. 1 at 64 per cent and factory at 59 per cent high strata. The clear contains about six per cent of No. 1 grade and the No. 1 contains 6½ per cent of factory grade. This is a little excessive and feel positive it can be reduced to our normal condition before our next inspection which will perhaps be before sixty days.

This off grade occurs by reason of various excessive defects in the clear principally of short tongue and shallow back, there is also a little excessive short tongue in the No. 1 grade.

I am quite gratified to find your grades so near the standard as they are. You will note that you are within two per cent of standard in the clear and within one per cent on the other two grades.

Standard, Clear, 65%. High 35%. Low, —.
" No. 1, 65%, " 35%. "
" Fcty., 60%, " 40%. "

Your grade today:

Clear, 63%. High, 37%. Low contains 6% No. 1.
No. 1, 64%. " 36%. " " 6½% Fcty.
Fcty., 59%. " 41%. "

Very truly yours, M. H. Robertson, Official Inspector.

[fols. 6132-6152] DEFENDANTS' ROBERTSON EXHIBIT No. 10

[Omitted in printing]

[fols. 6153-6176] DEFENDANTS' ROBERTSON EXHIBIT No. 11

[Omitted in printing]

[fols. 6177-6199] DEFENDANTS' ROBERTSON EXHIBIT No. 12

[Omitted in printing]

[fols. 6200 & 6201] DEFENDANTS' ROBERTSON EXHIBIT No. 13

Maple Flooring Manufacturers Association, Chicago

Grades Committee Work, Report of M. H. Robertson, Official Inspector

To the Members of the Maple Flooring Mfrs. Assn.

GENTLEMEN: My last trip of inspection at your mills reveals a very satisfactory condition.

If at any time any of you might be disposed to relax or exercise less vigilance in maintaining a uniform standard, it would surely be in such a period as the past few months. With an intense demand for all grades and especially the unusual demand for the Factory, it is indeed gratifying to find that in this period of extreme test you have proven your interest and confidence in the standardization proposition.

I am fully convinced that the members are universally aiming at our exact standard and that the slight variations noted in the individual reports are errors and not a part of the regular system. The fact that at this inspection all the members, save one, are at or within one point of standard in the Clear grade and 17 members are at or within one point of standard in the No. 1, I think clearly indicates that you are not only becoming more familiar with the standard, but you are zealously endeavoring to maintain it.

By comparing with former reports you will note the gradual tendency toward uniformity. In strata grade Clear and No. 1 each average one point nearer the uniform than ever before, the extreme difference in the Clear being but four (4) points and as above noted, with one exception, but two (2) points of difference. The No. 1 shows an extreme of five (5) points, but with a large majority but two (2) points. True, the Factory still shows eight (8) points extreme, but this is quite an improvement over the past report, which was thirteen (13) points difference, and much of this remaining eight (8) points rests with a minority and I am quite hopeful will be reduced to at most four or five points by the time of the next inspection.

The best I have expected we would attain would be two (2) points of difference in the strata grade, one above and one below the standard. With the rapidity and the varied mill conditions under which the workmen operate, together with the frequent changes necessitating the use of unskilled help, this will probably be as uniform as we can reasonably expect.

In the matter of offgrade, which is of vital importance and to which I give due attention in my visitation and individual reports, I may only say in this connection that the average maintains very low in all the grades. Many of the members have practically no offgrade and in all cases where it occurs in any excess above the average, the fact is discussed with the administration, the source of the difficulty found out and all reported in the individual report.

In former reports I have mentioned some of the advantages observed in the standardization feature of Association work, and since the date of those reports there has been offered me an opportunity to observe this from the viewpoint of my work as Field Representative. I may here only remind you of what is to come to be generally understood with the trade as well as the Association. That the Maple Flooring Manufacturers Association has formulated and copyrighted a plain, explicit set of rules, that they have standardized their product in accordance with these rules and trademarked it, thus placing it in the distinctive commodity rank to which it belongs and which is not difficult to recognize, but which conveys at all times the guaranty of quality and service.

Respectfully submitted, M. H. Robertson, Official Inspector.

[fol. 6202] DEFENDANTS' ROBERTSON EXHIBIT No. 14

[Omitted in printing]

[fol. 6203] DEFENDANTS' ROBERTSON EXHIBIT No. 15

[Omitted in printing]

[fol. 6204] DEFENDANTS' ROBERTSON EXHIBIT No. 16

[Omitted in printing]

[fol. 6205] DEFENDANTS' ROBERTSON EXHIBIT No. 17

[Omitted in printing]

[fol. 6206] DEFENDANTS' ROBERTSON EXHIBIT No. 18

[Omitted in printing]

[fol. 6207] DEFENDANTS' ROBERTSON EXHIBIT No. 19

[Omitted in printing]

[fol. 6208] DEFENDANTS' ROBERTSON EXHIBIT No. 20

Maple Flooring Manufacturers Association, Chicago

March 27, 1919.

To members.

GENTLEMEN:

Mr. Robertson sent us the following report from Atlanta, Ga., dated March 24, regarding his Field Representative work:

"My last report was from Macon, Ga. From there I came to—

Columbus.—This city is extensively engaged in all textile manufacturing, there being here eleven different corporations with some fourteen mills engaged in this industry. They have had a labor strike for the past two months and this, with the market conditions of all cotton products, tends to discourage improvement in the way of building. They have done a large amount of new building and repair work in the last two years and are quite well supplied with mills, warehouses, etc. These companies carry a stock of flooring, generally a car or more, for repair work, etc., and use quite generally M. F. M. A. product. Although I found one today who had bought a car of other stock from a Tennessee manufacturer. There are three architects here who say they have not a great deal of large work before them. Two good commercial buildings, one school, one large auto exhibit and salesroom, three apartments. The Government has established here an Infantry School of Arms as a sort of post-graduate training for West Point graduates and they are going to construct permanent buildings, consisting of officer's quarters, barracks, mess building, amusement houses, etc. The plans are being drafted by the Government architect at Washington and the Superintendent of construction is J. Paul Jones, who is at the present time also at Washington. It is not known here what flooring will be used in these buildings and the dealers do not seem very enthusiastic about any particular product. I would, therefore, recommend that some of our members who have a jobbing connection making this territory, get in touch with Mr. Jones and I think it quite probable that there will be no difficulty in getting Maple in use here.

Montgomery.—This has always been a very conservative city, operating much as they did a half century ago and with the general tardy spring movement of building I did not expect much here. It is not a textile mill town although it is in a cotton district and extensively engaged in handling the product but they only buy warehouse and sell it. They do, however, specialize in the manufacture of fertilizer and have very many large plants of this kind. This product keeps pace with the cotton growing industry and since the acreage will be decreased thirty to forty per cent this year, the fertilizer manufacturers are not figuring on much extension of their building operations. There is in plan a very large cooperage plant to cost about $800,000. Two or three schools, four commercial buildings, stores and offices, two warehouses, two large auto exhibits and sales rooms and an addition to a hospital costing $100,000, several apartments, one to cost about $100,000 and like most cities, they are short on homes and will build a goodly number of these. I find the architects here more inclined to use our products than when I was here two years ago. The lumber dealers, although they are not carrying it in stock, have connection with our mills and get frequently stock sheets and quotations. This is what we are aiming at and the next best thing to carrying it in stock is to have frequent quotations which enables the architect to get his figures promptly and encourages him to specify the product.

Birmingham.—As noted in my report of two years ago, this is a very progressive city, dependent mainly on iron, steel and coal industry. The mines are near by and the iron is worked to nearly the [fol. 6209] finished product with but little transportation of either this or the coal. They have been very busy furnishing war materials and have enjoyed a period of intense prosperity. This condition is somewhat changed and they are less active. There is, however, a great insufficiency of housing facilities of all kinds and a considerable activity along the building line. The city has a bond issue of $3,000,000 for schools and they are going to build some very good ones. There is also in plan a civic center consisting of court house, city hall, library, art museum and memorial hall. Several commercial buildings, stores and offices, auto exhibit and salesrooms, one hospital, three warehouses and one of the steel companies is building a large mill of large dimensions. One of the architects here specializes in churches and has a number of these in plan for adjacent towns and cities. The Secretary of the Chamber of Commerce advises that they are short one thousand homes and must build in this line. I am quite gratified with the results of my campaign here two years ago, especially among the architects. They are much more enthusiastic for Maple, Beech and Birch Flooring and are specifying it in all these classes of buildings. They are especially interested in the new book, the features of which I have explained to them, and will be pleased to receive a copy at your early convenience. The dealers have not been quite so loyal to us. The Whiting Lumber Co. of Tennessee and two or three nonassociate manufacturers of the North have personally worked this territory quite well, advancing the "Just as good" argument and are reaping some of the benefits of

our advertising. I am glad we are making this follow-up trip. It will the more thoroughly establish our claims for M. F. M. A. May I again urge our members to renew their zeal and get into a more intimate relation with their connection here for there is surely a very good outlook, especially for Maple.

Atlanta.—This is more nearly a typical northern city than any other south of the Ohio River. Because of climatic conditions, being in a latitude of neither extreme, it has attracted progressive business men who find here a climate in which they can pursue their avocations during all the months of the year. The country about which was devoted mainly to the production of cotton has changed to diversified farming and stock raising so that they are no longer dependent upon the success or failure of the single crop. The city is growing rapidly in both population and wealth. And while they, like all other cities, have experienced suspense in general building on account of the precedence of war work, which in itself has made them short in all housing facilities, they had the added misfortune of a sweeping fire which deprived them of over 1,000 homes and now that they are patriotically at liberty to again resume building, they are hastening to provide for these great necessities, which are along almost the entire line of building. Much of this will be done on a large scale. Several good schools, both public and parochial, churches, hospitals, several hotels, industrial plants, warehouses, two natatoriums, a civic group, several large commercial buildings, auto salesrooms, one to cost $125,000, a cyclorama, cotton mills, compresses, two fraternal halls, many high class apartments and homes as well as cheaper ones. The architects here, like Birmingham, are enthusiastic for Maple flooring, and will specify it on a large portion of this work. And I am further pleased to note that the dealers here are handling M. F. M. A. flooring and well pleased with their connections. I beg to advise our members who have these southern connections to keep in close touch with them as to stock supply and prompt quotations when required since some of these operations will require a knowledge of these matters on the part of the dealer when called upon. These dealers are interested in our new book and I am sure that a complimentary copy from their mill connection will be very acceptable.

There is in plan by the Federal Government for the State of Georgia several Post Office Buildings. One each at Canton, Ft. Valley, Cuthbert, Mayson, Rossville, Sandersville, Thomasville and Waynesboro. These are to cost variously from $30,000 to $200,000 each.

Yours very truly, M. H. Robertson, Field Representative.
George W. Keehn, Secretary."

[fol. 6210] DEFENDANTS' ROBERTSON EXHIBIT No. 21

Maple Flooring Manufacturers Association, Chicago

To members. April 8, 1919.

GENTLEMEN: Mr. Robertson sent us the following report from Nashville, Tenn., dated April 7, regarding his Field Representative work:

"My last report was from Raleigh, N. C. and from there I came to

Asheville.—* * * The two architects here doing most of the work have not had very satisfactory results with our Maple Flooring. One of them is using it in the new high school building here. The specifications call for the best grade of Northern Rock Maple, and while they are getting a good floor, still it contains the defects allowable in our No. 1 grade, which it is, and not Clear, and these defects, especially the dark streaks are not pleasing to the architect who, not being familiar with our grades, expected a different result. The other architect had a similar experience some two years ago and had about decided against Maple Flooring. Of course, I corrected these misunderstandings and satisfied them on the grade matter so that they are again our friends. The dealers here have been handling Northern product but not always M. F. M. A. Flooring.

* * * * * * *

Chattanooga.—There are seven active architects in this city, some of them report but little work before them, others large amounts. The principal being the smaller type of Industrial buildings, mills, warehouses, etc. There will be a few of the smaller commercial, some schools, one college building and one hospital. Maple Flooring was quite well introduced here several years ago, and [fol. 6211] is generally specified on the type of buildings mentioned, but some of the dealers who formerly handled the M. F. M. A. Flooring have been switched off to non-association stock and one of them has now a car which he claims is not up to requirements as to manufacture. He and the shippers do not agree, but they have no court of appeal. I could not be of any assistance in the matter since the shipper was not one of our members, but I used my argument for handling stock with a guarantee protecting him against a condition of this character.

Nashville.—* * * All this territory is thoroughly worked by the Oak Flooring Manufacturers with extensive plants located here, also by the Whiting Lumber Co. of Elizabethton who manufacturers southern Maple and Beech Flooring. The Oak people also manufacture and market a considerable quantity of beech Flooring. The Architects and dealers, however, are somewhat familiar with the superior quality of our Northern Maple and Beech and will use it in most of the work mentioned. They use much Oak in homes since the inside trim is chiefly Oak.

M. H. Robertson, Field Representative."

[fol. 6212] DEFENDANTS' ROBERTSON EXHIBIT No. 22

Atlanta, Georgia, November 21, 1922.

Report of M. H. Robertson, Field Representative

Maple Flooring Mfrs. Assn'n, Chicago, Illinois.

GENTLEMEN: My last report was from Richmond, Virginia, and continuing the trip South, I beg to report as follows:

Danville, Va., Durham, Greensboro and Winston-Salem, N. C.—* * * On account of the labor conditions in New England, some of the operators in that locality are building branches in the South where they have much less labor trouble, others who have been located here are enlarging their plants and building new ones. At Danville, they are building a very large textile mill, so as I had reason to suspect this is now and likely to be for some time a very fertile field, especially so since this is the class of building where we find outlet for large amounts of Maple flooring, and while they are prosperous and enlarging these operations, they are accordingly expanding in all other lines of building, such as schools, churches, colleges, dormitories and other institutional work. Take the District as a whole, there is an unusual amount of building now on and they anticipate an increase for next year. All these buildings, of course, will have floors, but not all of Maple, Beech and Birch, we are getting most of the Textile work and much of the schools of the better class and considerable of the tobacco factory floors, but not all of them. They advise that they are inclined to use more concrete than formerly. The Reynolds Tobacco Company have recently completed a new foctory in which there are no wood floors. Some of the schools are using gum, but not many of them and some are using Yellow Pine, especially of the cheaper type. I think we are holding our ground in the Textile work fairly well, but are losing a little in the other line since my last visit here. I have given it a pretty thorough stirring up this trip and hope the coming year our members will have an increased business in Maple, Beech and Birch.

Charlotte, N. C.—This city situated in the extreme Southern part of the State is the second in size and a very important railroad center of the Southern system as well as a great Textile mill district. There are several active architects here and they report a very busy season in all lines of building. They are just finishing a splendid High School built by Lockwood & Green Company of Boston, who have branch offices here and at Atlanta, and also do much Textile [fol. 6213] mill construction all over New England and the South. They report the mill work improving very much and say they have much new work in this line. They use our Maple flooring in nearly all of their jobs, schools as well as mills, and another architect here who also specialized in industrial work throughout the State has on program several large State buildings and schools and college buildings. He also uses our product universally, and says—will re-

quire a large amount of it in the near future. I do not find much competition here with Maple for industrial commercial or institutional work. They use it almost universally, but I find one of the dealers whom I used to furnish several years ago, and who is a "live wire" is special representative for W. M. Ritter Company, Southern Manufacturers and he had an arrangement whereby he handles their flooring Maple, Oak and Beech in Charlotte and all the nearby districts. Says he has handled 29 cars since January 1st. He is well fixed to handle flooring and says he is furnishing many of the Textile mills for their repair work. This Maple comes from Virginia, and Tennessee and of course does not compare with our Northern Maple, but he says it is given quite good satisfaction. I spent considerable time with him in discussion of the comparative features of Northern and Southern Maple, and he is quite familiar with both products, having handled Michigan stock for a number of years. He would like to make a similar connection with some of our members, and handle their stock instead, and thinks he will make a trip to Michigan in the near future with this intent. I think he will not furnish very much Southern Maple for the Textile mills. They are quite decided in their preference having given both products a fair trial, but by wholesale and retail he is handling considerable flooring and I should like to see him handling the best.

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[fol. 6214] Atlanta, Ga.—I visited and reported Atlanta a year ago and had not intended coming here this trip, but was advised of a complication in the specification in the floors of some schools that were to be built in the city, and I came to see if — could assist in somewhat clearing the confusion. I find they are planning some 18 school buildings to cost about three and a half million dollars. The Board has engaged a supervising architect who has general jurisdiction as to plans and all materials to be used, and then the various schools will be under the sub-supervision of a number of local architects. The specifications call for best grade of Clear Maple flooring, and the confusion arises in the use of a subsequent clause which states that "Sabin's best may be used." No one seems to be able to explain just what Sabin's grade may be. Mr. Sabin is not a manufacturer but a jobber who is handling all kinds of hardwood flooring, principally Southern stock, as I understand it. I am informed that he has quoted on the school flooring, at $75.00 per thousand, which would indicate that he is figuring on a very low grade much below even No. 1. I have seen the quotations of some of the reputable manufacturers of Tennessee and their prices are about in line with the prices quoted by Northern manufacturers. I have had interviews with all of the architects of the various schools as well as the supervising architects, and they agree that our Clear is the grade that should be used, but say the appropriation is not sufficient to pay the price of our Clear. Some of our representatives are urging the use of No. 1, others a mixed grade, and one is going to bid on Factory. I have carefully gone over the whole field, explaining the charac-

teristic difference between the Northern and Southern product, and also the adaptability of the different grades to the various classes of buildings to be floored. I also took it up with the Building Committee of the Board but they say they have left the whole matter of material with the supervising architect, and he admits that he is in —for the decision but has had some two months or more and seems unable as yet to decide. He says he is now getting quotations on Yellow Pine, but the building committee and other architects say Pine will not be used, but they are not willing to decide yet between Northern and Southern Maple. The matter is being considerably agitated, and I think the architects will be persuaded to use the best which will be the only satisfactory floor for a school of this type. This is my fourth visit in this capacity here, and I find more intense building activity than in any of the former visits. In fact, they report that the year has exceeded any former in the history of the city. This activity extends to all classes, but is especially apparent in the large type of buildings, commercial, institutional and industrial. While Atlanta proper may not be considered a Textile mill city, still it is in the Piedmont district, and is surrounded with Textile mills, has also a great variety of other manufacturing. Many of these are enlarging, others building new. There is one department store being built here that will require about 300,000 feet of Clear Maple flooring and Northern stock is specified. Maple is used extensively in this class of building and I do not hear much about the substitutes.

Referring again to the school subject, I suspect they may allow one of the Contractors, on perhaps the first school built, to make a test of this unknown "Sabin's best grade," and probably will find it unsatisfactory in appearance, since it cannot be much, if any above a factory grade, which while it will make a serviceable floor, is not good enough in appearance for a building of the type of these schools. I have inspected some of the Tennessee factory grade, and find it conforms fairly well to our standard grading. The difference is not so much in the grade as in the character of the wood.

[fol. 6215] I am closing the Fall campaign here and will go direct to my winter home in St. Petersburg, Florida. The two trips have occupied 58 working days during which time I have visited and reported 52 cities in 22 states and the District of Columbia, meeting many former acquaintances and a great many new faces, and I sincerely hope that the efforts of the campaign will result in an increased volume of business, and a more intimate personal relationship of the members of the Association with their various representatives in the localities visited.

Respectfully submitted, (Signed) M. H. Roberston, Field Representative.

[fol. 6216] DEFENDANTS' ROBERTSON EXHIBIT NO. 23

Maple Flooring Manufacturers Association, 1045 Stock Exchange Bldg., Chicago

Richmond, Va., November 11, 1922.

Report of M. H. Robertson, Field Representative

Maple Flooring Mfrs. Ass'n, Chicago, Illinois.

GENTLEMEN: My last report was from, but did not include, Philadelphia.

Philadelphia, Pa.—This is the city in which I made my initial move in Field Representative work six years ago, just about this time. Since then I have visited it several times and have always found it a very fertile field; each visit reveals some new angle to the situation and some advancements made. It has always been a good market for Maple flooring and we have more recently created a very fair demand for Beech and Birch. In fact, the architects complained this trip that the demand exceeds the supply, that is they would like to use more of it, but when they call the dealers they do not find it in stock, and have to wait in uncertainty a delay in getting it from the mill. I sincerely hope that this can be corrected. The rate of construction in Philadelphia this year has been more than double that of last. The total for the ten months just passed exceeds $110,000,000. The work is continuing and is quite well distributed over the city and the district and among the various classes—homes, commercial and schools somewhat predominating. There are now well under way a number of large commercial buildings and plans are being prepared for several others to cost more than a million dollars each. A piano company will build a fifteen story sales room, warehouse and office building. The North American Insurance Company will build a twenty story office building. Victory Hall and the first unit of the Municipal Court Building, each of these latter costing a little over five million dollars each. Commercial Museum, St. Joseph's College and many others of like character are now being planned and built. The home and school situation here is not different from other cities in its demands and while they have made a good progress this year, the demand is still far in advance of the supply. This is a great home city, quite different from New York in this respect. The homes many of them are built on the group plan, occupying a whole block, but each individual owns his portion of this structure. Of this class they are doing a large amount of building. I succeeded in getting some inside information from one of the largest architectural companies here and have also offices in New York City, and they do mostly this larger commercial and industrial building. They think that Maple will always be the favorite floor for this class of work but say that there is gradually being introduced, especially in the commercial class, materials that are supposed to be non-com-

bustible. They say there is some call for linoleum but it is not very popular in Philadelphia. They think that persons who are working on these floors will demand the old style wood floor. They are specifying much Maple for their present work and say they will have a large amount of this class in the near future.

Baltimore, Md.—The building situation here is not so generally active as in Philadelphia. There is not so much of the commercial class, but more of it is using our product. They claim, however, that concrete is gradually being demanded by the builders on account of its so-called fire-proof feature. We are losing ground in Baltimore in the public school building. The new building code has substituted Yellow Pine for all schools of the city. They are building several now and will have a large program to follow. I have carefully gone over the whole situation with those in charge of this work and find them courteous and very willing to hear my arguments, but somewhat prejudiced, and I am convinced that this prejudice arises from ignorance of just how to treat and care for a Maple floor. They argue that they want to finish their floors as they would a good home floor, which they say cannot be done with the Maple. This argument, of course, is without foundation. It can be finished for the school the [fol. 6217] same as for the home, while we do not as a rule do this and it would not remain the same as a home floor and this argument would hold good with the Pine floor as well as the Maple. They further argue that they get much better lengths in the pine, admitting all the time the superiority of Maple for school floor when service is considered. But, as I say, they are quite prejudiced in favor of the pine, but I hope to have sufficiently interested one of these architects who is doing most of the school work the present year in our Beech as a school floor, for him to make a trial of this, and I hope our members who make Beech and have connection here will urge them to carry it in stock and make it easy for these architects to give it a trial, for I find several who are anxious to use it in some good home building, but say they are not able to get it from the lumber dealers. Oak and Yellow Pine are used quite extensively in home building. The dealers say they sell more of this than they do our product. I inquired about linoleum here, but find very little of it in use so far. This field needs more attention than one can give on a flying trip like this, but I think some good follow up work on the part of the Association members will help to restore normal conditions in Maple flooring.

Washington, D. C.—The architects here report the season has been an unusually busy one for them and the prospects are it will continue through the winter and well into next year. There is a large amount of speculative building, apartments, cheaper homes, small store and office buildings. Many churches and some hospitals. There is an unusual school program on of both parochial and public schools. The Roman Catholic people are planning to build a school in connection with each of their churches and the District is planning fifteen new schools to be built as rapidly as possible. There are in plans several hotels, three or four fraternity buildings, a large

laboratory, and a good deal of general institutional work. The activity extends also beyond the District where the architects operate a large field. As usual, I left Washington with the sense of having accomplished something but not all that I could have wished; especially is this true concerning the school situation. They are using Maple flooring quite universally outside the district, but not quite so generally as I would like in the city. I discussed this with the District supervising architect and he admits the superiority of Maple as a school floor and says he specifies it in all the good buildings wherever the cost of the job will permit it, but where the apportionment is not sufficient he is obliged to use the cheaper material, Yellow Pine. He thinks we ought to be quite satisfied to know that they prefer Maple and use it whenever they can afford to do so, and of course, I agreed to the extent that we do appreciate the compliment and are thankful for the preference, but it is a question of argument whether the so-called cheaper flooring is the cheapest in the end, and I use as illustration those twenty-six schools in St. Louis, Mo., which were first floored with Yellow Pine and within the last two years refloored with our Maple and Beech. Linoleum is not much used in Washington in any class of work. The architects generally do not seem to be favorable to it, and especially for schools and commercial buildings. They are using some concrete with mastic and similar top finishes for the floors of some of the new office buildings, and are using much oak in home and apartment work. It can be seen that this field is not all ours yet and that our publicity task is not yet finished. I found this trip a very largely increased interest in our Beech and Birch flooring, had many interesting conferences relative to it. They inquiry the possibility of obtaining it when specified.

Richmond, Va.—As usual, this city is in a good healthy condition commercially speaking. Their building operations are above normal and well diversified. The industrial class shows a very considerable gain over the past three years. As noted in former reports they have a great variety of manufacturing, the principal of which is tobacco in all of its varieties, paper manufacturing, woodworking plants, steel, and iron construction, locomotive works, etc. It is the gateway to the South and so there is need of warehouses of all varieties and capacity to store goods both in transit and for local use. It is a great educational center and has many institutions of [fol. 6218] learning of all kinds for both white and colored. In accordance with other cities they are very much behind the demand for proper housing of all these institutions and in public school work. The climate here permits them to build all the year round and their program will continue right on through the winter. They are now building some very good commercial structures—one of these a department store which takes something over 300,000′ of Maple flooring, will, when completed, make a good subject for a picture for some of our publications. Our product is used almost universally in their industrial, institutional and generally in the commercial work. For homes and apartments they are using more Oak, but I have secured promise from some of the architects to try

our Beech and Birch for this class of work. Our Maple flooring is handled by good concerns here who know and appreciate its merits, and I hope that the members having these representatives will urge them to put in a stock of Beech and Birch so as to get it more generally introduced.

Respectfully submitted, (Signed) M. H. Robertson, Field Representative.

[fol. 6219] DEFENDANTS' ROBERTSON EXHIBIT No. 24

Maple Flooring Manufacturers Association, 1045 Stock Exchange Bldg., Chicago

Philadelphia, Pa., November 4, 1922.

Report of M. H. Robertson, Field Representative

Maple Flooring Manufacturers Association, Chicago, Illinois.

GENTLEMEN: My last report closed with my visit at Boston, Mass., since which I have visited and report cities as follows:

Providence, R. I.—As noted in former reports, this is another intensely industrial district, not so large as Boston, but of the same varied type. In what is known as the valley, textile manufacturing predominates and is of very extensive proportion, but the City of Providence is well balanced in that it has a great variety of the industrials. There is not a very great activity in general building this year, they had a seven months' strike in the early part of the season, during which time not much work was projected. They are doing but little commercial building, and not much in prospect they claim. There is considerable home building in which they are experiencing difficulty in getting sufficient skilled labor, especially bricklayers and plasterers. They have on several good school buildings in the city, and a large number of these in the surrounding district. The industrial building is improving and they say will be much better next year. There is in plan one hospital costing $850,000, which will go forward at once; and two others little less expensive. Here I find in competition with our product, Yellow Pine, Oak, Vermont Maple and Concrete. The City school building is under a general contractor, who dictates all plans and materials and has for years used Maple for school floors, but says he is recently experiencing trouble with it; that during the summer, while the buildings are closed, the floors swell and buckle; and then in the winter, when the heat is on, they shrink so as to leave open joints. He admits that he has not had this experience any place excepting the Providence Schools. It sounds a little strange to us, and the architects and engineers smile at it; most of them are using Maple for school and other work and do not find any objection. But they do use a good deal of Vermont Maple, so the lumber dealers say; and also Yellow Pine for the cheaper homes and some concrete in Commercial build-

ings. One of the hardwood dealers who handle our products is putting on an advertising drive, specially featuring a number of articles they have for sale, and I have arranged with them to include our Maple, Beech and Birch flooring.

Hartford, Conn.— * * * These industrials are doing some work this fall, and much more in prospect for next year. There will also be several large commercial buildings built, and as usual they have a very large school program. The city has on two High Schools costing over $1,000,000 each. They use Maple flooring here almost universally in all classes of work. I have found but little competition; they say they have tried composition floors for schools and found them unsatisfactory. My efforts here have been principally on our Beech and Birch flooring and the Protective Features of our Association work.

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[fol. 6220] New York, N. Y.—It seems ironical to speak of New York as being quite in any sense, yet the architects quite generally agree that building is comparatively quiet here now. The annual normal building program in New York proper is about $200,000,000; this year they say it will reach about $180,000,000. The fall building, the say, is slacking up very much on account of difficulty of obtaining sufficient material and labor and the advanced cost of both. There are two classes of building that are going forward with all possible activity and will continue if they can get material and labor; these are homes and apartments of all types, and schools. They have a tax exemption law releasing for ten years all homes and apartments to the extent of $5,000; these must be commenced within a limited time, which extends to early next year. So they are trying to get under way a great volume of this class of work. And as usual the school problem confronts them, and they are making special effort to meet the demand. The entire metropolitan district is short on schools, and this will be the prominent item of building for the next year or more. You will recall the report of my visit here last year to investigate the school flooring situation. The school architect, Mr. Snyder, became partial to Yellow Pine for school floors; and while he does not insist on his preference as he claims it, yet he has inserted in the general code of specifications Yellow Pine as an alternate. I got hold of the specifications this trip, and it reads in part as follows: "The top or finished floor shall be of the best 13/16 x 2-¼ or 2-½" face clear Maple flooring free from knots, sap, shake, split, and other imperfections. Alternate: The contractor may use 13/16 x 2-½ face B & Better grade of Yellow Pine Heart Rift. Please note the description of the defects not allowed in the Maple, where it says it must be free from sap. His attention has been frequently called to this, that it eliminates all the white and most valuable portion of the wood, but he insists that what he has written stands. Mr. Snyder handed in his resignation a short time ago and it is expected he will soon be relieved. So I think the Maple flooring situation is yet quite secure in New York. They have used it

so long, and the contractors admit that while they can get the Yellow Pine some cheaper, that there is no comparison as to the merit of the two woods for school floors; and if they use anything less than the best, it becomes a reflection on them, so they are sticking pretty close to Maple. The architects who do outside work, use Maple almost universally. The Armstrong Cork Company, manufacturers [fol. 6221] of Linoleum, mentioned in Boston report, also the Cook Company of Trenton, N. J., and others, are waging a strong advertising campaign here; but so far do not seem to be so successful as they are in Boston. The commercial builders have almost entirely discarded wood floors of all kinds. I find Beech and Birch growing in favor but they complain of difficulty in getting it; that the dealers do not carry it in stock. I have taken this up with some of the hardwood dealers, who handle a large amount of Maple, and they claim it does not pay to carry it. I hope our members who make Beech and Birch will urge their connections here to stock at least a small portion of the sizes most commonly used in home floors.

Respectfully submitted, (Signed) M. H. Robertson, Field Representative.

[fol. 6222] DEFENDANTS' ROBERTSON EXHIBIT No. 25

Maple Flooring Manufacturers' Association, 1045 Stock Exchange Bldg., Chicago

Providence, R. I., October 28, 1922.

Report of M. H. Robertson, Field Representative

Maple Flooring Manufacturers Association, Chicago, Ill.

GENTLEMEN: My last report was from but did not include Albany, N. Y.

Albany, N. Y.—The Capitol district, which embraces Albany, Schenectady, Troy, Watervliet and numerous smaller cities and towns adjacent, has had a very active year in nearly all building lines. Much of the work is still in progress and will continue throughout the fall and winter. The architects report a disposition to wait until spring for a better labor and price condition of materials. The city has on a large school program and this will go forward at once. I have had a real contest for our product for schol flooring. They have been using Maple in the past but the composition floor people have been so very active with the architects and school board, that they have been quite inclined to adopt some of this flooring. They, however, agreed to defer the decision until they could make further investigation and I referred them to the Minneapolis schools where they have made a test and returned to Maple. I also had conference with a good architect, who has had a similar experience as the Minneapolis people had and found the composition a failure. He

is not on any of the school work but is interested as a resident and tax-payer. I also had an interesting interview with Mr. Wood, General Supervising and Consulting Architect of all schools of the state except cities of the first and second class. I have met him each time I have visited Albany. He also has all the literature and arguments of the composition floor people and while he is quite partial to Maple, he thinks that some of these substitutes have considerable merit, especially what is known as the Rubberstone which is somewhat similar to Battleship Linoleum, but he can appreciate the weakness of all of these when pointed out and I think we are still secure with him not only for Maple, but Beech and Birch as well, for he took notes of my description of these and will have them inserted in the general specifications of the State Board of Education. I also renewed acquaintance with the state architect, and find their disposition concerning Maple Flooring about as reported in my report of a year ago. The state is between two seasons finishing up the present appropriation and will await results of the next legislature which they say is always somewhat uncertain. If they have sufficient funds they will have nex year a large amount of Normal School work and considerable institutional. One architect here specializes in churches, and has been investigating our Beech and Birch because he wants to carry into some of these various color schemes, and I have thus been able to give him some light on the subject.

Springfield, Mass.—The architects here report building conditions very much improved in the last 60 days. They have on a large amount of work of great variety. Some of it will be released this fall, but more will be held over until next year. They all speak encouragingly of the industrial situation which has been almost suspended during the past three years. They say there will be much of this work the coming year, and this is good news for us, for while we are pleased with all classes, yet it is on the industrial class we depend to absorb large quantities and certain makes and grades of our product. It requires many homes to equal one large mill and warehouse proposition. As noted in my former reports, this is a very populous district and contains a great variety of manufacturing, especially all kinds of tools, cutlery and shelf hardware, textiles of all kinds, shoes, furniture, etc. Most of the flooring for these is Maple. True, we are here in the front yard of the Vermont Maple, Beech and Birch and they work this territory with some success, but as you are aware, they do not undertake to make our grades nor follow our improved methods of manufacture, etc. They generally make the log run grade and let the contractor or party using the [fol. 6223] flooring trim it to suit his convenience. This leaves the flooring of apparently longer lengths which appeals to some of the Eastern buyers. One architect here who does much of the industrial building is in trouble with a job at Hartford on the grade question. He says he is through with uncertainties and hereafter will specify MFMA and in accordance with our rules, copies of which I left with him.

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Boston and Vicinity.—Boston is in the midst of an extensive building program, especially is this true of the large commercial class. Those capable of judging say that it is the greatest in this line in the history of the city. In the older business sections, they are tearing down the old brick buildings and replacing them with modern steel structures and in many cases where the building is of steel and of sufficient foundation, they are extending it one, two or many stories. Considerable of this work is well under way, but much of it is only commenced and the building will extend over most or all of next year. They report a shortage of skilled labor, especially of bricklayers and plasterers, but this extensive program is not confined to the commercial class, but is also apparent in degree in all classes. The city and suburbs has on an unusual number of fine high school buildings, and the various colleges are doing more or less building to take care of the demand for class rooms, dormitories, gymnasiums, etc. Boston is frequently denominated "The Hub" and while its radius may not extend quite so far as Bostonians imagine, yet we must concede it a great commercial, educational, social and religious center with great radiation in all these features, and this influence is on the increase and to care for it they are obliged to enlarge their borders in all lines. But we are especially concerned about what part we may have in this program. I need hardly advise that for many years this has been a very good Maple Flooring market. It has been used almost universally in their commercial, school, college, hospital and in fact most of their work, but I find a considerable change has taken place. The Armstrong Cork Company, manufacturers of a type of Battleship Linoleum, have put on a tremendous advertising campaign, backed up by a personal representative located here and on the job every minute, and they surely are getting results. They started in modestly with the hospitals, with the argument of it's sanitary and quiet features, and then they extended to the commercial builders with the added argument that it can be used on a concrete slab and thus make a complete fire-proof structure, and they have so succeeded that in most of this large commercial work, linoleum is specified for offices, where our Maple was formerly used. One dealer who handles our product and well acquainted with contractors and architects and have furnished them for many years for this class of work, estimates that there is $30,000,000.00 of his work that has switched from Maple to linoleum flooring. The architects generally admit the superiority of Maple, but say that their clients demand the linoleum for the reasons above stated. And now they are starting a great advertising campaign of the use of it in all classes of buildings, including schools and homes. I am advised that they are spending about $2,000.00 a week in the Boston papers alone. They are erecting attractive signs along the railroads and the highways announcing the excellency of linoleum as a floor for all uses. I have put forward my best efforts here and think I have [fol. 6224] benefited our cause in a good many instances. I hesitate to make this discouraging report, but feel that the members of our Association ought to know the facts of the case, and if it is considered of sufficient importance attempt to stay the tide by encouraging their

local representatives in every way possible. Some of the lumber dealers are very loyal supporters of our products while others seem to be somewhat indifferent and are letting go without much trouble.

So much for the dark, now for the brighter side of the picture. As all are aware *that* Boston is surrounded on three sides by a score of cities and towns devoted to manufacturing of all kinds. I have investigated conditions in some of the more important of these, and find they are becoming quite active again in building. They are doing considerable repairing, some new mill and warehouse work and say they have in prospect much more of it for next year. Each of these communities have their own school, church, civic and home building program. In the field of the industrial building our linoleum friends will hardly venture and so far they are not apparently making much effort in the other classes in these outlying industrial cities and towns. I am especially gratified with reports on our Beech and Birch flooring. I find a great change in the attitude of the architects concerning theses. Many of them as suggested in my last visit and by our literature have given them a trial and found them entirely satisfactory. In many cases they say far exceeding their expectations and they have become ardent supporters of our claims for Beech and Birch flooring.

Respectfully submited, (Signed) M. H. Robertson, Field Representative.

[fols. 6225-6227] DEFENDANTS' ROBERTSON EXHIBIT No. 26

[Omitted in printing]

[fol. 6228] DEFENDANTS' ROBERTSON EXHIBIT No. 27

Indianapolis, Indiana, October 7, 1922.

Report of M. H. Robertson Field Representative

Maple Flooring Manufacturers Ass'n, Chicago, Illinois.

GENTLEMEN: Continuing the Western publicity campaign, I submit report of localities as follows:

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Cedar Rapids also favorably located, is very much devoted to manufacturing all kinds of cereal products, some of which they claim have the largest proposition of the kind in the country. They are engaged in somewhat the same line of building as Des Moines, but not quite so active in the commercial type. They, however, report a very good program for the coming year. I have noted in former reports of this locality, that they used more Beech floors than any other localities of equal population. I am a little disappointed

this trip to find while they are still enthusiastic for Beech, and very much so for Maple for schools, commercial and industrial work of all kinds, still they advise, especially the dealers, that they are not using so much Beech as in former years; that they are using more Oak for homes and apartments where they formerly used Beech. They say they had complaints that after they Beech had been down for some time, it would shrink and leave open joints, and thus make an unsightly floor. This complaint was principally from the dealers, one of whom I have known some fifteen years and who used to handle a large amount of Beech and was very enthusiastic for it. They did not have any concrete examples to show me but I examined several Beech floors in the city, some new and others have been down for a number of years, and I did not find any condition such as complained of. On the contrary, I noted for instance the Fine Arts Building which has had Beech in many of the rooms for years and some of the other rooms they are just now reflooring, and using Beech similar to what was used in other parts of the building so that it looks as if it had stood the test in that building, and I have referred the architects and dealers to this example.

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[fols. 6229 & 6230] Peoria, Illinois.—This city is located in a very good agricultural district, as well as coal mining section. It has large manufacturing interests, manufacturing agricultural implements and farm machinery of all kinds, and in this it has been affected by the recent condition of the farmers. They have good crops, but the price obtained is such as not to give him the cost of production and so he is not doing any buying. The architects say they have much work on the boards of all classes except the industrial. Here they also complain of the advances in prices of all building material which they say will suspend very much of the larger work, such as commercial and speculative home and apartment buildings. They advise that brick, cement and all builders' hardware, and plumbing goods are where it will not be profitable to continue the building for a rental proposition. They say lumber has advanced about 20% in sixty days, but that it has made a much less advance than any of the other building materials. They use much Maple and Beech flooring, but not much Birch, except for inside trim. They formerly used considerable Oak for home floors when it went so high they substituted Beech, and have been using it for some time instead of Oak. They say now that Beech is nearly as expensive as Oak, so you can see my task here, and I mention this so that our members who have connections here may be on the alert and supplement my effort by giving the district some special attention.

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[fols. 6231 & 6232] DEFENDANTS' ROBERTSON EXHIBIT No. 28

[Omitted in printing]

[fol. 6233] DEFENDANTS' ROBERTSON EXHIBIT No. 29

Duluth, Minn., September 18, 1922.

Report of M. H. Robertson, Field Representative

To the Members of the Maple Flooring Mfrs. Assn., Chicago, Ill.

GENTLEMEN: In accordance with the plan of the Advertising Committee, I am to spend in Field Representative work about four weeks each in the Middle West and Northewest and about the same time in the East and Atlantic Coast territory. I had first to make a re-inspection trip to St. Louis and while there, made a canvass of that city before returning to Chicago.

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St. Paul, Minn.—This city has done a large amount of home building of the cheaper type and schools, both Parochial and Public, this season. The architects report building somewhat quiet, but they are anticipating and in fact planning a considerable amount of work next year. The city has two or three schools to finish yet this year and are launching an extensive program for next. The state has a program for something over a million dollars of work in normal schools, university, dormitory and institutional building. There is not much commercial or industrial building in sight—some warehouses and some salesrooms. They are pretty well caught up on the cheaper homes and flats, but have in prospect more of the better class of home and apartments for next year. They are using much Birch and some Beech flooring. I find a quite a different condition here regarding these two woods from that of three years ago. The architects are specifying them more generally, especially the Birch and the dealers are quite generally stocking the Maple and Birch and a few of them all three of our woods.

Minneapolis, Minn.—As noted in my report of three years ago, the Architects and Lumbermen here cover a large field and are quite familiar with general building conditions, not only of the Twin Cities, but also of Western Wisconsin, Minnesota, the two Dakotas [fol. 6234] and Northern Iowa. Many of these Lumbermen have an extensive line of yards, one the Thompson Yards, has a line of over 200 yards in operation and the buying and general supervision is all done in Minneapolis. The present year building business is closing and they report it a little quiet, but a very large program is planned for early spring and some of it for yet this fall. There is a very large amount of school work to go forward, the city has some two million dollar program and the architects generally have more or less of this class of work in the territory mentioned. As noted in former reports, Maple and Birch flooring have the right of way here, but the dealers advise that during the present year, they have had more orders for Oak for home building than formerly, especially in the small home building. The Architects do not get much of this small work and I am urging the dealers to stock and

use freely our advertising medium for Maple, Beech and Birch, for customers who want a floor with the more pronounced figures such as is found in the Oak flooring. Most of the dealers carry our Maple and Birch and a few stock the Beech also. My report of three years ago mentions the effort of the substitute material people to supply "something just as good" as our product for service floors and some of the architects advise that they tried out these substitutes for school floors with quite unsatisfactory results and that hereafter they propose to specify Maple for schools and such work and let all the so-called substitutes alone. There is a large amount of good home building in prospect and in this they are interested in Birch and Beech for flooring, not much commercial work in sight, some industrial, a few good hotels and a number of college and dormitory buildings. There is projected a very exclusive family hotel with all modern equipment to cost about two million dollars, in which I hope will be used our flooring. It would make an especially good advertisement for us. It is not yet in the hands of the architects.

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[fol. 6235] DEFENDANTS' ROBERTSON EXHIBIT No. 30

December 4, 1917.

Report of M. H. Robertson, Field Representative

From San Francisco, Calif., December 1, 1917

"My last report included the Northwest territory Washington and Oregon, closing with Portland. From there I came to Sacramento, intending to make this report cover all of California, but there is considerable of immediate interest which I think our members ought to know about. I am herewith reporting the Sacramento Valley and San Francisco Bay Region.

* * * * * * *

San Francisco Bay District.—Here I have worked, not only the city of San Francisco with over 200 active architects, but also the main cities of the Bay District, such as Oakland, Berkeley, Alameda, Richmond, Santa Rosa, San Jose, Palo Alto, etc., and Tracy and Stockton in the San Joaquin Valley. Two great Universities located here, the State University at Berkeley, and the Leland Stanford at Palo Alto, the latter is planning some large work, such as a dormitory, library, President's home and some additions, the whole to cost about $1,000,000. At Berkeley they have just completed extensive building operations and think they will do but very little building the coming year. The city of San Francisco has a recent bond issue of $3,500,000.00 for schools, and will at once proceed to build very many good school buildings. This work will be dis-

tributed among a number of the City Architects. I have devoted considerable effort to this department and find they have been using some Maple flooring, also much Oregon Pine, but the authorities are in favor of better floors, and will insist upon the use of Maple quite universally in this new work. The contest here is principally between Maple and concrete floors for such work as Hotels, apartments, libraries, hospitals, amusement houses and office buildings. The great fire of 1906 seems to have paved the way for the concrete material people to argue in favor of a rejection of all combustible [fol. 6236] material, and so they have made great headway in displacing wood with their material. A majority of the office buildings have been floored with concrete, but some reaction is setting in and I am here in good time to help turn the tide in favor of wood where it properly belongs. I have spent more than the usual time here, but believe that it was imperative and that much good will result. The department stores are generally floored with Maple, and many of the office tenants are favorable to a wood floor and will demand it in the offices which they occupy:

* * * * * * *

In both Maple and Oak, there is a demand for the thinner flooring, and in this, especially the ⅜" they are using jointed stock in Oak almost universally. I have interviewed the largest floor-laying concern here whom the architects almost universally endorse, and who they say lays and finishes more than one-half of the hardwood flooring in the Bay District, and this floor-laying concern advises me that especially in this particular locality, they have trouble with the thin matched stock; that the varied conditions of dry and moist atmosphere induces swelling and shrinking to the extent that they cannot hold it from hoving up at the joints. They have made all kinds of tests they say and find the joined stock to work best hence they are using it almost universally in Oak, and recommend our manufacturing Maple—for Pacific Coast, jointed instead of matched. It might be well for out members to give this some attention.

Yours very truly, M. H. Roberston, Field Representative.

[fol. 6237] DEFENDANTS' ROBERTSON EXHIBIT No. 31

[Omitted in printing]

[fols. 6238-6617] DEFENDANTS' EXHIBIT NN-1

[Omitted in printing]

OCT 25 1924
WM. R. STANSBURY
CLERK

IN THE

Supreme Court of the United States

OCTOBER TERM, 1924.

No. 342

MAPLE FLOORING MANUFACTURERS ASSOCIATION, W. D. YOUNG & COMPANY, MITCHELL BROTHERS COMPANY, ET AL.,

Appellants,

vs.

THE UNITED STATES OF AMERICA.

Appeal from the District Court of the United States for the Western District of Michigan

BRIEF AND ARGUMENT FOR APPELLANTS

Jacob Newman,
Conrad H. Poppenhusen,
Henry L. Stern,
Edward R. Johnston,
Henry Jackson Darby,
Solicitors for Appellants.

GUNTHORP-WARREN PRINTING COMPANY, CHICAGO.

(30,230)

DARK PAG

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Neither did the Government offer any proof that the standards adopted and maintained by the defendants were not fair and reasonable.

The proof showed that the quality of the flooring had been improved by means of the adoption and maintenance of such standards, that disputes between manufacturers and buyers had been greatly reduced, and that litigation had been eliminated.

The Government's own witnesses, as well as buyers all over the United States, were both unanimous and enthusiastic in their praise of the standardization of maple, beech, and birch flooring by the defendants. Buyers testified that the flooring manufactured by the defendants was superior to that manufactured by others, and that standardization of such flooring by the defendants had increased competition and greatly benefited the public.. 169-194

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The undisputed proof also shows that prices during the earlier years were never uniform, because of the diversities mentioned on pages 66-75; whereas, from 1919 to 1921, inclusive, they were controlled by abnormal economic conditions, which found adequate expression in the rise of factory grade flooring from $45.00 per M. feet to $150.00, and its decline to $15.00.

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(c) relation that Association members bear to the flooring industry as a whole;

(d) lack of control of any appreciable proportion of raw material;

(e) fragmentary character of statistics collected and distributed;

(f) publication of statistics collected;

(g) relatively superior position of lumber dealers who buy or handle 90 to 95 per cent of the flooring manufactured by Association members,

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great mass of heterogeneous facts which lie in almost inextricable confusion in the 6 volumes that comprise the printed record. They relate not only to technical features of an unfamiliar industry and the articles and practices of a trade association organized during March, 1922, but—over our objection—to the articles and practices of numerous antecedent associations dating back to the late nineties of last century. After all, *length* is a relative term; and we hope that the length of our brief bears some appreciable proportion to an easy mastery of the facts by this Court.

For the convenience of the Court, we have prepared at the expense of considerable time, labor and money a separate volume of Appendices. These appendices contain the results of much labor which we did not desire to impose upon the Court.

In its petition the Government endeavored to set forth the existence of a combination and conspiracy among the defendants whereby interstate trade and commerce in maple, beech and birch flooring was unreasonably restrained, contrary to Section 1 of the Sherman Act. The Government did not charge that a monopoly existed or that any attempt had been made to monopolize interstate trade or commerce contrary to Section 2 of said Act.

A great deal of evidence was adduced in open court by both the petitioner and the defendants. On January 4, 1924, the District Court granted the injunctive relief asked by the petitioner under Section 4 of the Sherman Act (Tr. 60), but suspended the injunction until January 1, 1925, or the prior determination of this appeal. (Tr. 63.)

GOVERNMENT'S PETITION.

The learned District Court and counsel for the defendants differed with respect to both the form and the substance of the petition. The latter asserted that it conferred no jurisdiction upon the court; that it did not state a cause of action, and that it was a confused, ambiguous, contradictory jumble of conclusions, metaphors, and inconsequential facts. (Motions to dismiss, Tr. 13-24.)

The District Court announced that the petition was a model of good pleading, and denied the said motions. (Tr. 24.)

Inasmuch as we are of the same opinion still, it is difficult for us to state concisely the substance of the petition. We must, therefore, resort to quotation and analysis. By this means the issues will be made clear. We will then show that the undisputed proof not only fails to support the allegations of the petition, but confutes them, even if it be assumed that the petition states a cause of action.

THE DEFENDANTS.

There are three classes of defendants, viz.:

1st. The *defendant Association,* described as "an unincorporated organization" with offices at Chicago.

2nd. The *members* of the defendant Association, or manufacturers engaged in the maple, beech and birch flooring industry, referred to in the petition as the "defendant corporations."

3rd. The *individual* defendants, or the respective representatives of the several members, and George W.

maintained under and in accordance with the provisions of Articles of Association dated *January 1, 1922,* which will be in effect until January 1, 1925.

"*All* of the defendant corporations are *now* parties to said Articles of Association and through the individual defendants as their representatives they take an active part in all of the activities of the defendant association." (Tr. 4.)

It thus appears that there was not one association, but several successive and distinct associations, composed of different members, and operating under separate articles.

THE ALLEGED MEANS.

1. EARLY ACTIVITIES.

The petitioner alleged that all the articles above mentioned provided for the organization of the "defendant association" with headquarters at Chicago; "for the usual officers and a board of trustees," and "for a special fund or membership fee fund as a guaranty for the fulfillment of the obligations assumed by its members, and for an expense fund created and maintained by assessments levied on its members." (Tr. 4, fol. 7.)

"Said Articles of Association PRIOR *to those of January 1, 1922,* also established a pooling arrangement * * * by allotting to each member a certain percentage of the total business, by creating a general fund through payments from all members on shipments over their prescribed allotted percentages, and by providing for payments from said general fund to members shipping less than their prescribed allotments. The defendant corporations operated under this arrangement for the pooling of their businesses continuously from *January 1, 1913,* until on or about *March 31, 1920.*" (Tr. 4-5, fol. 7.)

(2) MINIMUM PRICE AGREEMENTS.

"Under dates respectively of *July 1, 1916, July 1, 1919,* and *January 6, 1921,* the defendant corporations and *the other manufacturers of flooring who were members of the defendant association on said dates,* entered into mutual agreements termed 'Minimum Price Bases' or 'Minimum Price Plans,' each of which constituted an amendment to the Articles of Association under which the defendant association was being maintained. By said minimum price plans the defendant corporations agreed to establish minimum prices for the sale of maple, beech, and birch flooring; and not to sell any such flooring below said minimum prices. Said plans specified *certain elements* which should be used as the basis for determining an average cost of manufacturing and selling flooring, and the average percentage of net profit which should be added to said average cost in order to establish said minimum prices. Said plans also provided that said minimum prices should be the delivered prices in the 'Table of Values' in the 'Association Rate Book and Index of Towns,' which is hereinafter described, and specified the concessions and commissions which could be allowed and the terms of sale that should be enforced." (Tr. 5, fol. 8.)

Of course, the purpose of the petitioner in bringing into this case long-extinct associations and plans which had been abandoned years before the institution of this suit, was to prejudice the *present association* and confuse the issues.

"(3) THE PRESENT METHOD OF ESTABLISHING MINIMUM PRICES."

"In and by the aforesaid Articles of Association of *January 1, 1922,* the defendants *substituted* for the aforesaid Minimum Price Plans *a statement of policy* to the effect that a careful consideration of the question of cost is recognized as the only scientific method of conducting the business of manufac-

The petition continues as follows:

"The defendant corporations have at all times during said period *accepted* and *acted upon* said recommendations." (Tr. 6, fol. 10.)

What is the meaning of the word *accepted* in the phrase "accepted and *acted upon* said recommendations"?

If the *recommendations* were *agreed to*, or *adopted* why use the phrase "accepted and *acted upon*"? It is clear that *accepted* as used by the petitioner does *not* mean *agreed to* or *adopted*. If *recommendations* were made, then some committee or subordinate body must have made a *report*. The Century Dictionary gives as one meaning of the word *accept*:

> "In a deliberative body to *receive as a sufficient performance of the duty with which an officer or a committee has been charged; receive for further action;* as, the report of the committee was accepted: Syn. take, etc."

That this is the meaning of the word in the phrase above quoted is borne out by the next succeeding words "*and acted upon.*" The petitioner, however, does not aver *what* action was taken. The late Republican National Convention *acted upon* the platform planks prepared by the Wisconsin delegation, and presented to the Convention for adoption, but . . . .

According to the petitioner, then, *all the defendants* (including the defendant corporations) recommended that the defendant corporations should not sell flooring at less than "average costs"; the defendant corporations received said recommendations, and *severally* and in the exercise of an unfettered discretion,—*since no joint action or agreement to be bound by said recommendations is alleged—acted upon* them. *What* action was taken, the petition does not state.

The petition then proceeds as follows:

"and have *concertedly* established and maintained *as* the *basis* of their *individual* selling prices, the minimum prices or so-called *average costs* determined as heretofore described,—" (Tr. 6. fol. 10.)

It might be asked selling prices of *what?* If of *maple, beech* or *birch flooring,* did the selling prices apply to interstate shipments? Let us pass these questions for the moment.

If after January 1, 1922, the defendant corporations had not sold their flooring *for less than the "average costs",* it would have been easy to allege the fact. *However, the petitioner makes no such allegation.* What does the allegation mean?

The *average costs* were concertedly established and maintained by the defendant corporations as the *basis* of their *individual selling prices.*

It appears then that *each* corporation defendant fixed its own *selling prices. But what relation did the selling prices bear to the "average costs"?* The petitioner does not state; and the allegation above quoted, if not meaningless, is at least susceptible of the following construction:

That the defendant corporations accepted in principle the proposition that selling prices should equal average costs, and that each corporation in determining its "individual selling prices" took into consideration the "average costs". *But the petitioner does not allege that the selling prices, either as the rule or as an exception, did equal average costs.*

It should be remembered that the petitioner is here endeavoring to set forth the *means* whereby the Sher-

man Act was violated. Reasonable certainty is therefore required. And in case of doubt either as to the acts done by defendants, or as to the meaning of doubtful phrases, or as to whether an unlawful act has been committed, such doubt—arising as it does from the *petition*—will be resolved against the petitioner.

The allegation must bear the construction above suggested—in which case no violation of the Sherman Act is charged—or the construction *that by means of concert of action the "individual selling prices" of the defendant corporations always at least equalled "average costs"*.

The petition then proceeds as follows:

> "and by concertedly maintaining the same [that is, the 'average costs' as the basis of individual selling prices] and also the uniform terms of sale, the uniform rules with regard to allowing cash discounts, the uniform commissions, and the uniform rules regarding the allowance of commissions and concessions, *which were established by and in accordance with said Minimum Price Plans*,[1] they have always maintained during said period [from 1913 to March 5, 1922] and they still maintain"—*what?*
> *"a practical uniformity between* [among?] *themselves of net f. o. b. selling prices"*. (Tr. 6, fol. 10.)

It is not alleged that the "practical uniformity" "of net f. o. b. selling prices",—whatever that means—ap-

[1] According to the petition the Minimum Price Plan was abrogated on January 1, 1922. (Tr. 5, fol. 9), and the defendant association "is now being maintained under *and in accordance with* the provisions of Articles of Association dated January 1, 1922." (Tr. 4, fol. 7.) There is no allegation that the articles last mentioned provided for uniform rules regarding terms of sale etc. *When* were the uniform rules *maintained?* Obviously, *prior to* January 1, 1922.

plied to *maple, beech* or *birch flooring*. If it be assumed that it did, then there is no allegation that the "net f. o. b. selling prices" applied to *interstate* trade and commerce. And to make either assumption is to *assume* rather than *plead* vital facts. For all that appears in the allegations above noticed, the selling prices may have related to other commodities than maple, beech or birch flooring, or if to such flooring then to the purely *intrastate* business of the defendants.

The following allegations contained in Paragraph II of the petition do not supply these defects.

> "The *defendants* make *sales* of the flooring manufactured by them from [at†] their said offices *in this district*"—(Tr. 2.)

All the defendants, then, make sales of *the* flooring manufactured by them (that is, *all the flooring* manufactured by them) *at their offices* in the *Western District* of MICHIGAN.

> "The term sale has a well defined meaning. It is the transfer of property from one person to another for a consideration of value". (*Arnold* v. *North American Chemical Co.*, 232 Mass. 196, 122 N. E. 283, 284.)

It therefore follows that the *sales* in question were made *wholly within the State of Michigan*. The property was *transferred* by defendants to other persons in Michigan. The petition continues:

> "and *they thereupon ship* said flooring in interstate trade and commerce *from this district into other states*, to the wholesale and retail lumber dealers who have contracted for its purchase." (Tr. 2-3.)

The phrase "in interstate trade and commerce" *as used above* is tautological, if it have any meaning at all.

Obviously, the pleader's idea is adequately expressed by the words "and they thereupon ship said flooring * * * *from this district into other states*" * * *. A person may properly be said to be *engaged* in interstate trade and commerce; it is correct to say that *commodities* are *subjects* of interstate trade and commerce, or that they are shipped from one state into other states. But to say that *goods* are SHIPPED "IN *interstate* TRADE *and* COMMERCE" is to utter nonsense. The verb "to ship" originally meant *to put or take on board a ship or vessel.* It now means *to deliver to a common carrier* for transportation whether by land or water or both. And the *delivery* to the carrier must of necessity take place either within or without a state. It should also be remembered that the petitioner had just previously alleged *sales* within the State of Michigan. And what the petitioner obviously intended to allege was the fact expressed by the assertion that the flooring was thereupon shipped from the Western District of Michigan into other States. Furthermore, the assertion that the defendants *after making* SALES of flooring *in Michigan* thereupon *shipped* said flooring in interstate trade and commerce is, if not meaningless, a *conclusion.*

It is obvious that no *interstate* sales are alleged. Suppose that wholesale and retail lumber dealers from Philadelphia, Boston, New York and other cities are *at the offices of the defendants* in the Western District of Michigan; that the defendants then and there make certain *sales* of flooring to said dealers. Such *intra*state transactions would not be converted into *inter*state commerce, by the action of the defendants in thereafter "shipping" the flooring into other states. The property would have been *transferred* within the State of Michigan; it would leave the state as the property of the

buyer, and in "shipping" said property—that is, delivering it to the common carrier for transportation,—the defendants would be engaged in a purely *intrastate* transaction. A sale or a contract to sell may be of a purely *intra*state character so far as the *seller* is concerned and of an *inter*state character—or at least it may ultimately become such—so far as the *buyer* is concerned.

Under certain circumstances the result would not be different even if the buyers had entered into contracts of purchase with the defendants within the state of Michigan. And it must be remembered that the petitioner has not particularized here. For instance, if the contracts of purchase provided for delivery f. o. b. cars within the Western District of Michigan, the transactions would be of a purely intrastate character, so far as the defendants are concerned. Will it be *assumed* that the transactions above mentioned were otherwise, when the petitioner has not alleged that they were?

For instance, in

Addyston Pipe & Steel Co. v. *United States*, 175 U. S. 211, 247,

the Court said:

> *"In regard to such of these defendants as might reside and carry on business in the same State where the pipe provided for in any particular contract was to be delivered, the sale, transportation and delivery of the pipe by them under that contract would be a transaction wholly within the State, and the statute would not be applicable to them in that case. They might make any combination they chose with reference to the proposed contract, although it should happen that some nonresident of the State eventually obtained it.*
>
> *The fact that the proposal called for the delivery of pipe in the same State where some of the defend-*

ants resided and carried on their business would be sufficient, so far as the act of Congress is concerned, to permit those defendants to combine as they might choose, in regard to the proposed contract for the delivery of the pipe, and that right would not be affected by the fact that the contract might be subsequently awarded to someone outside the State as the lowest bidder. In brief, their right to combine in regard to a proposal for pipe deliverable in their own State could not be reached by the Federal power derived from the commerce clause in the Constitution.

To the extent that the present decree includes in its scope the enjoining of defendants thus situated from combining in regard to contracts for selling pipe in their own State, it is modified, and limited to that portion of the combination or agreement which is interstate in its character. As thus modified, the decree is

AFFIRMED."

The petitioner first alleges that *sales* were made by the defendants in the Western District of Michigan, but fails to allege *to whom* the sales were made. It is then alleged that the defendants delivered the flooring to common carriers for transportation into other states to the wholesale and retail dealers who had *contracted for* its purchase, but the petitioner does not allege either that said dealers had *contracted with the defendants* for the purchase of said flooring, or that the *sales* theretofore alleged were made by the defendants *to said dealers.* For all that appears in the petition, there may have intervened several intermediate *sales* and *contracts of purchase* between the original *sales* and the delivery by the defendants to the common carriers.

The foregoing considerations are important, not only because of the allegations analyzed on pages 8-13, *supra,* but because of the following allegations.

"*Said sales and shipments* [that is, *the ones we have just been considering*] are made pursuant to

and in conformity with the restrictive practices and agreements which are hereinafter described." (Tr. 3, fol. 4.)

It will be observed that here the petitioner differentiates between the *sales* and the *shipments* but says nothing of *contracts of purchase.*

The foregoing allegation is the only one in the entire petition that attempts to connect the *alleged restrictive practices and agreements,* which we have analyzed on pages 8-16, *supra,* with any *sales of maple, beech or birch flooring.*

And in view of the fact that *"said sales"* were made by the defendants at their offices "in this district", and it is not alleged *to whom* or *how* or *upon what terms* they were made, it follows that the petitioner has not pleaded facts which show that said "restrictive practices and agreements" applied to *interstate* trade or commerce.

The "said shipments" *followed* the *intrastate* sales; the flooring left the Western District of Michigan as the property of the buyers.

The defendants *"shipped"* the flooring into other States, but the alleged restrictive practices and agreements *had already operated* upon the *intrastate* sales.

(4) FREIGHT RATE BOOKS.

"In connection with the aforesaid determinations of minimum prices or of so-called average costs, the defendant association has (fol. 11) from time to time prepared and distributed to the defendant corporations so-called freight books. Said books contain tables of the freight rates from Cadillac, Michigan, to many cities and towns in all of the States of the United States. They also contain an average

cost chart showing the average costs f. o. b. cars of the principal items of maple flooring in the three established grades; other kinds of maple, beech and birch flooring by additions to or subtractions from said average cost chart; statements of the extra charges for special grades, for special sizes and for special lengths; statements of the terms of sale and of the rules for allowing cash discounts; and delivered cost charts showing the average so-called cost of any item of flooring, including the freight from Cadillac, Michigan, when delivered at any destination." (Tr. 6, fol. 10-11.)

That is what the *defendant association and its predecessors* are alleged *to have done.* Certainly, in the absence of some agreement or action on the part of others, no violation of the law is charged.

The petitioner continues:

"By means of said freight rate books, the defendants from 1913 continuously until the present date *have been enabled* to determine the delivered 'minimum price' for any item of maple, beech or birch flooring at any destination in the United States, in accordance with the aforesaid Minimum Price Plans, or the so-called 'average cost' thereof in accordance with the 1922 Articles of Association." (Tr. 6, fol. 11.)

The defendants have also been *able* to commit murder or treason, but ability to do is not equivalent to doing.

"The defendants agreed to adopt and have concertedly adopted Cadillac, Michigan, as an arbitrary freight basing point from which they compute and charge freight, regardless of the point from which each may actually ship flooring." (Tr. 6, fol. 11.)

The petitioner then continues:

"They also agreed to adopt, and have concertedly adopted and used, and they still continue to use, the minimum prices or so-called average costs stated in

said Freight Rate Books, as the *basis* of their *individual selling prices*, and by concertedly maintaining the same and also the uniform charges and practices heretofore described, they have always maintained, and they still maintain, *a practical uniformity between themselves of net delivered prices.*" (Tr. 6-7, fol. 11-12.)

What has been said above on pages 8-16 is applicable in all respects to the allegations last quoted.

Even if it be assumed that the petition states a cause of action, what the petitioner complains of—*the essence of its plaint*—is that *the defendants have maintained among themselves a practical uniformity of net f. o. b. mill prices and net delivered prices.*

The means are merely incidental—the *uniformity of price* is the evil which the petitioner seeks to eliminate. And if the alleged uniformity does not exist, then, of course, the petitioner must fail, so far as the foregoing portions of the petition are concerned.

5. EXCHANGE OF STATISTICS.

Petitioner alleges that in accordance with the Articles of Association of *January 1, 1922,* the defendant corporations made certain weekly, monthly and quarterly reports to George W. Keehn, the defendant Association's Secretary, who compiled the same and then distributed the information to members. (Tr. 7-9.)

It should be observed that the petitioner does *not* allege:

(a) That the data sent out from the Secretary's office are accompanied by any analysis, interpretation or comment. Each member must make his own deductions from the said statistics.

(b) That any forecasts of future market condi-

tions are made by an expert statistician or any one else.

(c) That any recommendations as to production, or prices are made by any one. Each member is free to manage his own business in his own way.

(d) That any member is in any way whatsoever restricted as to when, where or to whom or at what price he may sell his flooring, or as to the quantity he may manufacture.

Even the petitioner *does* allege:

"The aforesaid *monthly* statistical reports are published in certain trade papers, but at such times that the defendants have the information contained therein considerably earlier than does the general public. The distribution of the detailed information as to sales and prices is strictly confined to the defendant corporations." (Tr. 9, fol. 16.)

(6) ASSOCIATION MEETINGS.

"Prior to 1922, defendant George R. Keelin, as Secretary of the defendant association, generally transmitted the aforesaid statistical reports of the open competition plan to the defendant corporations accompanied with his comments interpreting the same, and with statements and comments regarding general conditions in the industry. Since 1921, the defendants have substituted for said written comments and statements the system of holding frequent meetings, and they now assemble monthly at association meetings and discuss the prices and the supplies of rough flooring lumber, the costs of manufacturing and selling flooring, the conditions of supply and (fol. 17) demand in the flooring industry, and trade conditions and the flooring situation in general, and especially as reflected by the statistical reports of the defendant association. In short, they exchange with each other at said meetings, all the information which they have, and all the experiences which they have had in their several businesses, which can be of general interest to them as manufacturers of maple, beech, or birch flooring.

"For use at the aforesaid monthly meetings defendant George R. Keehn secures from the defendant corporations, on blank forms distributed by him, information as to orders, production, and shipments for the portion of each month preceding its monthly meeting. These data are compiled and are discussed at said meetings, and the defendants forecast therefrom the probable amounts of orders, of shipments, and of production for the entire month, and then compare the same with similar data for preceding months. The Committee on Cost Surveys of the defendant association also frequently reports at said meetings respecting the supplies of rough flooring lumber and gives its opinion as to the actual market value of such lumber and as to the average cost of manufacturing and marketing flooring." (Tr. 9.)

The petitioner does *not* allege that at such meetings:

1. There was any agreement or understanding, express or implied, as to production or prices.

2. That the *future* prices of flooring were even discussed.

7. UNIFORM TRADE-MARK AND GRADING RULES.

"The defendant association has adopted a trade-mark, which is used by the defendant corporations under and in accordance with (fol. 18) the terms of uniform trade-mark license agreements which have been entered into between each of them and said association. Said agreements grant each of said defendant corporations the right to use the uniform association trade-mark, followed by the index number of the individual corporation, so long as each continues a member in good standing of the defendant association, and provide that each member so licensed shall maintain the standard grades of flooring established by the defendant association and shall be subject to inspection by the association inspectors for the purpose of seeing that said standard grades are properly maintained. Standard grades and also detailed grading rules have been

adopted and copyrighted by the defendant association, and they are now being uniformly and concertedly maintained by the defendants." (Tr. 10.)

8. ASSOCIATION ADVERTISING.

"The defendant association has for a number of years conducted, and is still conducting, an extensive advertising campaign for the purpose of promoting the use of maple, beech and birch flooring and of emphasizing that purchasers should secure flooring bearing the aforesaid association trade-mark. Said advertisements carry the name of the defendant association alone, and not the names of its members, and they state that flooring bearing the association trade-mark is standardized and guaranteed by the defendant association. Many of said advertisements contain price propaganda urging (fol. 19) purchases of flooring at the time of the publication of said advertisements on the ground of the price being fully adjusted to then existing conditions. Inquiries received in answer to said advertisements are bulletined by the defendant association to the defendant corporations." (Tr. 10.)

ALLEGED RESULTS.

The petitioner then asserts the *conclusion* that as a result of the matters and things complained of, interstate trade and commerce in maple, beech and birch flooring has been unreasonably restrained. (Tr. 10-11.)

PRAYER.

Petitioner prays that the association be dissolved, and that the other defendants be perpetually enjoined, etc. (Tr. 11-12.)

DEFENDANTS' ANSWER.

Owing to petitioner's inveterate intermingling of conclusions, facts, epithets and misstatements in the petition, the first portion of the defendants' answer consists largely of specific denials. (Tr. 26-35.) Three separate defenses are then pleaded. (Tr. 35-45, 45, 45-46.)

No question as to the sufficiency of the said answer or any part thereof is involved; and inasmuch as all the facts must be examined at length, no further statement with respect to defendants' answer will be made at this time.

THE DECREE.

The District Court held that there was a combination in restraint of interstate trade and commerce; ordered the defendants to dissolve the defendant association, and restrained the defendants from thereafter doing any of the things charged in the petition. (Tr. 60-61.)

ERRORS RELIED ON.

The assignment of errors filed in the District Court contained twenty-five specifications of error. (Vol. I, pp. 64-68.) All these specifications may be summarized as follows:

1. The petition is not supported by the proof.

2. The decree entered is contrary to law.

3. The decree is contrary to the weight of the evidence.

4. The petition does not state a cause of action.

5. Even if certain practices of the defendants were objectionable the restraining of such practices would amply protect the public.

For a detailed statement of the propositions of fact and law relied on, please see Brief of Argument, pp. 79-96, *infra*.

We believe that much time and space will be saved if we set forth here certain technical data which are necessary to an understanding of much of the other evidence appearing in the record. There are also certain facts pertaining to the industry as a whole which are essential to an appreciation of many phases of this case. *These fundamental facts constitute the environment in which the defendant Association functions, and by which it is limited and circumscribed.* With this factual background the Court will readily understand the argument upon particular controverted points. The argument will also move more rapidly, if these fundamental facts are set forth here rather than during the discussion of particular propositions of fact and law.

SOME ESSENTIAL FACTS.

DISTRIBUTION OF THE THREE WOODS.

The maple is indigenous to the North Temperate zone, and is found most abundantly in China, Japan, United States and Canada. Rock, or sugar maple (of which the best flooring is made) "is especially characteristic of rich woods from Maine to Michigan and southward in the mountains to Georgia." The principal habitats of beech and birch are North America, Europe and Northern Asia, the latter wood being found even within the Arctic

Circle, whereas, the former also grows abundantly in Chile and Patagonia. (Authorities cited in footnote.)[5]

According to a report on Senate Resolution 311 by the Forest Department, United States Department of Agriculture, issued by the Government Printing Office in 1920, the stand of maple, beech and birch timber in the United States then amounted to 90,784,000,000 feet, distributed as stated in the margin.[6] The total cut for the years 1920-1922, inclusive, is conservatively estimated at 5% of stand in 1920, or 4,784,000,000 feet, leaving the estimated stand in 1923 at 86,000,000,000 feet. (Vol. II, pp. 773-779.)

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[5]Fossils of all three woods are found in Miocene strata. Maple, beech and birch trees, therefore, flourished long before Man's prehuman ancestors had abandoned their arboreal habits, and preceded the appearance of the Tool-maker and Dreamer by at least some 500,000 years. They made their appearance in the arts with the Runic tablets, which were of beech boards. Birch became an emblem of authority in the fasces carried by the lictors in ancient Rome, and a means of discipline in the hands of countless parents and schoolmasters. The maple has long charmed man by its beauty and nourished him with its sap. In fact, a long line of scientists, historians, essayists, novelists and poets have praised these three trees for their matchless beauty and multiform utility. Man is indebted to them not only for warmth, shelter, domestic utensils, means of transport and sustenance, but because they have stirred his emotions and preserved his ideas.

The Outline of History, Vol. I, p. 51.
The Outline of Science, Vol. I, pp. 164, 104, 197.
3 Encyclopaedia Britannica, pp. 638, 958.
17 Encyclopaedia Britannica, p. 664.
13 The Americana.
3 The Americana.

[6]

New England	8,143,000,000
Middle Atlantic States	16,897,000,000
Lake States	36,076,000,000
Central States	20,505,000,000
South Atlantic	4,522,000,000
Lower Mississippi	4,641,000,000

(Vol. II, 773; Defts'. Ex. DD, Vol. 4, p. 838.)

PERCENTAGE OF MAPLE, BEECH AND BIRCH TIMBER OWNED BY MEMBERS OF DEFENDANT ASSOCIATION.

Even if the 203,622,000 feet owned by the Wisconsin Land & Lumber Co. be included upon the theory that said company is a member of the defendant Association, the holdings of the different members of said Association would aggregate only 1,476,086,000 feet of maple, beech and birch timber, or 1.72% of the total stand for 1923. (Vol. II, pp. 773-779; Defts'. Ex. DD, DD-1, Vol. IV, pp. 838, 839.) The holdings of said members are 125,000,000 feet in the Middle Atlantic States, or 0.78% of the stand in such area, and 1,351,086,000 feet in the Lake States, or 3.94% of the stand in said last-named group. (Id.)

NUMBER OF PRODUCERS OF ROUGH MAPLE LUMBER IN THE UNITED STATES.

The *flooring* produced by all the members of the defendant Association is distributed among the three woods as follows: Maple 90%; Beech 5%; Birch 5%. (Vol. II, pp. 630-1, 778; Defts'. Ex. CC-3, Vol. IV, fol. p. 5432.)

Only 14 of the 22 members of the defendant Association (if the Wisconsin Land & Lumber Co. be counted as a member) own maple, beech or birch timber. Eight members are forced to purchase *all* their raw material—that is, the *rough lumber* of which *flooring* is made—in the open market. (Defts'. Ex. DD-1, Vol. IV, p. 839; Vol. II, p. 779.)

In the margin is set forth the number, (together with the distribution by states), of sawmill operators producing rough *maple lumber* during the years 1912 to

1920, inclusive.[7] The petitioner's evidence on this phase of the controversy agrees with and supplements the evidence introduced by the defendants.[8]

NUMBER, MANUFACTURING CAPACITY, PRODUCTION AND DISTRIBUTION OF NONMEMBER MANUFACTURERS OF MAPLE, BEECH OR BIRCH FLOORING.

Various lists of *nonmember* manufacturers of *maple, beech* or *birch flooring* were compiled by both the petitioner and the defendants. (Defts'. Gordon Ex. 1, Vol. pp. 893-895, Vol. I, pp. 626-7; Defts'. Ex. CC-4, Vol. IV, fol. p. 5433; Vol. I, p. 778; Gov. Ex. 68, Vol. IV, fol. pp.

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[7]

	1912	1913	1914	1915	1916	1917	1918	1919	1920
United States	8002	5000	5006	4294	4131	3944	3659	4583	4131
New York	1071	1172	**	861	846	786	689	724	857
Pennsylvania	1020	577	**	537	453	427	392	595	454
Michigan	602	402	**	279	271	249	178	255	212
Wisconsin	510	350	**	263	278	264	256	300	264
Ohio	826	499	**	407	320	328	321	445	342
Indiana	608	391	**	290	321	340	260	413	310
Vermont	370	234	**	245	216	206	160	340	197
West Virginia	339	188	**	213	208	193	171	226	186
Other States	2686	1238	**	1190	1179	1151	1204	1285	1309

Average for 9 years, 1912-1920, incl. for the U. S. equals 4,767.

**Data not available by States.

(Defts'. Gordon Ex. 5, Vol. V, p. 897; Vol. II, pp. 603-3.)

[8] Number of Manufacturers of Rough Maple Lumber in the *United States:*

Yr.	
1909	10,858
1912	8,002
1913	5,000
1916	4,131
1917	3,994
1918	3,659
1919	4,583
1920	4,131
1921	2,800
1922	2,900

(Gov. Ex. 57, Vol. IV, fol. p. 3449; Vol. I, p. 142-3.)

3557-3708; Vol. II, pp. 800-1; Defts'. Ex. 22, Vol. IV, f-l. p. 5507; Vol. II, pp. 861-2.) The petitioner sent out inquiries to said manufacturers with respect to their *production* during certain years, whereas the *defendants'* interrogatories concerned both production and *capacity*. Some of the manufacturers reported that they had abandoned the manufacture of flooring, others responded only to the inquiries of the petitioner, some only to the inquiries of the defendants, some to the inquiries of both parties, and yet others made no response at all.

It was stipulated that all the reports received from said manufacturers might be admitted in evidence. (Vol. I, p. 142; Vol. II, p. 771.)

With the exceptions hereinafter noted, the Defendants' Ex. QQ combines the data received by both the petitioner and the defendants. According to this exhibit the *non-member* manufacturers of maple, beech or birch flooring during 1918, 1919, 1920, 1921 and 1922, were as follows:

New Hampshire	4
Vermont	5
Massachusetts	3
New York	9
Pennsylvania	2
Michigan	6
Wisconsin	9
Minnesota	3
Illinois	2
Ohio	3
Kentucky	1
Tennessee	6
West Virginia	6
North Carolina	2
Arkansas	1
Total	62[a]

[a]However, the number of producers was not constant. The total represents merely the number of operators who produced flooring at some time during the years above mentioned.

Their production and *capacity* for the years above mentioned were as follows:

1918

Capacity . . . . . ———
Production . . . . . 21,828,000 ft.

1919

Capacity . . . . . 131,450,000 ft.
Production . . . . . 41,236,000 ft.

1920

Capacity . . . . . 174,450,000 ft.
Production . . . . . 46,616,000 ft.

1921

Capacity . . . . . 220,000,000 ft.
Production . . . . . 43,195,000 ft.

1922

Capacity . . . . . 238,000,000 ft.
Production . . . . . 61,317,000 ft.

(Defts'. Ex. QQ, Vol. IV, fol. p. 5507;
Vol. II, pp. 861-2.)

According to Mr. Hughes, Investigator for the Department of Justice, there were *73* manufacturers who reported that they were producing (Vol. II, p. 801), which would add 11 manufacturers to the 62 shown on Defts'. Ex. QQ.[10]

Mr. Lawrence J. Koerble, Purchasing Agent and Traffic Manager for the John Schroeder Lumber Company, of Milwaukee, which handles about 750,000,000 feet of lumber annually, and which is a large buyer of flooring, testified that his list of maple, beech and birch flooring manufacturers contained *"more than 100 names."* (Vol. I, p. 447.)

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[10]Some manufacturers were either unable or unwilling to give figures.

Mr. William C. McConnell, a large dealer of Boston, testified that he purchased about 20% of the maple, beech and birch flooring handled by him from Vermont, New Hampshire, Maine and Canadian companies. (Vol. II, p. 569.) He also testified that there were about *15* mills in Vermont, New Hampshire and Maine, which manufactured maple, beech or birch flooring. (Vol. II, p. 567.) It will be recalled that Defts'. Ex. QQ contains the names of only *9* manufacturers in Vermont and New Hampshire, and *none* in the State of Maine.

Mr. Hodges also named three large manufacturers in New York and Vermont, who were not listed in Defts'. Ex. QQ. (Vol. I, pp. 287-8.)

Mr. Ralston, of the Indiana Flooring Company (a *non*-member), who has traveled the country over in selling flooring, testified as follows:

> "Q. State whether or not in different communities in West Virginia, Tennessee, Michigan, New York, Pennsylvania and other states—Vermont and the New England States—there are not many lumber companies who have merely one machine, and who are not known to the trade as manufacturers of maple flooring?
>
> A. I know of several such cases, and there is no question but that there are a *lot* of sawmills that have but one flooring machine, or perhaps two, making flooring at odd times, and do not advertise the fact much at all. They have a mixed grade [ear?] trade; perhaps they are supplying certain yards throughout the country with different material,—different kinds of *lumber*—and they ship a *great deal* of their maple *flooring* to these yards." (Vol. II, p. 325.)

For similar testimony by Mr. Robertson, see Vol. II, pp. 524 (fol. 916) and 527. See also Defts'. Robertson

Ex. 20, Vol. IV, p. 873, third line from bottom of page for the name of a Tennessee manufacturer which does not appear on Defts'; Ex. QQ.

CANADIAN MANUFACTURERS OF MAPLE, BEECH OR BIRCH FLOORING.

No attempt was made by either of the parties to gather statistics with respect to the number of Canadian manufacturers or the amount of flooring produced by them. However, the record abundantly shows that a great deal of maple, beech and birch flooring is produced in Canada, and shipped into all the border states. The Canadian manufacturers are especially strong competitors of American manufacturers in the New England states and New York, by reason of the proximity of certain large Canadian mills to those markets, and because there is no import duty on shipments of such flooring, into the United States. (Vol. II, pp. 524, 567-8-9; Vol. I, pp. 320-1, 245.)

The tariff on maple, beech and birch flooring shipped into Canada is 25% *ad valorem*. (Vol. I, pp. 320-1.)

POTENTIAL PRODUCERS OF MAPLE, BEECH AND BIRCH FLOORING.

We have seen that maple, beech and birch trees are widely distributed; that in 1923 the stand of such timber in the United States amounted to 86,000,000,000 feet; that only *14* of the 22 members of the defendant Association own timber, and that in the aggregate their holdings amount to substantially less than 2% of the total stand. (Page 26, *supra.*)

It is undisputed that one needs only a relatively small capital—$30,000—in order to engage in the manufacture of maple, beech and birch flooring. All the necessary

equipment can be freely purchased—*not from the defendants*—but from the usual manufacturers of machinery, mill supplies, etc. (Vol. II, p. 632.)

We have also seen that in 1920 there were in Michigan and Wisconsin alone *476* sawmill operators engaged in the production of rough maple lumber; that in that year the number of such operators in the United States was 4,131; that in 1921, there were 2,800 producers of rough maple lumber, and that in 1922 there were 2,999. (Page 26, *supra.*) It is undisputed that these owners of timber and operators of sawmills could at *small expense* engage in the manufacture of flooring. (Vol. II, p. 633.) For instance, Mr. W. R. Gillette, of the Brown Lumber Company, Traverse City, Michigan, testified that his company installed flooring machinery in 1920; that

> "our equipment for the manufacture of flooring cost us about $5,000 not including the cost of installation. We bought the machine second-hand. It is an American Woodworking machine. *We saw our own maple lumber.*" (Vol. I, p. 92.)

Mr. Gillette's company produced 1,200,000 feet of maple *flooring* in 1922. The said company is not a member of the defendant Association. (Vol. I, p. 92.)

We have also seen that in 1922, even the nonmembers listed on Defts'. Ex. QQ had a capacity of 238,000,000 feet of maple, beech and birch flooring, but that they produced only 61,317,000 feet. If the profits in the industry were especially large,—if the public were charged unreasonable prices for flooring—this large reserve of productive capacity could and would be tapped without any preliminary expense whatsoever.

But there is at hand another and still larger source of supply at all times ready and able to produce maple,

beech and birch flooring. There are scores of manufacturers of oak and fir *flooring* in the United States. *And they use the same kind of equipment that the manufacturers of maple, beech and birch flooring use.* (Vol. II, pp. 520-1, 526, 771; Vol. I, pp. 84, 85, 88, 137, 446.) As a matter of fact, some of them manufacture maple, beech or birch flooring whenever they can do so at a profit; whenever they are unable to do so, they shift to oak, or stop manufacturing altogether, and *buy maple, beech and birch flooring from the members of the defendant Maple Flooring Manufacturers Association.* (Vol. I, pp. 137, 86-7, 93, 97, 435, 427-8; Vol. II, pp. 778-9, 497.)

CAPACITY AND PRODUCTION OF MEMBERS OF THE DEFENDANT ASSOCIATION.

It will be recalled that the petitioner alleges that the membership of the defendant Association "represents approximately seventy per cent of the total *manufacturing* CAPACITY of" maple, beech and birch flooring "in the United States." (Vol. I, p. 3.)

For purposes of comparison we set forth in the margin the capacity of the members of the *successive* associations known as the Maple Flooring Manufacturers Association and the capacity of the nonmember manufacturers of maple, beech and birch flooring listed on Defts'. Ex. QQ, as well as the number of manufacturers that reported, and the percentage of the capacity of each group of the aggregate capacity of both groups.[11]

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[11] MANUFACTURING CAPACITY.

	Members.			Nonmembers.		
	Number Reporting	Quantity	Per Cent	Number Reporting	Quantity	Per Cent
1922....	22	158,400,000 ft.	39.9	38	238,610,000 ft.	60.1
1921....	22	158,400,000 "	41.8	36	220,900,000 "	58.2
1920....	21	154,800,000 "	47.	31	174,450,000 "	53.
1919....	21	154,400,000 "	54.1	26	131,450,000 "	45.9

(Defts'. Ex. 22 Vol. IV, fol. p. 5506; Vol. II, pp. 770-1, 861-2.)

It should be remembered that the nonmember manufacturers listed on Defts' Ex. QQ are by no means all the nonmember manufacturers of maple, beech and birch flooring in the United States, to say nothing of the Canadian manufacturers of such flooring, or the manufacturers of oak and other flooring who use the same kind of equipment that is used by the producers of maple, beech and birch flooring. (See pages 32-33, *supra.*)

We also set forth (with the same reservations above stated) the figures with respect to production.[12]

Since the figures with respect to capacity and production were compiled, the Grand Rapids Trust Company, as Receiver for William Horner, bankrupt, (both William Horner and the Receiver were members of the defendant Association), sold Horner's Reed City, Mich., flooring plant to the Indiana Flooring Company, a *nonmember.* (Vol. I, p. 318.) The sale was made during May, 1923. (Tr. Id.) It was testified that the "present output" of this *nonmember* manufacturer "is about *eleven to twelve million feet* a year. (Vol. I, p. 318.)

It will be recalled that Mr. Koerble, a large buyer of maple, beech and birch flooring, testified that his list of such flooring manufacturers contained more than 100 names. (Page 29, *supra.*) Mr. Ralston and Mr. Robertson both testified to the existence of many sawmill and

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[12] PRODUCTION.

	Members.			Nonmembers.		
	Number Reporting	Quantity	Per Cent	Number Reporting	Quantity	Per Cent
1922	22	148,313,000	70.7	58	61,317,000	29.3
1921	22	107,719,000	71.4	55	43,195,000	28.6
1920	21	129,523,000	73.5	50	46,616,000	26.5
1919	21	119,451,000	74.3	40	41,236,000	25.7

(Defts' Ex. 22, Vol. IV, fol. p. 5506; Vol. II, pp. 770-4, 861-2.)

planing-mill operators in all parts of the United States who had one or more machines for the manufacture of maple, beech and birch flooring. Both these gentlemen have been connected with the flooring business for a long time, and have gone into all parts of the United States a great many times for the purpose of selling flooring, etc. (Vol. II, pp. 497-8, 518-520; Vol. I, pp. 319, 320, 325.)

In answer to a question put by the petitioner's counsel, Mr. Robertson testified that in his opinion the *nonmember* manufacturers *produced* "somewhere from *sixty to seventy per cent*" of the total output in the United States of maple, beech and birch flooring (Vol. I, p. 527), and that nonmember manufacturers in the States of Michigan and Wisconsin produced "about forty to forty-five per cent" of the total quantity of such flooring produced in the said states. (Vol. I, p. 528.)

Mr. Robertson was of the opinion that the *members* of the defendant Association did not produce more than "fifty to fifty-five per cent" of the total output of maple, beech and birch flooring in the United States. (Vol. I, p. 324.)

Mr. Ralston was asked to estimate the proportion of the total output of such flooring for the State of *Michigan* that was produced by the *Michigan members* of the defendant Association. Upon being instructed by the Court to count the 11,000,000 to 12,000,000 feet per annum that was produced by the Reed City plant of the Indiana Flooring Co. (a *nonmember*) as *Association* production, "because at the time this bill was filed that plant" belonged to the Horner Estate (a *member*), Mr. Ralston estimated that the *Michigan members'* percentage of the total *Michigan* production was "probably 80%." (Vol. I, pp. 328-9.) Also that the *Wisconsin members'* percent-

age of the total Wisconsin output was "about 75,—probably a little less, because I think that there are more mills out of the Association [there] than in Michigan." (Vol. I, p. 329.)

In response to a question put by petitioner's counsel Mr. James E. Dewey testified as follows:

> "I have no definite knowledge, but I should say that the members of the present defendant Association manufacture between 50 and 60% of the total production of maple, beech and birch flooring in the United States."

There was some correspondence carried on by officers of the defendant Association, wherein it was stated that the percentage of maple, beech and birch flooring produced by the members thereof was about 70% of the total amount produced in the United States. But as explained in one of said communications, this was a mere guess unsupported by data with respect to the production of nonmembers. (Vol. IV, pp. 842, 507.)

If, as the petitioner asserts, the Maple Flooring Manufacturers Association, has always been *one* association, and not *many successive* associations, then the said defendant Association has lost much ground since its organization in the 1890's. According to trade papers the members of the Maple Flooring Manufacturers Association in 1898 represented about *90%* of the total supply. (Vol. IV, p. 827.)

THE MANUFACTURE OF FLOORING.

PRODUCTION OF ROUGH LUMBER.

Although mankind has for centuries fashioned flooring of divers materials, it was not until the 1890's that maple, beech and birch woods were extensively used for that purpose. The very excellence of these woods for flooring purposes is the reason why they were not sooner employed. They are very hard, and it was not until the apotheosis of the Machine that means were found to efficiently fashion these refractory woods into flooring on a large scale. It was not until then that maple, beech and birch trees became commercially valuable. In fact, even the wasteful white-pine operators formerly left these trees standing, as not worth the trouble to cut. (Defts'. Ex. BB, Vol. IV, p. 826; Vol. I, p. 769.)

The first step in the manufacture of flooring is, of course, the production of the rough lumber, or the raw material of which flooring is made. Inasmuch as some of the members of the defendant Association own maple, beech and birch timber and produce all or a part of the rough lumber used by them in the manufacture of flooring, let us see what is necessary to be done by them in order to get their raw material.

Mr. Robertson described this work as follows:

> "The first move, as it now is practiced, is to establish camps in a given tract of timber. * * * These camps must be suitable for the accommodation of the men," who fell the timber and cut the logs into suitable lengths. "This is followed by the skidding crew, who skid it [the logs] to either a logging road or a spur of the railroad if we transport by rail. It is then brought to the mill, dumped into a pond of water, which in the winter season is

heated; this is for the purpose of cleansing the log" of sand. "It is then taken into the sawmill, which has usually a band saw or circular saw, which cuts the log into boards, or flitches sometimes. It then goes to the resaw, in most mills, where it is resawn from these larger flitches to boards of the required thickness. * * * From there it goes to what is called the edging saws, which are sometimes a single circular saw, sometimes a single band, sometimes a gang of each of these—where it is cut into suitable widths, and the larger defects are removed. And from this it goes to the trim saws, trimming out more of the unallowable defects. It then goes to the grader, who grades it for piling." (Vol. II, p. 511.)

Rough lumber (of the grades used in the manufacture of flooring)

"is then taken some distance from the mill to avoid fire hazard, and there it is piled, on cross piles, or what we call piling with stickers; usually we use dry stickers, to avoid sticker marks in the flooring lumber. *It remains in these piles anywhere from nine to eighteen months.*

Q. Why?

A. So as to give it what is called the air drying process.

Q. Is that necessary to properly season the lumber?

A. Well, we consider it so, after having given up some of these other ideas, which have been promulgated by certain kiln manufacturers—that they can take it direct from the saw and save us that process of handling it, in piling from the sawmill, and from the long carrying charge of anywhere from nine to eighteen months; *but that has been tried out and has not proven satisfactory to the flooring manufacturers; hence we all give it the air drying process.*

Q. That air drying process is used, is it not, by the present members of the defendant Association?

A. Yes, sir." (Vol. II, p. 512.)

The flooring mills of some members of the defendant are located at from 200 to 250 miles from their source of rough lumber supply. (Vol. II, p. 771.)

GRADES OF ROUGH LUMBER.

Rough maple, beech and birch lumber is graded in the order of their excellence as follows:

Firsts and Seconds (or Clear), Selects, No. 1 Common, No. 2 Common, No. 3-A Common, No. 3 Common. (Vol. II, p. 511; Vol. I, pp. 197.)

Mr. W. L. Saunders testified:

> "Firsts and Seconds, Selects, and the better end of No. 1 Common rough maple lumber are not generally used in the manufacture of maple flooring by manufacturers who produce their own lumber, because it is not profitable to do so. We are always able to get a better price for that class of rough lumber on the market than we can get by working it through the flooring factory. The better grades of rough maple lumber are very largely used by manufacturers of automobiles, pianos, vehicles, etc. As a rule, the Firsts and Seconds will bring as high a price in the market as Clear [the best grade] maple *flooring.*" (Vol. I, pp. 197-8.) (See also Vol. II, pp. 511-512; Vol. I, pp. 94, 222, 447-8.)

Flooring is therefore, usually manufactured of No. 1 Common, No. 2 Common and No. 3-A Common, although "some members use Selects and Firsts and Seconds * * * or the entire product of the log in manufacturing flooring." (Vol. I, p. 405.) There have been times when even No. 1 Common sold for more than the best grade of flooring. (Vol. I, p. 198.)

HOW ROUGH LUMBER IS CONVERTED INTO FLOORING.

After the rough lumber has been air-dried for from nine to eighteen months, it is piled loosely in layers, separated by dry stickers or narrow strips of board, on large steel trucks which run on tracks into and through the dry kilns. These dry kilns are usually constructed of concrete or brick, sometimes of steel and concrete, and occasionally of wood. The walls must be quite thick in order to retain heat. One flooring unit (which consists of a matcher and two end matchers—Vol. I, p. 397), producing from 7,000 to 8,000 feet a day, requires a dry kiln area 100 feet long and 18 feet wide.

At the receiving end of the dry kiln the air is kept quite moist so as to prevent case hardening of the lumber. This moisture is gradually reduced until the second half of the kiln is reached where the air is dry and is kept at a temperature of 180 degrees.

It is six or seven days from the time lumber is put into the dry kiln before it is taken out. The kiln receives and discharges lumber once a day. (Vol. II, pp. 512-514.)

From the dry kiln, the lumber is discharged into the cooling room where it remains until its temperature has been reduced to that of the mill, for the reason that hot lumber will not take a highly polished surface. The lumber is then ripped into various widths. In some mills these various strips of lumber are next double-surfaced, but in the modern plants one machine (the matcher) not only double-surfaces the strips, but puts a tongue on one edge, a groove in the opposite edge and hollows out the back. The function of the tongue and groove is, of course, obvious, whereas the hollow back provides an air chamber under the flooring and thus prevents dry-rot,

as well as reduces the weight of and the freight on the flooring. (Vol. II, pp. 514-516.)

In some mills the material is then taken to saws where defects are cut out, and thence to the end-matcher, where a groove is put in one *end* and a tongue on the other *end* of each piece,—so that both ends and sides of the flooring may be matched. In other mills, one machine trims out defects and end-matches the material. (Vol. II, p. 516.)

The grader then classifies the material as to grade; after which the material is put into appropriate racks, and then bundled with either twine or wire. These bundles contain from six to twelve pieces each. (Vol. II, pp. 516-7.)

The finished flooring is then taken to the warehouse and piled,—the various grades and sizes, of course, being kept separate. With but one exception, all the members of the defendant Association even load the flooring into cars inside the warehouse. (Vol. II, p. 517.) It *cannot* be *piled* outside. (Vol. II, p. 591.) "We keep our flooring in steam-heated storage rooms * * * and as far as possible in an even temperature." (Vol. I, p. 199.)

There is also *jointed* flooring, which is flooring that is neither tongued nor grooved.

THE DIFFERENT GRADES OF FLOORING.

Maple, as well as beech and birch, flooring is divided into three grades. In the order of their excellence these grades are: Clear, No. 1 and Factory.

The Clear is used in high-class homes, office buildings, apartments, schools, colleges, and textile mills. It must be free from stain and uniform in appearance.

The No. 1 is used in department stores, commercial, industrial and other buildings where the discolorations and other defects not permitted in the Clear grade, are unobjectionable.

The Factory is used in warehouses and industrial buildings where neither an absolutely smooth flooring nor one of fine appearance is essential. (Vol. II, pp. 518-519.)

For the Grading Rules now in force see Vol. IV. fol. pp. 5329-5336; Vol. I, p. 156, where the different grades are carefully defined.

The chief characteristic of maple is its hardness and durability. Beech and birch are almost as hard, and they are very easily stained and grained in imitation of other woods. (Vol. II, pp. 519-520.)

THE DIFFERENT THICKNESSES AND WIDTHS OF FLOORING.

Maple, as well as Beech and Birch, flooring is produced in the thicknesses and widths indicated in the margin.[12] In working up the rough lumber some 3½" and 4" faces are also produced, as well as some jointed flooring of various dimensions, but the widths listed in the margin are the usual ones. (Vol. II, p. 514.)

[12]

Thicknesses	Widths or faces			
5/8"	1½"	2"	2¼"	
½"	1½"	2"	2¼"	
5/8"	1½"	2"	2¼"	
13/16"	1½"	2"	2¼"	3¼"
1 1/16		2"	2¼"	3¼"
1 1/16"		2"	2¼"	3¼"
1 1/16"		2"	2¼"	3¼"

(Gov. Ex. 63-C, Vol. IV, pp. 497-501; Defts'. Ex. F, fol. pp. 5249-5253; Vol. I, p. 156.)

ALL GRADES AND WIDTHS MUST BE PRODUCED AT THE SAME TIME, REGARDLESS OF THE QUALITY OF ROUGH LUMBER USED.

Mr. Hamlin J. Ward (a nonmember manufacturer) testified:

"Grades of flooring depend very largely upon the grades of lumber used, that is, so far as the *percentage* of each grade is concerned. A thousand feet of lumber will make a *number of items of different grades and sizes.* There are *three grades,* Clear, No. 1 and Factory, and *there are several widths* which *must* be made in order to avoid waste. The *product* of *every* thousand feet of *rough lumber will consist of flooring of each width and grade.* In other words, in manufacturing flooring all three grades are made at the same time." (Vol. I, p. 94.)

Mr. William L. Saunders testified as follows:

"In some localities you cannot sell 3¼-inch face or 1½-inch face. In working up our lumber in the most economical method known in order to take care of our widths and avoid waste, we must make a certain amount of 3¼-inch and an inch and a half and two-inch faces. It is necessary for us to sell such widths in the markets where they are used, regardless of price, when our surplus gets to a point where we feel that we must unload. *The manufacturer has no choice as to the grades that he will produce. All three grades of flooring can be manufactured from cull lumber. We cannot, for instance, manufacture Clear flooring at one time, No. 1 at another, and Factory at another. Only by sorting out rough lumber in the yards could we manufacture any particular widths of flooring, and that is not at all practicable, for the reason that every board slashed from a log varies in width from the previous board.* Of course, we attempt to save our material, hence in sawmill practice we edge on half-inch basis. One board drop may edge eight inches wide, the next one by stepping in on the circle may edge nine inches wide. We who manufacture our own lumber stock

those widths as much as we can, but nevertheless, we have the odd widths to handle some time. We must handle the odd widths sometime. It is not practicable to sort the lumber before it goes to the dry kiln, because in lumber practice those widths are piled all together, and you could not be changing your machine as to widths, and so on, all the time." (Vol. I, p. 199.)

Mr. J. L. Colby testified that

"You have got to take your widths as you find them. While of course you can temporarily sort out certain widths * * * you can't keep that up. Within the course of a month or two you have got to manufacture all of the widths that your flooring stock produces." (Vol. I, p. 211.)

See also: Vol. I, pp. 239, 386, 389-0; Vol. 11, p. 591.

PERCENTAGES OF VARIOUS GRADES, SIZES AND KINDS OF FLOORING PRODUCED BY MEMBERS OF DEFENDANT ASSOCIATION.

We have seen that, taking the Association as a whole, 90% of all the flooring produced by its members, is maple; 5% beech, and 5% birch. (Vol. II, pp. 630-1, 778; Defts'. Ex. CC-3, Vol. IV, fol. p. 5432.)

The average percentages of the three grades in all three woods are: Clear 50%; No. 1, 35%; Factory 15%. (Defts'. Ex. KK, fol. IV, p. 842; Gov. Ex. 409 YY, Vol. IV, fol. p. 1622.)

The 13/16 x 2¼ *maple* flooring (*all three grades*) constitutes about 70% of the entire output of flooring produced by the members. (Defts'. Ex. KK, Vol. IV, p. 842; Vol. I, pp. 122-3.)

HOW MAPLE, BEECH AND BIRCH FLOORING IS MARKETED, AND TO WHOM IT IS SOLD.

Like steel, iron, wheat, flour, cotton, packing-house products, and other staples, flooring is sold months in advance of production. (Vol. I, pp. 403, 421, 341-2, 386; Vol. II, fol. p. 462, 465, 563.) Defts'. Grant Keehn Ex. 22, Vol. V, p. 955, is a graph which shows in feet the amount of unfilled orders of ~~all~~ 25 Association members at the end of each month, beginning with January, 1912, and ending with February, 1923. 4,000,000 feet for November, 1920, was the smallest amount, and more than 30,000,000 feet during 1917, 1919 and 1923 was the greatest amount of unfilled orders during the eleven years above mentioned.

SAID FLOORING IS SOLD LARGELY TO EXPERT AND WELL-INFORMED BUYERS.

"About 90 to 95 per cent of all the flooring produced by members of the Association is sold through retail and wholesale lumber dealers, who take the trade journals above mentioned."[14] (Vol. I, p. 171.) These journals also publish a great deal of other information and statistics with respect to market conditions, prices, sales, trend, etc., and are read generally by all dealers in flooring and other lumber products. (Vol. I, pp. 291-2.)

Most of these dealers, especially the large ones, send out inquiries by telegraph or mail, to from 3 to 40 or more flooring manufacturers asking for prices on specified quantities of different items, and buy where they can do so cheapest. (Vol. I, pp. 410-427, 429, 436, 448; Vol.

[14] The leading lumber journals of wide circulation wherein are published much of the data gathered by the defendant Association. (Vol. I, pp. 170-171.)

II, pp. 450-458, 459-461, 466, 467, 469, 530-538, 560, 564, 571-577, 578, 581, 584, 588, 597, 605, 617-624.)[15]

Many of the defendants have representatives in the principal markets of the country, some of them traveling salesmen as well as representatives, and stock and price lists are sent out from time to time by most members. (Vol. I, 173, 260, 319, 322, 341, 393-4; Vol. II, pp. 560, 564-5, 579, 592.) Some depend principally upon established good will of regular customers, who are reached by means of telegrams and letters. (Vol. I, pp. 210, 218, 259.)

Frequently the buyer offers to buy in the first instance at a fixed price, or after getting a quotation he will report back that some other manufacturer has made a lower price, and offer an order at said lower price. (Vol. I, pp. 289, 303-305, 313, 316-317, 342-3, 350-1, 363, 369-370, 233, 211.)

IT IS UNDISPUTED THAT THE FLOORING MANUFACTURED BY MEMBERS OF THE DEFENDANT ASSOCIATION IS SUPERIOR TO THE MAPLE, BEECH AND BIRCH FLOORING MANUFACTURED BY NONMEMBERS; THAT ARCHITECTS SPECIFY FLOORING MANUFACTURED BY MEMBERS OF SAID ASSOCIATION OR ACCORDING TO RULES ADOPTED BY IT, AND THAT WHOLESALE AND RETAIL LUMBER DEALERS, COMMISSION MEN AND JOBBERS PREFER TO DEAL WITH MEMBERS OF THE DEFENDANT ASSOCIATION.

As shown on pages 169-188, *infra*, the defendant Association and its predecessors slowly standardized the flooring manufactured by their members. Grading rules, carefully defining the different grades, were formulated.

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[15]Hundreds of quotations by different manufacturers, both members and nonmembers, were identified by buyers and introduced in evidence by the defendants.

Mr. Robertson was appointed inspector of the different Association mills; periodical trips to all the mills are made, instruction is given to graders and other employees, and numerous suggestions have been made from time to time for the improvement of the machine work.

Within the last few years uniform steel gauges were adopted by all the members (except one) *so that the flooring from one Association mill would match with the flooring from the other Association mills.*

A reinspection service was established and maintained by the defendant Association and its predecessors for the reinspection, upon the request of buyers, of flooring manufactured by Association members. Inspectors are sent anywhere in the United States, regardless of the amount involved.

Mr. Hawley, Vice President of the Burns Lumber Company, of Chicago, which has been engaged in the retail lumber business for the past 22 years and which owns two yards, testified that his firm handled about 750,000 feet of maple flooring annually;[16] also—

"I know that there is now and has been an Association. *We prefer to deal with them because we are pretty sure of getting what we buy, both as to grade and quantity, and usually we find the prices right.*" (Vol. II, p. 462.)

On cross-examination, Mr. Hawley testified:

"We purchase at least 95 per cent of our maple flooring from the Holt Hardwood Company. We do not always get Holt's prices first. * * * We frequently get prices from commission men without knowing whom they represent. We usually ask commission men whether flooring offered was made by

[16] A minimum carload of flooring is 20,000 feet. (Vol. II, p. 458.)

a member of the Association or whose flooring it is they are quoting on. * * * *We have always preferred to do business with members of the Maple Flooring Manufacturers Association. I think their grades are more standard than the grades of outside people.*" (Vol. II, p. 466.)

Mr. Harris, the Manager of the Harris Flooring Company, of New York City, which represents the Harris Manufacturing Co., manufacturers of oak and maple flooring, testified that his company "handles about five million feet of flooring a year, of which 500,000 feet are maple flooring"; also

"We represent the Harris Manufacturing Company, *and buy from other manufacturers. Lately we have been confining our purchases of maple flooring to members of the Maple Flooring Manufacturers Association because of the uniform quality of the flooring manufactured by them.*" (Vol. II, p. 584.)

Mr. Storm, a member of the firm of George H. Storm & Company, of New York City, large retail dealers in all kinds of lumber, testified that his firm handled about 2,000,000 feet of maple flooring a year. (Vol. II, p. 581.) Mr. Storm testified as follows:

"The standardization of maple flooring by the Maple Flooring Manufacturers Association has been very beneficial to the purchasers of maple flooring.

Q. And in what respect, Mr. Storm?

A. Well, for example, *we know that when we buy maple flooring manufactured by a member of the Association that it will be well manufactured and if it is not we do not have to take it. If we purchase from outside mills we cannot be so sure about it, it may or may not be. And in purchasing we always mention the fact that it shall be Association manufacture, because that protects us, sort of like a 14 karat mark on your jewelry. That is a fact. It is very, very helpful.*

We frequently purchase from various manufacturers when our own mills cannot supply us, but I will tell you frankly that we do not like to purchase from any mill that is not an Association mill. We have been burned that way several times and do not like to do it. If there were no Association all the different manufacturers would be making their own grades and sizes and you would not know what you were getting unless you got it from one mill. I do not remember any case in recent years where we have had to have reinspection. *At times there have been complaints but the manufacturers themselves have always come on and adjusted them. We have, however, offered our customers the reinspection service and it is usually a very convincing argument. As a whole, the reinspection service is beneficial to the trade. * * * In our judgment the Maple Flooring Manufacturers Association has been decidedly beneficial from the standpoint of the user of the maple flooring."* (Vol .II, p. 583.)

Mr. Earl Bartholomew, President of the E. Bartholomew Hardwood Co., of Chicago, which handles about 2,000,000 feet of maple, beech and birch flooring a year, besides oak flooring and hardwood lumber, testified:

"Q. And whom do you prefer to deal with, as a general rule?

A. We would rather buy from the Association members, for the reason that there is *uniformity* of grade; and then *in case of dispute with a customer there is a recourse of inspection, at any destination.*

Q. State whether or not you have found the grades of flooring manufactured by the different members of the Association satisfactory?

A. They have been very satisfactory.

Q. State whether or not you have found the reinspection service maintained by the defendant Maple Flooring Manufacturers Association satisfactory?

A. Yes. They have given prompt service, and

so far as we know it has been satisfactory to both buyer and seller.

Q. Do you consider that that service is efficiently and honestly and fairly maintained?

A. Yes, we believe so." (Vol. II, p. 455.)

This whole matter is summed up by Mr. C. A. Flanagin, who has had twenty-five years' experience in all branches of the lumber business. His company annually handles about 3,000,000 feet of maple, beech and birch flooring at its Chicago yards. (Vol. I, p. 427.) Mr. Flanagin's testimony on this point is set forth in the margin.[17]

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[17] "Q. Why do you prefer to deal with members of the defendant Association?

(fol. 760.) A. Well, for many reasons. One of our reasons is that we are surer of getting a uniform grade of flooring and uniform manufacture; and in case we have any complaint on it, as often will happen, even if the grade is right,—an architect may not be feeling just right when he looks at it, and he will think that it is off grade, or perhaps the owner is complaining to the architect, and it is very easy for the architect to fall back on the materialmen, the yard here, that is the go-between between the manufacturer and the consumer, and he will complain about the grade; well, if we are buying association flooring all we have to do is call for an association inspector, and if the flooring is right, that settles it, and if it is not right we want to protect the architect and the consumer. If it is right it settles any argument—which we could not settle otherwise.

Q. Have you had occasion to have re-inspections, as they are called?

A. Yes, sir.

Q. State whether or not those re-inspections have been satisfactory to you and your clients, or unsatisfactory?

A. Why, they have been satisfactory. We have had different results. I call to mind about a year ago, I think, that we had a complaint on some maple flooring, factory maple, from I. Stephenson Company; and we called for the association inspector, and he sustained

Similar testimony was given by dealers of Boston, Philadelphia, New York City, Grand Rapids (Vol. I, p.

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our customer's complaint, and I. Stephenson & Company had to make good through us to our customer.

Q. Did they do that readily?

A. Oh, yes. They sent a man down here, their Mr. Shepeck, from Wells, came down here and authorized our customer to go ahead (fol. 761) and sort the flooring and use what he could, and they paid for the labor and replaced the flooring.

Q. Have such disputes as have arisen been adjusted satisfactorily to you and to your customers?

A. Yes, sir.

Q. Either one way or the other?

A. Yes. We have had complaints where the customer was wrong and where the inspector sustained the manufacturer; but it was always satisfactory; after the inspector had made his inspection and given his report, why, that settled it,—everyone was satisfied.

Q. Would you say that that inspection service of any of the associations that have been in existence since 1915 has been honestly and impartially conducted?

A. Yes, sir; decidedly so. We used to buy of R. Connor Company when they were members of the Association. When they discontinued their membership in the Association we ceased to buy from them because we felt that we had no protection if there should be a complaint on the grades.

Q. State whether there is any difference between the uniformity of grades manufactured by members of the Maple Flooring Manufacturers Association and the grades that are manufactured by non-members?

A. Outside of Cadillac I think the grades are very uniform. We consider Cadillac makes a better grade of maple flooring than any other manufacturer that we know anything about. In fact, they make a better grade of flooring than we made ourselves, and we thought we made as good a grade as could be produced.

Q. To whom do you refer by 'Cadillac'?

A. Cobbs & Mitchell—Cobbs & Mitchell and Mitchell Brothers, their grades are identical, the two plants.

Q. Leaving out Cobbs & Mitchell, and taking the grades manufac-

141; Vol. II, pp. 459, 467, 538, 562, 565-6, 579, 593, 604, 610, 618), and the petitioner stipulated that testimony to

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tured by the other members of the Association, how does that compare with the grades of nonmembers?

A. I would say they were very uniform, outside of Horner's grades; I am not familiar with them since he has been a member of the Association; before that time his grades were unsatisfactory; so much so that we discontinued any business with him.

Q. How about the machine work on them?

A. *Their machine work is all very good; they interchange, you know, and if you have a carload of flooring from one concern it is a big advantage to be able to match that up with somebody else, in case you can buy a little cheaper from some other manufacturer, and you have a part of a carload on hand, it enables you to buy from some other manufacturer and mix it right in and ship it out. Otherwise you would have to keep a little of this man's flooring, and a little of the others, and if you had a little on hand you would have to keep it entirely separate and ship it separate, which would be quite a hardship on the lumber yards.*

Q. The matching of the products of the different Association members has been brought about, say, within the last two or three years, has it not?

A. Largely so, yes sir.

(fol. 763.) Q. You consider that change a distinct advantage to the buyer?

A. To the dealer, yes sir.

Q. To the dealer?

A. To the dealer, yes sir; it enables him to carry less flooring on hand, as I just explained. You do not have too many different kinds, in case he changes in buying from one to another.

Q. Have you bought any flooring of Horner's, after he became a member?

A. No, I think not."

(Vol. I, pp. 430-1.)

like effect would be given by representatives of the Hill Lumber Company, the Tozer Lumber Company and the Capital City Lumber Company, of St. Paul and Minneapolis, if called. (Vol. I, pp. 225-6.)

That architects specify that maple, beech and birch flooring shall conform to the Grading Rules of the defendant Association, see Vol. I, pp. 94, 140, 293, 307.

That the product of the Southern mills is considered inferior, see Vol. II, pp. 608, 610—the testimony of a large Philadelphia dealer.

With respect to the New England product, Mr. Robertson testified as follows:

"Q. And there is considerable flooring manufactured in the New England states, is there not?

A. Yes. It is not standardized, neither is it graded, according to our grading rules. They manufacture it in long lengths, but do not grade it in accordance with our grading rules, at all, on most of it.

Q. What are the differences between the Eastern grading and the grading of the present defendant Association?

A. There are defects allowed in their stock which are not allowed in our grading; and they will leave the boards as they come from the matcher, long, with the defects in. We trim them out, and make the grade, make the grade all Clear, No. 1 and Factory. Maybe there is a defect down there, pretty close to the end of the board; we will throw that end of the board into Factory. And they leave that the whole length, and call it a log run; it is just as it comes from the log or lumber.

Q. What do you say, if there is a defect in it? What defect do you mean?

(fol. 915.) A. Knots, shakes, splits, hard, or anything—such defects as have been mentioned before in my testimony." (Vol. II, pp. 523-4.)

Mr. Robertson (the Association's inspector of plants and field representative) is corroborated by correspondence that passed between the P. W. Wood Corporation of Boston, Mass., and the Holt Hardwood Company during 1921. The former company paid the latter $5 to $9 a thousand feet more than it could buy Maine and Canadian flooring for. (Vol. I, pp. 245-247.)

THE PROOF WAS UNDISPUTED THAT THE PRICES OF ASSOCIATION MEMBERS FOR MAPLE, BEECH AND BIRCH FLOORING HAD BEEN AND WERE FAIR AND REASONABLE.

The John Schroeder Lumber Co.—one of the largest in the country—abandoned the manufacture of maple, beech and birch flooring because they could not make it pay at Milwaukee.

> *"It costs more to manufacture flooring in the City of Milwaukee than we can buy it in the open market.* We found that we could purchase to better advantage from other fields than manufacture the flooring needed for big jobs. Most of the people from whom we buy flooring call us shoppers. We shop around and get the lowest prices possible." (Vol. I, p. 93.)

> "I think we started manufacturing flooring about 1890" and "quit in 1913. We had figured out that we could not make any money in the manufacture of flooring, and would not buy any more lumber for the manufacture of flooring. Later on our Government ordered us to start making maple flooring again. A lot of Government work was allocated to us, and we had to go back into the game. We continued the manufacture of flooring until after the war. *We quit the manufacture of maple, beech and birch flooring at the beginning of 1922.* * * *

> We quit the manufacture of maple, beech and birch flooring at the beginning of 1922, *because we could not make a dollar out of it. We were losing money on every foot we made. Since that time we have procured maple, beech and birch flooring for our retail yards in Milwaukee from other manufacturers."* (Vol. I, pp. 435-6.)

Mr. Koerble, the General Purchasing Agent and Traffic Manager for the John Schroeder Co., is a large buyer of the flooring above mentioned, and has dealt with the different members of the defendant Association. (Vol. I, pp. 436-445.) He testified as follows:

"Q. What would you say as to the reasonableness or unreasonableness of the prices of maple, beech and birch flooring since you have been buying it, after your going out of business in 1921, that is, after you ceased manufacturing it in 1921?

A. *The maple flooring, at the prices we have been paying for it, and against the price of rough lumber, we are far better off to buy the flooring.*

Q. *Than to manufacture it?*

A. *Yes, sir.*

Q. You consider that the prices that the public have to pay for maple, beech and birch are reasonable, or unreasonable?

A. *They are very reasonable.*

Q. *State whether or not you are familiar with the prices of the rough lumber, and the cost of manufacturing it?*

A. Yes sir, I am.

Q. And your testimony, that the prices are and have been reasonable is based upon your knowledge of costs, and your manufacturing operations before?

A. Yes sir.

Q. And the price of rough lumber?

A. Yes sir." (Vol. I, p. 446.)

Mr. Hawley, the Vice President of the Burns Lumber Co., of Chicago, retail dealers in all kinds of lumber products, including maple flooring, who, after testifying that he preferred to buy such flooring from members of the defendant Association because of the quality of their

flooring, their accuracy as to quantity, and because "usually we find their prices right," testified as follows:

"Q. Would you say that the prices that you have paid for maple flooring during the period you have mentioned have been fair and reasonable or unfair and unreasonable?

A. *I would say they are very fair.*" (Vol. II, p. 462; see also p. 466.)

Mr. Charles J. Heniff, a small retail lumber dealer at Chicago, who buys about 80% of his maple flooring from a member of the defendant Association, testified:

"Q. Do you consider that the manufacturers have been fair in dealing with the retail yard dealers or wholesale yard dealers?

A. I believe they have.

Q. Do you consider that the price of maple, beech and birch flooring has been fair and reasonable?

A. I do." (Vol. II, p. 467.)

Mr. C. A. Flanagin, testified as follows:

"I am a citizen and resident of Chicago, Illinois, and am engaged in the lumber business. I am the Vice President of Rittenhouse & Embree Company. I have been engaged in the lumber business for 25 years, in practically all branches. I have been in the manufacturing end and the buying and selling of lumber of all kinds. Rittenhouse and Embree Company are wholesalers and retailers of all kinds of lumber in Chicago. We handle pine lumber, hardwood lumber, hardwood flooring, pine flooring of all kinds, everything, in fact, in lumber, both rough and dressed.

Rittenhouse & Embree Company does not manufacture any maple, beech or birch flooring at the present time. The company discontinued the manufacture of such flooring in 1915, I believe. Since 1915 our company has bought such maple, beech and birch flooring as it has handled. We handle approx-

imately three million feet of maple, beech and birch flooring annually. The Rittenhouse & Embree Company was once engaged in the manufacture of maple, beech and birch flooring in Chicago.

Q. Why did your company cease the manufacture of maple, beech and birch flooring?

A. *Well, it reached a point where we considered that we could make more money buying our flooring than manufacturing it;* we had to bring the lumber in here green, and dry it; and of course there is a great deal of waste in manufacturing, there is a waste in kiln drying, and then a large waste in ripping the lumber. I do not know how elaborately you want me to go into this, but, if you know, lumber is produced from a log in random widths, and then it has to be ripped into flooring widths, widths that will make standard widths of flooring; and in ripping it there is a large waste to it. Well, of course, we had to pay freight on this lumber in the green, and there was a big loss there, over manufacturing it at the mills; of course they have the same loss in ripping and in waste, but they do not have to pay freight on it; and then other conditions, labor conditions, were against manufacturing in Chicago, also, so that we have found that we can make more money buying our maple and oak flooring, both, than manufacturing it.

Q. Did you go into the matter of costs before you ceased the manufacture of it?

A. That is the reason that we ceased to manufacture it. For a good many years, like others, I presume, we ran our business all in together, and we were making some money, and did not know where we were making it; and when I took over the management of the manufacture of the hardwood flooring, I started keeping costs. I had a little suspicion that we were not doing as well out of that department as we thought we were; and I kept cost, very complete, kept cost of each department, even to the tying up of the flooring, the twine we used, and the cost of ripping it, kiln drying and waste, between the green lumber and the kiln dried, and the waste

between the kiln dried and the manufactured product, kept all those wastes (fol. 757) and all the costs of each operation; and I found at the end of the first year we would be better off if we were not manufacturing; and when I showed the results to our Board of Directors they gave me one year longer to test it out; they were not quite satisfied; but at the end of the second year the results were such that they immediately decided to discontinue manufacturing in Chicago.

Q. What did you do with that plant?

A. Wrecked it; sold the machines for what we could get for junk.

Q. You spoke about the waste between two different processes there. State where the waste is, and give the percentages, approximately, if you can?

A. Well, that is some time ago. As far as I can remember—as near as I can remember, the waste on maple between measurement as it came into our yard and the measurement as it came out of the kilns, was about eight per cent, as I remember it. And then the shrinking between the kiln and the manufactured product would vary according to the class of lumber; you will get better maple from one section than you will from another, you know; it will work up to better advantage; but as I remember it, it ran all the way from fifteen to twenty-two or twenty-three per cent waste.

Q. Additional?

A. Yes sir. Since 1915 we have bought such maple, beech and birch flooring as we have handled and have supplied the flooring for a great many large buildings here in Chicago, either before or since 1915. We furnished practically all the large buildings on State street, starting with Rothschild's, The Hub Department Store, The Boston Store, Marshall Field Store for Men, Hibbard, Spencer, Bartlett's stores and warehouses, Rock Island Depot, The Railway Exchange Building, both sections of the First National Bank Building, The Continental Bank Building, the building occupied by the Edison Com-

pany. We also furnished the flooring for both sections of the Illinois Merchants Bank Building, now under construction, which will use approximately 800,000 feet. The other buildings mentioned above are large, modern buildings and take on an average of about 200,000 feet each." (Vol. I, pp. 427-9.)

Mr. Flanagan also testified as follows:

"Q. *What is your opinion as to whether the prices for maple, beech and birch flooring have been fair and reasonable to buyers and to the public since 1915 up to the present time?*

A. *Yes sir, I think they have been fair. They have fluctuated a great deal, due to supply and demand.* During the war there was a shortage of flooring, and prices, like everything else, went out of sight; *but I think they have been very fair and equitable at all times, compared to the price of rough material and the cost of manufacture.*" (Vol. I, p. 432.) (See also Vol. I, pp. 97, 367, 395.)

Mr. Charles A. Goodman, of the Goodman Lumber Co., Goodman, Wisconsin, and the Sawyer-Goodman Co., of Marinette, Wisconsin, manufacturers of maple flooring, hardwood, hemlock and white pine, testified that the capacity of his maple, beech and birch flooring plant at Goodman, Wisconsin, was 12,000 feet a day, and that the capacity of the Marinette flooring plant was from 12,000 to 15,000 feet a day. (Vol. I, pp. 85-86.) Despite this large capacity, the production of his two companies was quite small. (Vol. I, p. 86.)

He testified that

"neither of our companies belongs or has ever belonged to the defendant Association." (Vol. I, p. 87.)

Mr. Goodman, a witness produced by the petitioner, on cross-examination also testified as follows:

"*We manufacture our maple flooring from our own logs, our own lumber. There is almost no time*

that I can recall when there was any money in making maple flooring out of the maple lumber we had on hand. We could usually sell the maple lumber to some one else at a price which if we put it into the factory at the same price would leave us no margin, but we have been making this maple flooring largely as a matter of taking care of our trade and accommodation to our customers. We sell flooring in mixed cars with other lumber. The demand for maple lumber is very much broader than the demand for flooring. There are a great many uses to which maple lumber is put, whereas maple flooring is limited almost entirely to use in factories, homes and commercial buildings and the demand for it is dependent on the condition in the building industry. *At times we have purchased flooring from other manufacturers and resold it to our trade. * * * We have bought flooring from the Holt Hardwood Company, Wisconsin Land & Lumber Company, and mostly from the J. W. Wells Lumber Company because they are neighbors of ours and some from I. Stephenson Company."* (Vol. I, pp. 86-7.)

All the companies last above mentioned are defendants in this suit.

See also Vol. I, pp. 97, 367, 395; Vol. II, pp. 574, 589, 609, 619, 778-9; Vol. III, p. 165, and pages 116-120, of this brief.

The foregoing evidence was undisputed. The petitioner did not produce *a single buyer or manufacturer* in the whole United States to testify that the prices of maple, beech or birch flooring ever had been or were unfair or unreasonable.

Moreover, as we shall later see, the foregoing evidence was corroborated by evidence with respect to costs of manufacture, etc. See Defts'. Gordon Ex. 6, Vol. V, p. 899, where the index of prices of "The Product" of the members of the defendant Association are compared with

the indices of the "All Commodity Prices," "All Building Materials Prices" and "Lumber Prices"; Defts'. Grant Keehn Ex. 17, Vol. V, p. 945, where the prices of "The Product" are compared with the prices of competing wood floorings; Defts'. Grant Keehn Ex. 18, Vol. V, p. 947, where the index of the prices of "The Product" is compared with the indices of the prices of competing wood floorings; Defts'. Grant Keehn Ex. 19, Vol. V, p. 949, *where the index of the prices of "The Product" is compared with the index of the prices of rough maple lumber;* Defts'. Grant Keehn Ex. 21, Vol. V, p. 953, *where the index of the prices of "The Product" is compared with the index of the "Average Manufacturing and Marketing Costs";* Defts'. Grant Keehn Ex. 23, Vol. V, p. 957, *where the relation of the prices of "The Product" to the demand and supply thereof is shown;* Defts'. Grant Keehn Ex. 29, Vol. V, p. 971, *where the average cost of "The Product" is compared with the range of f. o. b. mills selling prices;* Defts'. Grant Keehn Ex. 30, Vol. V, p. 973, where the index of the prices of "The Product" and the index of the average cost thereof are compared with the indices of the prices of competing wood floorings.

It will be necessary to go into these matters in the argument, and further comment will not be made here.

THE PETITIONER DID NOT PRODUCE A SINGLE BUYER TO TESTIFY EITHER THAT ANY OF THE DEFENDANTS HAD EVER EXACTED UNREASONABLE PRICES FOR FLOORING, OR THAT THEY HAD EVER BEEN GUILTY OF DISHONEST, UNFAIR OR ARBITRARY PRACTICES.

THE RECORD ABOUNDS WITH PROOF THAT THE DEFENDANTS WERE UNUSUALLY FAIR, CONSIDERATE AND HONORABLE IN THEIR DEALINGS WITH BUYERS.

In addition to other instances heretofore mentioned, we wish to call attention to the following typical illustrations of the defendants' methods of doing business. We say that they are *typical*, for the reason that they help to explain *why* dealers *prefer* to trade with members of the defendant Association.

Mr. Bartholemew testified as follows:

"Q. You mentioned, I believe, one experience that you had with Cummer-Diggins Company. State what that was,—that you told me about.

A. Well, this year we bought from Cummer-Diggins quite a bunch of flooring in Clear, No. 1 and Factory, being I think, along the first of the year, around the first of the year, at $110 a thousand.

Q. How large a quantity?

A. As I remember there was about 150,000 feet in this lot.

Q. *And that was for future delivery, was it not?*

A. *Yes, sir.*

Q. Now, go on.

A. And they afterwards changed their price to meet the conditions, to $105, and later to $100, and as I remember a little later on, to $95—*voluntary on their part.*

Q. *In other words, they reduced the price on future deliveries to you, in acordance with the market at that time?*

A. *Yes sir.*

Q. *Notwithstanding the fact that they had your contract for the whole lot at $110?*

A. *Yes, sir.*

Q. *And you say they did that voluntarily?*

A. *Absolutely.*

Q. You did not ask them to do it?

A. Oh, no.

Q. *He mentioned that the market was softer or lower, and he thought that in fairness to you you should have the benefit of it?*

A. *That was the idea.*" (Vol. II, pp. 455-6.)

It is a matter of common knowledge that, not only when the prices of all commodities were rapidly rising owing to the unprecedented conditions that obtained during the war, but when the terrific slump came later on, commercial practices were as vicious as they could well be in any form of society. After commodity prices had advanced to undreamt of heights, many manufacturers would make new contracts and ignore previous ones made at lower prices, or withhold deliveries on various pretexts, or seek on technical grounds to evade their just obligations. *The conduct of the defendants conformed to the highest peace-time standards throughout those feverish times.*

Mr. Alexander B. Clancy testified as follows:

"Our dealings with the manufacturers above mentioned [members of the defendant Association] have always been very satisfactory. *In no instance have any of them ever attempted to cancel a contract or to get higher prices after making a sale to us for future delivery when the price was later on advanced. Once we placed an order for about 350,000 feet of 2¼-inch Clear maple flooring, and I think the price was*

then $56 a thousand. The manufacturer carried that order along for more than a year before we required shipment, and I am sure the price went up from $56 to about $225 or $235 a thousand before the order was completely shipped. Delivery was made without complaint. Bigelow-Cooper Company was the manufacturer that made the shipment. They took their medicine like a man and delivered beautiful flooring without one word of complaint. The people who received the flooring were very technical, but they had no complaint to make with respect to this flooring. The flooring in question went into the Western Electric Company plant at 52nd and 22nd streets." (Vol. II, pp. 459-460.)

Mr. Albert P. Hawley testified that he had entered into a contract with the Holt Hardwood Co. for 150,000 ft. of 13/16 x 2¼ Factory maple flooring at $37.50 per M., to be shipped as ordered. Owing to severe competition he had been compelled to sell 82,000 ft. of 13/16 x 2¼ Factory maple flooring to a customer at $35 per M. The correspondence introduced shows that he acquainted the Holt Hardwood Co. with the facts and asked said company to let him have the 82,000 feet at $35 per M., without applying said lot on the standing order for 150,000 feet. *The request was granted.* (Vol. II, pp. 463-4.)

Many nonmember manufacturers, as well as buyers, large and small, in numerous cities testified, but none of them had anything but praise for the methods, practices and conduct of the defendants.

COMPETING FLOORINGS.

Mr. Robertson testified as follows:

"Q. In your trips about the country you have become familiar, have you not, with the floorings, whether natural or synthetic, that compete with maple, beech or birch flooring?

A. Yes, I come in contact with that.

Q. I wish you would name the competing floorings.

* * * * *

A. *Well, in wood there is the oak, and the yellow pine, white pine, Norway pine, fir, tamarack, cypress, gum, redwood, spruce, wood block; and they make even hemlock flooring.*

* * * * *

Q. What are some of the synthetic floorings that compete?

A. *Cement, and tile, and slate, and soapstone, terrazza, asphalt, mastic, mastolith, gypsum, cork, linoleum and marble.*" (Vol. II, p. 520.)

That the manufacturers of the floorings above mentioned have at all times been in active, vigorous competition with the manufacturers of maple, beech and birch flooring, see Vol. I, pp. 288-9, 294, 211-2, 255; Vol. II, pp. 521, 522, 525-6; Gov. Ex. 15-CCC, Vol. III, p. 194; Gov. Ex. 15-H, p. 136; Defts'. Robertson Ex. 21, Vol. IV, p. 875; Defts'. Robertson Ex. 22, Vol. IV, p. 876-8; Defts'. Robertson Ex. 23, Vol. IV, pp. 880-2; Defts'. Robertson Ex. 24, Vol. IV, pp. 882-884; Defts'. Robertson Exs. 25, 27, 29, 30, Vol. IV, pp. 884-891.)

DIVERS FACTS WHICH ARE INSUPERABLE BARRIERS TO CONCERT OF ACTION BY DEFENDANTS WITH RESPECT TO PRODUCTION, PRICES, COMMISSIONS OR TERMS OF SALE.

We set forth in the margin the names of the members of the defendant Association, the amount of maple, beech and birch timber owned by each member, and the number of matchers (which determine capacity) in their respective plants.[18]

The *first fundamental difference* is the amount of maple, beech and birch timber owned by the different members of the defendant Association.

	Amount of Maple, Beech and Birch Timber	Number of Matchers
W. D. Young & Co.	25,000,000 ft.	8
Kerry & Hanson Flooring Co.	None	4
Strable Lumber & Salt Co.	None	4
*Bigelow-Cooper Co.	253,750,000	4
Mitchell Bros. Co.	None	6
Cobbs & Mitchell, Inc.	72,674,000	8
Cummer-Diggins Co.	125,000,000	2
East Jordan Lbr. Co.	116,000,000	3
Nichols & Cox Lbr. Co.	None	3
West Mich. Flooring Co.	None	4
**Wisconsin Land & Lbr. Co.	203,000,000	7
I. Stephenson Co., Trustees	99,040,000	7
J. W. Wells Lbr. Co.	75,000,000	3
Northwestern Cooperage & Lbr. Co.	86,000,000	5
Grand Rapids Trust Co., Receiver for Wm. Horner	100,000,000	11
Holt Hardwood Co.	None	3
Foster-Latimer Lbr. Co.	50,000,000	3
Flanner-Steger Land & Lbr. Co.	50,000,000	3
Kneeland-McLurg Lbr. Co.	105,000,000	1
North Branch Flooring Co.	None	2
Osgood & Blodgett Mfg. Co.	None	1
Oval Wood Dish Corporation	125,000,000	2

*Now Kneeland-Bigelow Company

**It is a question of law whether the Wisconsin Land & Lumber Co. is a member of the present Association.

(Defts'. Ex. DD-1, Vol. IV, p. 839, Vol. II, p. 779; Defts'. Ex. CC-2, Vol. IV, fol. p. 5431, Vol. II, p. 773.)

The *second fundamental difference* is quantity of flooring produced. For the year 1920 the production of the different members ranged from 618,000 ft. to 24,709,000 ft. (Defts'. Ex. CC-1, Vol. IV, pp. 836, 837; Vol. II, p. 772.) For the year 1922 the production ranged from 518,000 ft. to 21,431,000 ft. (Defts'. Ex. CC-2, Vol. IV, fol. p. 5431; Vol. II, p. 773.)

The *third fundamental difference* is location of plant. Members own plants in Chicago, St. Paul and Grand Rapids; in large towns such as Bay City, Saginaw and Cadillac, Mich.; in sawmill villages, such as East Jordan, Mich., Mellen, and Phillips, Wis., and so on down to mere lumber camps in the woods such as Blackwell, Wis. (See p. 4, *supra*, for the location of the different plants.) *These differences result in different labor, manufacturing, marketing and other costs.* (Vol. I, pp. 396, 213, 428.)

The *fourth difference* is the value and quality of the timber owned or the rough lumber available to the different members. The timber in the Southern Peninsula of Michigan is of higher quality and is worth more than the timber in the Upper Peninsula and Wisconsin. (Vol. I, p. 213.)

The *fifth difference* is that, whereas some members are engaged exclusively in the manufacture of flooring, others not only produce flooring but are also engaged in various branches of the lumber business, as well as in other lines of industry. The *entire output* of some members is flooring (Vol. I, pp. 338-9, 405), whereas, *flooring constitutes but 5% of the business of another member.* (Vol. I, p. 226.) Some produce white pine and other kinds of lumber, such as hemlock, basswood, elm, ash, as well as flooring, and sell maple, beech or

birch lumber; others convert into flooring all the maple, beech and birch lumber they produce; others produce as well as buy rough lumber for converting into flooring; others must buy all such rough lumber. *Some members are also engaged in the salt business or land business, or manufacture shoe-last blocks, bowling pins, broom handles, wood dishes, clothespins, pie plates,* etc. (Vol. I, pp. 197, 226, 233, 286, 338-9, 393, 405, 426.)[10]

The foregoing facts evidence marked diversity of size, equipment, organization, business relations, financial strength, credit, needs, business methods, ability, information and reaction to economic and political phenomena, especially as they affect the production and sale of maple, beech or birch flooring.

But there are other and more fundamental differences which preclude concert of action with respect to prices, etc. *All the members manufacture maple flooring, 12 manufacture beech flooring, 15 birch flooring.* "Some manufacture one wood [maple flooring] some two woods [maple and/or beech or birch flooring] and some all three woods [maple, beech and birch flooring]." (Vol. I, pp. 154, 161, 197, 226, 233, 260, 286, 393.)

As we have already seen, some use the full product of the log in manufacturing flooring, whereas, generally

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[10] All the defendants did not testify. Court and counsel agreed that typical manufacturers should testify and that the other defendants would, if placed on the stand, testify to "substantially the same effect and to *similar facts and circumstances* * * * and that they would produce data and correspondence similar in character to that" produced by the defendants that testified. (Vol. I, pp. 225, 409.) *The names of the different members also give* some indication of the character and magnitude of their business where the record is silent.

the better grades of rough lumber are not used for that purpose. (Page 39, *supra.*)

Different matchers, or flooring machines, which vary markedly in capacity, are also used. (Vol. II, pp. 524-5; Defts'. Robertson Ex. 866, Vol. IV, p. 866; Vol. I, pp. 226, 197, 86, 88, 93, 137, 339.)

All members are not engaged in producing the same thicknesses and widths of flooring.

"*Some of them manufacture thick flooring, many of them don't manufacture it at all.*" (Vol. I, p. 154.)

"*Some mills make items that are not made by others.*" (Vol. II, p. 457.)

Mr. Colby, of Cummer-Diggins Co., testified:

"We manufacture *all* faces of *13/16* flooring, from inch and a half, two inch, two and a quarter, *three and a quarter, and three and a half inch. We do not manufacture two and a half inch. We also manufacture* ⅜ *by an inch and a half and* ⅜ *by 2 inches.* We manufacture half an inch by 2 inch; half inch by two and a quarter inches. *I think that is all.*"[20] (Vol. I, p. 211.)

"As a matter of fact, our production of different grades differs from the production of other manufacturers. I think we manufacture *more* of certain *widths.* For instance, we manufacture *more three and a quarter inch* flooring than many other manufacturers do." (Vol. I, pp. 221-2.)

Mr. Shepeck, of I. Stephenson Co., Trustees, testified that his company manufactured largely the *narrow faces;* that "*we have never made three and a quarter inch flooring.*" (Vol. I, p. 263.)

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[20]See page 42 *supra* for list of thicknesses and widths.

Flanner-Steger Land & Lumber Co. does not manufacture any 13/16 x 2" maple flooring. (Vol. IV, p. 575,—fol. p. 4595.)

Mr. Greene, of the West Michigan Flooring Co., stated that the three and a quarter inch face *accumulated very slowly* with him (Vol. I, p. 350), whereas, members like the Kneeland-Bigelow Co., with a very large production, and who cater to Eastern trade, manufacture a great deal of the wider faces, because the East demands such flooring, whereas the Middle West prefers the narrower faces. (Vol. I, pp. 393, 262-3.)

Some members manufacture flooring one and one-sixteenth of an inch thick, others do not. (Vol. I, pp. 210, 236.)

And of course the principal trade of the members is different. Mr. McLurg, of the Kneeland-McLurg Lumber Co., of Phillips and Morse, Wisconsin, testified:

"We desire to make flooring so as to enable us to ship *mixed carloads* to the retail yard trade, *and use flooring as a drawing card for other business. Flooring is a side line with us and constitutes about 5% of our business.* * * * *The freight rates on flooring are exactly the same as on other lumber products that we ship.* We sell *practically all of our maple flooring in the Middle West.* Our birch flooring, however, goes to the eastern markets. *We sell our maple flooring in the Middle West because we have the advantage there on freight rates.* * * * For instance, if a retailer wants 200 feet of flooring and we can sell him about 16,000 feet of other yard stock, our ability to sell the flooring is nearly as much benefit to our business as a salseman would be. *In the territory that we work there is a big demand for one and one-half inch flooring. The Michigan manufacturers don't have that trade. We are usually oversold on the narrow face, whereas the Michigan manufacturers are usually long on it. We*

have to take that into consideration in making our prices. We very often buy narrow flooring from other manufacturers in order to take care of our trade." (Vol. I, pp. 226-7. See also Vol. I, pp. 262-3.)

Other manufacturers sell flooring throughout the United States, as well as export it. (Vol. I, pp. 234, 319, 384.) *One sells most of his flooring in "Boston, New York, Philadelphia and other points in the same territory"* (Vol. I, p. 288), *whereas another testified that "the largest portion of our flooring is sold in the East and Middle West because the freight rates are an advantage to us over other manufacturers."* (Vol. I, p. 393.)

Mr. Colby testified that—

> "I think it was in 1920, the *general* supply of Factory flooring was immense, *probably the largest stock that has ever been on hand*—individually *we didn't have any, we were oversold most of the time simply because we had worked up a trade for that particular item. Our prices on Factory were advancing while the rest of them were declining."* (Vol. I, p. 217.)

See also, Vol. I, pp. 217, 222, 228, 360, 209-210, 261-2, 263, 288, 236, 292, 319, 384, 393-4.

And, of course, the members with plants at Chicago and St. Paul cannot pay the freight on rough lumber and then ship East, South and West in competition with members and nonmember manufacturers, especially with those owning timber. Their trade is necessarily largely confined to buyers in their respective territories, *but they are in competition there with both members and nonmember manufacturers.*

Different methods of marketing the flooring are also used.

Some members have traveling salesmen; others have none; some have exclusive representatives in different parts of the country, others have none; some depend exclusively upon correspondence; some sell to consumers direct, others will not; some broadcast individual price lists, others do not, etc., etc. (Vol. I, pp. 218, 227, 228-9, 260, 261-2, 288, 319, 360, 393-395, 341; Vol. II, pp. 538, 560, 564-5, 582, 592, 322.)

Some members have their own brands and trade-marks, and each of them pushes the flooring of his own brand or manufacture. (Vol. I, pp. 261, 362; Vol. II, p. 492.)

Quite naturally, or rather inevitably, some buyers expressed a preference for particular brands, or preferred the product of some manufacturer, at least in some grades, to that of others. (Vol. I, p. 431; Vol. II, pp. 455, 462, 466, 467, 562-3, 564, 607.)

Other especially vital factors, are **individual stock conditions** and **warehouse capacity.**

We have seen that the different grades and widths must be manufactured together, and that all of them accumulate, even though a manufacturer's *principal* trade and production are in certain instances largely confined to particular widths or thicknesses. (Pages 43-44, *supra.*)

The *ordinary* warehouse capacity of such members of the present Association as were members of the Association in existence during 1918, (16 in all), then ranged from *300,000 feet* to *4,000,000 feet.* (Gov. Ex. 52-J, Vol. IV, p. 441.) *The maximum* warehouse capacity of such members at that time, ranged from *450,000 feet* to *5,000,000 feet.* (Id.) No figures for later years are in the record.

The semi-annual report for July 14, 1923, is illuminating. The *stocks on hand* on January 1, 1923, of the various members ranged from *117,000 feet* to *4,115,000 feet*. On *June 30, 1923*, they ranged from *101,000 feet* to *2,750,000 feet*,—some members gaining, others losing during the interim. On *January 1, 1923*, the *unfilled orders* of the different members ranged from *nothing to 2,837,000 feet;* on *June 30, 1923*, they ranged from *nothing* to 4,635,000 feet,—some members gaining, others losing. The *shipments* of the different members for the first half of the year 1923, ranged from *146,000 feet* to *11,260,000 feet; production* from *nothing* to *11,466,000 feet; new orders*, from *146,000 feet* to *9,998,000 feet*. (Gov. Ex. 41-2U, Vol. IV, fol. p. 2107.) See also Gov. Ex. 40-5R, Vol. IV, fol. p. 2050, for the report of April 17, 1923.

The different *buyers* as well as the *defendants*, testified that the controlling factors as to prices of the Association members were competition of other members and nonmembers and *individual stock conditions*. (Vol. I, pp. 198-200, 210-217, 229, 237-8, 243-4, 260-263, 289-293, 322, 327, 395, 398, Vol. II, pp. 537-8, 560, 564, 565-9, 580, 591-2.)

The reason for this is well stated by Mr. Klesner, a representative of the Grand Rapids Trust Co., Receiver for William Horner, as follows:

> "We manufacture about 50,000 feet a day, *and if we accumulate stock in the warehouses so that they are full, we have simply got to get rid of it. We couldn't shut down and disorganize our crew.*" (Vol. I, p. 335.)

Mr. James E. Dewey, of the Kneeland-Bigelow Co., testified:

> "In determining what prices we shall charge, our

condition would govern almost entirely. I mean my stock conditions, my orders on hand. We have a very large output, practically fourteen million feet a year *and we have difficulty in keeping that sold. It is of a great deal more importance to me to have my plant produce to full capacity at all times than it is to raise my prices every time it is possible to do so. We would lose a great deal more money if our plant were compelled to curtail its output than we would by failing to get the top of the market at all times.*" (Vol. I, p. 398.)

Members are compelled to move flooring by taking whatever prices they can get for it. (Citations on p. 73, *supra;* and Vol. I, pp. 243-4, 277.)

Mr. Charles T. Kerry, of the Kerry & Hanson Flooring Co., testified as follows:

"*We have run our plant at full capacity except in 1920 or 1921,*[21] when the shed got full and we did not care to go out and purchase any more lumber because *we knew we could not move flooring.* We ran as long as we could and until the shed got full. In order to get through the winter I think we shut down for about two months, *when we were sure that the men could be taken care of. Grayling is a small town and we lose our men if we let them get away from us. We ran until our storage capacity was ex-*

[21] In 1920-1921 came the big slump after the unprecedented demand for building materials due to the lifting in 1918 of war-time building restrictions. *Stocks on hand* (~~all~~ 15 members) mounted from about *7,500,000 ft.* on January 1, 1920, to more than *25,000,000 ft.* on December 31, 1920; *unfilled orders* on January 1, 1920, amounted to more than *30,000,000 ft.*, whereas, by December 31, 1920, they had dropped to less than *3,000,000 ft.* (Defts'. Grant Keehn Ex. 22, Vol. V, p. 955.) These conditions were expressed in the prices. During the same period Factory flooring dropped from more than *$150* per thousand ft. to less than *$20;* Clear from *$180* to less than *$100;* No. 1 from more than *$170* to *$55.* (Defts'. Gordon Ex. 7, Vol. V, p. 901.)

hausted. Flooring must be kept under cover." (Vol. I, p. 406.)

Another factor was well stated by Mr. DeWitt:

> *"The demand may be very large for one grade or one thickness or one face at one time and very small at others. The demand for each grade or thickness is not * * * constant, but it is continually fluctuating."* (Vol. I, p. 237.)

All the foregoing conditions produced the extraordinary variations in the prices quoted or received at any given time by the members of the defendant Association. The differences between the prices received by different members were as much as 65%. (Vol. II, pp. 715-16.)

SINCE 1913 COPIES OF ALL ARTICLES OF ASSOCIATION HAVE BEEN SUBMITTED TO THE DEPARTMENT OF JUSTICE, AND TO THE FEDERAL TRADE COMMISSION SINCE 1915.

THE DEFENDANTS HAVE DONE NOTHING SECRETLY; THEY HAVE AT ALL TIMES ACTED UPON THE ADVICE OF COUNSEL; THE STATISTICS GATHERED BY THEM HAVE BEEN SENT TO THE DEPARTMENT OF COMMERCE, AND THE AGENTS OF THE DEPARTMENT OF JUSTICE WERE GIVEN COPIES OF WHATEVER DOCUMENTS THEY WISHED BY THE ASSOCIATION'S SECRETARY.

Mr. DeWitt testified:

> "We joined a Maple Flooring Manufacturers Association in March, 1919, and continued to be a member of it about one year. Upon the so-called Memphis decision, we felt that perhaps the Association as it was being conducted would be declared illegal and for that reason we resigned from the Association at that time. I don't just remember when we did resume our membership. I think we resumed our membership in the old Association perhaps sometime in 1921. We are members of the present Association. *Subsequent to our first resignation and before resuming our membership, we received a legal*

opinion from Mr. Newman and resumed our membership believing that the Association was legal at that time. Of course, we knew nothing about the law, and had to rely upon advice of counsel. We had no intention of violating the law. On the contrary we wish to comply with it." (Vol. I, p. 233.)

See also, Vol. I, pp. 163, 177.

For Mr. Newman's opinion after the District Court's decision in the Hardwood (or Memphis) case, see Defts'. Ex. A, Vol. IV, p. 797. For his analysis of the Supreme Court's opinion in the same case, see Gov. Ex. 15-AA, Vol. III, pp. 146-152.

That all articles of association, plans of operation, etc., were submitted to the Federal Trade Commission and the Department of Justice, see Vol. I, pp. 72, 74, 143, 77-8, 146, 79-80, 81-82, 98, 145, 148-149, 177; Vol. II, p. 794; Gov. Ex. 75, Vol. IV, p. 529; Gov. Ex. 10 and 11, Vol. III, pp. 76-84; Gov. Ex. 12 and 13, Vol. III, pp. 84-97; Gov. Ex. 14-D, Vol. III, p. 101; Gov. Ex. 15-M, Vol. III, p. 130; Gov. Ex. 15-BB, Vol. III, p. 152; Gov. Ex. 52-R, Vol. III, p. 448; Gov. Ex. 63-E, Vol. IV, p. 502; Defts'. Ex. A, Vol. IV, p. 797, Defts'. Ex. B, B-1 and C, Vol. IV, pp. 798-804; Defts'. Ex. I, Vol. IV, p. 818.

That the present Association has regularly furnished the Department of Commerce all the statistics that said department will receive, see Vol. I, pp. 167-171; Vol. II, pp. 787-8; Defts'. Ex. KK-4, KK-5, Vol. IV, p. 843.

That the agents of the Department of Justice were given copies of whatever documents they wanted by the Secretary of the Association at various times during some five or six years before the filing of the petition herein, see Vol. I, pp. 102, 109, 112, 122, 171; Gov. Ex. 14-K, 14-L, Vol. III, pp. 102-104.

Some three months before November 26, 1923, the District Court set the cause for hearing on the date last mentioned. During October, 1923, numerous depositions were taken by the parties. At that time counsel for the Government were advised by counsel for defendants

> "*that the solicitors of the defendants had collected a great mass of data,* but had not been able to confer personally with all their clients in order to prepare for the hearing of said cause, but that schedules for appointments would shortly thereafter be prepared, *and they intended to spend the major portion of November, prior to the 26th day thereof, in a series of conferences at Chicago, Illinois, with their clients in order to prepare for the hearing of said cause.*" (Vol. I, p. 50.)

Thereafter, and on or about November 1, 1923,—

> "the Honorable A. T. Seymour, Assistant to the Attorney General of the United States, and of counsel for the plaintiff in said cause, *demanded* of Newman, Poppenhusen, Stern & Johnston, as solicitors for the defendants, *the physical possession of all files, documents and other data that the said solicitors had received from their clients in order to ascertain the facts and to be in a position to advise their clients as to the law, and to represent them on the hearing of said cause.* That the Honorable A. T. Seymour informed said firm of solicitors that unless his said demand was complied with *he would take other steps to procure the information that he desired.* That within a week or ten days *after* the ultimatum above mentioned, the subpoenas *duces tecum* above mentioned were issued." (Affidavit in support of motion for continuance, Vol. I, p. 52.)

Subpoenas *duces tecum* were issued requiring the defendants and one of defendants' counsel to appear before the Grand Jury at *Grand Rapids,* Mich., on *November 9,* 1923, *despite the fact that the hearing of the cause* had been set for November *26,* 1923. (Vol. I, pp. 49, 50, 51.)

And *after* Judge Sessions had quashed the subpoenas (on the authority of *Hale* v. *Henkle*), *and had suspended the operation of the decree herein pending appeal,* the Government procured the *indictment* of the defendants by a Grand Jury at *Chicago,* Illinois. (Appellants' Suggestions in Support of the Government's Motion to advance this cause on Supreme Court docket.)

The manifestly untrue allegations in the Government's petition herein, that "the *defendants* make sales of *the flooring* manufactured by them *from their said offices in this district* [Western District of Michigan]" (Vol. I, p. 2), and the fact that the Association's headquarters had always been at *Chicago* (Vol. I, p. 1), and the further facts that this Court had reversed the decision of the Federal Court at *Chicago* in the Linseed Oil case *after* the institution of this suit at Grand Rapids and *before* the indictments above mentioned; the threat of Mr. Seymour and the legal frustration of his attempted perversion of the power of Government; the suspension of the decree by Judge Sessions, *and* the *subsequent* indictments at *Chicago,* are at least interesting.

Of course, all this took place during Mr. Daugherty's administration, and not during that of his successor.

BRIEF OF ARGUMENT.

I.

The proof shows that the petitioner's charge that

> **"The defendants agreed to adopt and have concertedly adopted Cadillac, Michigan as an arbitrary freight basing point from which they compute and charge freight, regardless of the point from which each may actually ship flooring."**

is not true.

Vol. I, pp. 335, 235, 260, 228.

II.

The proof showed that the terms of sale generally used by some of the defendants were those universally used in all branches of the lumber business. Moreover the defendants varied even their own terms to suit the convenience of buyers, or to conform to the customs that obtained in the different markets.

Vol. I, pp. 94, 95, 228, 236-307, 208, 209, 385, 155, 56.

Vol. IV, pp. 811-814, Fol. pp. 5249-5254.

III.

The proof showed that the commissions allowed by the different defendants ranged from nothing to $4.00 per M. feet, and that there was no uniform practice followed by any defendant, much less by all the defendants.

Vol. I, pp. 286, 288-289, 393, 533, 535, 534, 94, 323, 229, 261, 262, 269-273, 173.

IV.

The petitioner wholly failed to support by proof the averments that the defendants had always maintained and still maintain "a practical uniformity between themselves of net f. o. b. selling prices," and "a practical uniformity between themselves of net delivered prices."

The undisputed proof showed the existence of great price variation and intense competition.

For proof:

By Government witnesses see:
Vol. I, pp. 84, 83, 85, 86, 88, 89, 92, 94, 97, 141.

By Defendants' witnesses:
Chicago dealers: Vol. I, pp. 409-427, 427-435; Vol. II, pp. 449-458, 458-461, 461-466, 467-471.
Milwaukee dealer: Vol. II, pp. 445, 435-448.
Boston dealers: Vol. II, pp. 530-539, 560-564, 564-569.
New York City dealers: Vol. II, pp. 569-578, 578-581, 581-584, 584-587.
Philadelphia dealers: Vol. II, pp. 587-596, 596-604, 605-616, 616-624.
Minneapolis and St. Paul dealers: Vol. I, pp. 225-226.

Association Statistics: Vol. II, pp. 781-782.
Defts'. Ex. GG: Vol. IV, fol. p. 5458.
Appendix B: Vol. II, pp. 780-781.
Defts'. Exs. FF to FF-9, inclusive: Vol. IV, fol. pp. 5438-5447.
Appendices C and D, Defts'. Exs. II-1 and II-2: Vol. IV, fol. pp. 5458-5459.

Defts'. Grant Keehn Ex. 28: Vol. V, p. 969; Vol. II, pp. 714-717.

Appendix E, Defts'. Ex. HH: Vol. I, pp. 782-783; Vol. IV, fol. pp. 5449-5457.

Correspondence of members with agents and buyers: Vol. I, pp. 339-383, 303-317, 268, 273-285; Vol. II, pp. 409, 225.

Government's abandonment of its contention that that ever had been uniformity of prices: Vol. II, p. 857.

V.

The proof showed that the advertising campaign conducted by the defendant Association and its predecessors was necessary in order to meet similar campaigns that were being carried on by other associations and manufacturers of competing floorings, both wood and composition. This could not be done by the defendants individually.

The advertising was intended to promote the sale of maple, beech and birch flooring manufactured by Association members. Such flooring was standardized, of uniform quality, guaranteed by the Association and protected by an efficient inspection service. The advertising featured quality and service. It gave useful information. It said not a word concerning prices.

The Government adduced no proof that the advertising in question was dishonest or misleading.

Vol. I, pp. 150, 294-295, 221, 334, 225; Vol. III, pp. 124-125, 193-195.

VI.

The Government offered no proof whatsoever in support of the charge:

> **"The use of the uniform trade-mark and the character of the advertising put out by the defendant Association intensify the tendency to establish and maintain uniform prices, and also practically eliminate all competition between the defendants based on the quality of their respective products."**

Neither did the Government offer any proof that the standards adopted and maintained by the defendants were not fair and reasonable.

The proof showed that the quality of the flooring had been improved by means of the adoption and maintenance of such standards, that disputes between manufacturers and buyers had been greatly reduced, and that litigation had been eliminated.

The Government's own witnesses, as well as buyers all over the United States, were both unanimous and enthusiastic in their praise of the standardization of maple, beech and birch flooring by the defendants. Buyers testified that the flooring manufactured by the defendants was superior to that manufactured by others, and that standardization of such flooring by the defendants had increased competition and greatly benefited the public.

Chaotic conditions that existed before standardization: Vol. II, pp. 480-483, 501.

First steps to improve conditions, Vol. II, pp. 481, 499.

The standards: Vol. II, pp. 499-502, 509-510.

Defts'. Robertson Ex. 2: Vol. IV, p. 868.

More explicit and detailed grading rules: Vol. II, pp. 486, 481-482; Vol. IV, fol. pp. 531-536.

Defts'. Ex. BB; Vol. IV, pp. 826-830; Vol. II, p. 769; Vol. IV, p. 829.

The adoption of standard gauges: Vol. II, pp. 486-492; Vol. IV, pp. 829-830; Vol. I, pp. 261, 420-426.

Inspector of Mills: Vol. II, pp. 503-504.

Reinspection service: Vol. I, pp. 425-430; Vol. II, pp. 455, 459, 565, 581; Vol. II, pp. 491-492, 504-505; Vol. I, pp. 149, 286, 293, 300, 298; Vol. II, p. 498.

Results of standardization: Vol. II. pp. 490-491, 506-507, 509-510, 490-491; Vol. I, pp. 220-221, 251-255, 286-287, 293-294, 300-303, 307, 334, 398-399; Vol. I, pp. 94, 140, 141, 92, 85.

Proof that standardization has increased competition and reduced cost of distribution: Vol. II, pp. 573-574, 579-586, 618, 593, 485.

Attitude of Department of Justice: Vol. I, p. 253.

Trade Association Activities and the Law (Jones), pp. 80-102.

VII.

The proof shows that the prices of maple, beech and birch flooring have at all times fluctuated in harmony with the laws of supply and demand. Distinguished statisticians and economists so testified and supported their evidence by a mass of statistics, charts and other data.

The record conclusively shows that the alleged minimum price plans were never enforced, and that in actual practice each member sold his flooring at whatever price he could get, and ran his business just as he pleased. (It is undisputed that said plans were never adopted by the present Association.)

The undisputed proof also shows that prices during the earlier years were never uniform because of the diversities mentioned on pages 66-75 supra; whereas, from 1919 to 1921, inclusive, they were controlled by abnormal economic conditions which found adequate expression in the rise of factory grade flooring from $45.00 per M. feet to $150.00, and its decline to $15.00.

At no time does the proof show fixation or control of price by the defendants; and, as we have seen, even the Government admitted at the hearing that there had never existed any uniformity of prices among the defendants.

Abandonment of minimum price plans: Vol. I, pp. 101, 141-146, 227-228, 233-234, 258, 261, 378-379, 321-322; Vol. III, pp. 207, 230-231, 246-247, 249-251, 299, 333, 340, 411; Vol. IV, pp. 435-436, 519-521; Vol. I, p. 138.

Economic defense; Mr. Gordon's testimony: Vol. II, pp. 625-627, 628-629, 632-633, 634-635.

Defts'. Gordon Exs. 6 and 7: Vol. II, pp. 635-647; Vol. V, p. 899; Vol. II, pp. 635-647; Vol. V, p. 901; Vol. II, p. 646.

Appendix F, Defts'. Gordon Ex. 6; Vol. II, pp. 647-651.

Defts'. Gordon Exhibits 9-13: Vol. II, pp. 651-63; Vol. V, pp. 917-925.

Appendix G, Defts'. Gordon Ex. 14: Vol. V, p. 927; Vol. II, pp. 667, 669, 666; Vol. I, pp. 198, 234-35, 346-48, 381, 383, 432-33, 446; Vol. II, pp. 458, 574; Vol. I, p. 131.

Appendices H, I, J, K, L, M and N, Defts'. Exhibits K, L, T, T-1, CC½, OO, PP: Vol. I, pp. 224, 229, 268; Vol. II, pp. 769, 797, 798; Vol. IV, pp. 820, 821, 822-25, 834, fol. p. 5505.

Defts'. Gordon Ex. 15: Vol. II, pp. 670-71, Vol. V, p. 932.

Defts'. Gordon Ex. 16: Vol. V, pp. 933-43, Vol. II, p. 672; Vol. II, pp. 673-76.

Mr. Grant Keehn's testimony, Defts'. Grant Keehn Exs. 17 and 18: Vol. V, pp. 945-947; Vol. II, pp. 679-685.

Defts'. Grant Keehn Ex. 19: Vol. II, pp. 686-688; Vol. V, p. 949; Vol. II, pp. 690, 697.

Appendix P, Defts'. Grant Keehn Ex. 21: Vol. II, p. 690; Vol. V, p. 593; Vol. II, pp. 692-700.

Defts'. Grant Keehn Exs. 22, 23 and 24: Vol. V, pp. 955-959; Vol. II, pp. 700-705.

Appendix Q: Vol. II, pp. 705-707, 708-712.

Defts'. Grant Keehn Exs. 25, 26 and 27: Vol. V, pp. 961-967; Vol. II, pp. 712-714.

Testimony of Profs. Hettinger and Vanderblue: Vol. II, pp. 722-739, 740-769.

VIII.

The Government failed to support by proof the essential allegations of the petition with respect to the activities of the present Association, which was organized on March 29, 1922.

A.

GENERAL PROVISIONS OF PRESENT ARTICLES.

Government's Ex. 8: Vol. III, pp. 64-74; Vol. I, p. 286; Vol. II, p. 789; Vol. I, pp. 149-150, 173-174, 126, 171, 150.

B.

ASSOCIATION MEETINGS.

The proof is undisputed that at Association meetings future prices of flooring were never discussed, owing to the explicit instructions of Mr. Newman.

Vol. I, pp. 132-134, 174, 178, 206-208, 213, 236, 210, 212, 295-298, 330, 332.

United States v. *U. S. Steel Corporation*, 223 Fed. 55, 154, 55.

C.

AVERAGE COSTS.

Article 14, Vol. III, p. 69.

The essentially hazardous nature of capitalist industry necessitates cost accounting.

Marshall's *Readings in Industrial Society* (University of Chicago Press), pp. 144, 166 *et seq.*, 474-519, 404-412, 483-485.

Hobson's *The Evolution of Modern Capitalism* (new ed. Scribner's), p. 1.

Ashley's *The Economic Organization of England*, pp. 35-36.

Jones' *Trade Association Activities and the Law*, p. 62.

Investigation and recommendations of the Federal Trade Commission, and Address of Hon. Edward N. Hurley, Vice Chairman of the Federal Trade Commission: Secs. 1 and 2 of Art. 14 are not contrary to law.

1 Taussig *Principles of Economics* (3rd ed. rev. 1922), p. 172.

Sec. 3 of Art. 14 contains only proper elements of costs.

Marshall's *Readings in Industrial Society*, pp. 451-453.

Trade Association Activities, issued by Government Printing Office for the Department of Commerce, pp. 76-77: Vol. II, p. 722.

Defts'. Ex. "CC½": Vol. III, p. 834.

MANUFACTURING AND MARKETING COSTS.

Government's Ex. 25: Vol. III, p. 279; Vol. I, pp. 104, 107, 151; Vol. III, pp. 153, 175, 183, 185, 313; Vol. IV, pp. 451, 464; Vol. I, pp. 107-188, 333, 173.

The elements contained in the manufacturing and marketing costs are proper.

Taylor's *Principles of Economics* (8th ed. 1923), pp. 312-318.

Taussig's *Principles of Economics* (2nd ed. rev. 1920), Vol. II, p. 26.

Accounts, Their Construction and Interpretation, by William Morse Cole (revised and enlarged ed., 1915), p. 301.

Article by Edward L. Suffern in 15 *Journal of Accountancy*, p. 330.

Cost Accounting, Theory and Practice, by J. Lee Nicholson, pp. 33 *et seq.*: Vol. II, p. 260; Vol. I, pp. 170, 151, 259; Vol. II, p. 789.

Defts'. Ex. LL: Vol. IV, fol. pp. 5467-5470; Vol. I, pp. 328, 237, 252, 200, 213, 260, 397, 431, 432, 219.

Costs Surveys Committee: Vol. I, pp. 395-96, 399-401, 104, 105, 297, 171-72, 126.

Test runs and average costs: Vol. I, pp. 396-97, 451, 468, 471, 493-95, 502-503; Government's Exhibit 63-G: Vol. III, pp. 504-606; Vol. I, pp. 105-107.

Taylor's Principles of Economics (8th ed.), pp. 344-46.

Vol. I, p. 107; Vol. IV, fol. pp. 5331-5336; Vol. I, pp. 176, 811-814, 151-52, 229, 92, 97; Vol. II, pp. 791-92.

D.

FREIGHT RATE BOOKS.

Freight Rates.

Vol. I, pp. 412, 445; Vol. II, pp. 459, 465, 536, 361, 565, 573, 579, 585, 593, 623; Vol. I, p. 174; Vol. II, pp. 456, 450, 451, 453; Vol. I, pp. 209, 235, 243, 250, 268-273, 112, 115-117.

Appendices R and S, Government's Exhibits 36-A; Vol. I, p. 117; Additional Exhibits, fol. pp. 907-908, and Defendants' Exhibit EE:

Vol. II, p. 779; Vol. IV, fol, p. 5437; Vol. III, p. 329; Vol. IV, fol. pp. 5322-25, 5327-28; Vol. I, pp. 155, 111-116, 126; Vol. IV, fol. pp. 5288-5325; Vol. I, pp. 228, 259-260, 288, 235, 393, 383-84, 322-23.

AVERAGE COSTS.

Vol. I, pp. 155, 173, Vol. IV, fol. p. 5326.

DELIVERED COST CHARTS.

Vol. I, pp. 118, 153-56.

DIFFERENTIALS.

Vol. IV, fol. pp. 5249, 5252; Vol. I, pp. 152-53, 155, 201, 237, 245, 249, 250, 268, 269, 271, 335, 262-63, 217, 353, 360, 375.

WHAT FREIGHT RATE BOOKS NOW CONTAIN.

Vol. I, pp. 155-56; Vol. IV, fol. pp. 5162-5336.

E.

THE STATISTICAL REPORTS.

Monthly sales reports to Secretary: Vol. III, p. 70; Government's Exhibits 46, 46-A, 46-B: Vol. III, fol. pp. 2854-56; Vol. I, p. 123; Government's Exhibit 48: Vol. III, fol. p. 2858; Vol. I, p. 124.

Government's Exhibit 57: Vol. III, fol. p. 2857; Vol. I, pp. 123-24.

Government's Exhibit 45; Vol. III, fol. p. 2853; Vol. I, pp. 122-23; Vol. IV, pp. 572-73; fol. p. 4587.

Weekly sales reports to Secretary: Government's Exhibit 44: Vol. III, fol. p. 2852; Vol. I, pp. 122-23, 127, 155-58, 121.

Reports made by Secretary to Members: Vol. I, pp. 158, 163, 173, 176, 390, 399.

Weekly sales reports made by Secretary: Vol. I, pp. 125, 156-58; Vol. IV, pp. 812, 814; Vol. I, pp. 156-59, 162-63, 130-1, 390, 399, 123, 125-26, 127, 130, 204; Vol. III, pp. 390-97, 398-403; Defendants' Exhibit G: Vol. IV, fol. pp. 5337-39; Defendants' Exhibit G-1; Vol. IV, fol, pp. 5340-42.

Monthly report made by Secretary: Vol. I, pp. 128, 132; Government's Exhibit 50: Vol. III, fol. pp. 28, 61-69; Vol. I, pp. 128-132; Defendants' Exhibit H, H-1 and H-2: Vol. IV, Fol. pp. 5343, 5353, 5362; Vol. I, pp. 158-163; Vol. IV, pp. 5352, 5361, 5370.

Quarterly reports: Vol. I, pp. 130-31, 160-62.

Reports are unaccompanied by any analysis, comment, or recommendation: Vol. I, pp. 163-65; Defendants' Exhibit I: Vol. IV, p. 818; Vol. III, pp. 146-152.

There are no fines or penalties for failure to make reports: Vol. I, pp. 121, 161, 389.

No audits are made: Vol. II, p. 861.

The statistics collected have been given the widest publicity and go to buyers as well as Members of the Association: Vol. I, pp. 165-69, 169-171; Vol. II, pp. 787-88.

The statistics are only one of many sources of information possessed by Members: Vol. I, pp. 211-212, 291, 335, 385-86, 394-95, 397, 229, 260, 319, 324, 326.

Use made of statistics by Members and importance attached to them: Vol. I, pp. 397-99, 210-212, 215-216, 221-22, 227, 230-31, 386-87, 389, 252, 264, 291, 289, 292-93, 324, 326-27, 198-201, 211-12, 213, 222, 227, 229, 230-31, 237-38, 243-44, 248, 259, 263-64, 268-285, 288, 290, 292, 303-18, 322, 326-27, 335, 385, 388-89.

IX.

A comparison of the prices obtained by Members with the AVERAGE COSTS (issued by the present Association) and with the TABLES OF VALUES (issued by the Association immediately preceding), conclusively demonstrates not only that the Government's charge that there was uniformity of prices is not true, but that neither the Average Costs nor the Tables of Values were used by the members either as minimum prices or as a basis for determining individual prices.

Government's Exhibit 79: Vol. IV, pp. 583-796; Vol. II, pp. 847, 859; Vol. III, pp. 372, 390; Vol. II, pp. 850-59; Vol. IV, pp. 799-807; Vol. I, pp. 148-49; Vol. IV, p. 529; Vol. I, pp. 143-46; Vol. III, pp. 37-44.

Appendix T, Government's Exhibit 28-N: Vol. III, p. 315; Government's Exhibit 52-H, 52 II: Vol. IV, pp. 461-62; Vol. III, pp. 881-82; Vol. IV, pp. 975-77.

Appendix U, Appendix V, Appendix Q: Vol. II, pp. 539-556, 557-560, 785-87.

Principles of Economics, by F. W. Taussig (3d ed. rev.), Vol. II, pp. 439-440.

Appendix W (pp. 62-64).

X.

The present Articles of Association do not even attempt to regulate production, sales, prices or to otherwise limit the discretion of members in the manufacture or sale of flooring. Except the agreement to manufacture flooring of standard quality and to report past transactions, each member is left wholly free to conduct his business as he pleases. There is no proof of any other agreement, express or implied, among said members.

In view of the undisputed proof that the PRICES of the members of the present association for maple, birch and beech flooring

(a) have always been FAIR AND REASONABLE,

(b) were generally lower than the prices of nonmembers, although the flooring manufactured by members is superior to that manufactured by nonmembers,

(c) were never uniform and were often below the cost of production of both members and nonmembers,

and that the flooring manufactured by members is in all respects satisfactory to the public, it necessarily follows that neither the contract nor the conduct of defendants has unreasonably restrained interstate trade or commerce.

2 Holdsworth's History of English Law (3rd ed.), pp. 459 *et seq.*

Unwin's *The Gilds and Companies of London.*

Ashley's *Introduction to English Economic History and Theory,* Vol. I (Part II), pp. 168-69, 126, 137.

Marshall's *Readings in Industrial Society,* p. 592.

Ashley's *Introduction to English Economic History and Theory.*

Darcy v. *Allein,* 11 Co. Rep. 84-b, 87-a.

27 Halsbury's Laws of England, 527-29.

Attorney General v. *Adelaide Steamship Co.* (1913), 109 L. T. R. 258.

F. Cade & Sons v. *Daly & Co.* 1 I. R. 306.

U. S. v. *Trans-Missouri Freight Association,* 156 U. S. 290.

U. S. v. *U. S. Steel Corporation,* 251 U. S. 417.

Montague & Co. v. *Lowry,* 193 U. S. 38.

American Column & Lumber Co. v. *U. S.* 257 U. S. 377.

Board of Trade of City of Chicago v. *U. S.* 246 U. S. 231.

Standard Fashion Co. v. *Magrane-Houston Co.* 258 U. S. 346.

U. S. v. *U. S. Steel Corporation,* 223 Fed. 55.

U. S. v. *E. I. Du Pont de Nemours & Co.* 188 Fed. 127.

Manchester & Lawrence R. Co. v. *Concord R. Co.* (N. H.) 9 L. R. A. 689.

XI.

In addition to the undisputed proof that the prices obtained by members of the present Association had always substantially varied; that the prices of such members were fair and reasonable, and that although the flooring manufactured by such members is superior to that manufactured by nonmembers, the prices of members are generally lower than those of nonmembers, there was the following undisputed proof:

(a) by the Government's witnesses, including both competitors and buyers, that competition among the defendants themselves, as well as between the defendants and nonmembers, was strong, active and vigorous;

(b) by dealers, large and small, in the principal centers of consumption, that there was and always had been vigorous competition among the defendants;

(c) by dealers that the defendants were unusually fair, considerate and honorable in their dealings with purchasers of maple, beech and birch flooring;

(d) by economists and statisticians that the prices of the several members had fluctuated in accordance with the laws of supply and demand.

No witnesses were produced by the Government to testify to fixation or uniformity of prices, unfair prices or restraint of trade.

In view of the foregoing facts, the Government's petition (under the decision of this court in the Steel Corporation case) should have been dismissed.

U. S. v. *U. S. Steel Corporation*, 251 U. S. 417, 447-49.

The Evolution of Modern Capitalism, pp. 170-173.

The Trust Movement in British Industry (Macrosty), pp. 6-9.

Trusts, Pools and Corporations (revised ed.), by Ripley, pp. 1-77.

XII.

The following facts:

(a) fundamental differences that exist among Association members;

(b) unstable basis of the maple, beech and birch flooring industry;

(c) relation that Association members bear to the flooring industry as a whole;

(d) lack of control of any appreciable proportion of raw material;

(e) fragmentary character of statistics collected and distributed;

(f) publication of statistics collected;

(g) relatively superior position of lumber dealers who buy or handle from ninety to ninety-five per cent of the flooring manufactured by Association members,

and many other facts disclosed by the record, conclusively demonstrate that the collection and distribution of statistics by the Association cannot injuriously affect interstate trade or commerce.

The necessity for the collection and distribution of trade statistics for the benefit of both buyers and sellers is recognized by all modern economists.

Monopoly and Competition, by Hermann Levy, pp. 296, 179, 187, 190-96, 202, 203, 303, 307-316.

United States v. *Quaker Oats Co.* (C. C. A. 7th Cir.), 232 Fed. 499, 502.

United States v. *American Can Co.* 230 Fed. 859, 900.

United States v. *Whiting*, 212 Fed. 466, 475.

The Evolution of Modern Capitalism, by John A. Hobson, pp. 195-6, 193, 231-33, 403-405, 148-150, 329.

Readings in Industrial Society, by Leon C. Marshall (University of Chicago Press), pp. 141, 514, 833, 294-96, 419, 936-37, 498, 479.

Principles of Economics, by E. R. A. Seligman, p. 141.

Manufacturing Industries in America, by Malcolm Keir, pp. 293-94.

Industrial Democracy, by Sidney and Beatrice Webb, pp. 662 *et seq.*

The Combination v. *The Consumer*, by H. B. Reed. *International Journal of Ethics*, XXIII, pp. 159-69.

Social Theory, by John Bascom, pp. 145-54.

Elementary Principles of Economics, by Irving Fischer, pp. 427 *et seq.*

Principles of Economics, by F. W. Taussig (3rd ed. revised), Vol. I, pp. 391-97.

Principles of Economics, by F. W. Taussig (3d ed. revised), Vol. II, p. 52.

Trade Association Activities, issued by the Department of Commerce, pp. 3, 12, 27-29, 216-67.

Trade Association Activities and the Law, by Franklin D. Jones, pp. 44-60.

Previous decisions of this Court distinguished.

American Column & Lumber Co. v. *U. S.* 257 Fed. 377.

Taussig's *Principles of Economics* (3rd ed. revised), Vol. II, pp. 419-20.

Philosophy and Political Economy, by James Bonar, pp. 38, 22, 68, 61.

English Economic History and Theory, by Sir W. J. Ashley, pp. 128, 145.

History of Economic Doctrines, by Gide and Rist, pp. 89, 410, 96.

U. S. v. *American Linseed Oil Co. et al.* 262 U. S. 371.

XIII.

It is both the privilege and the duty of equity not only to prevent evil but to hold fast to that which is good. Its decrees are, therefore, infinitely various and flexible.

The decree entered by the District Court herein is as unselective as a hurricane or an earthquake. If unleashed it will convert into junk machinery of great pecuniary and social value.

ARGUMENT.

I.

The proof shows that the petitioner's charge that

> **"The defendants agreed to adopt and have concertedly adopted Cadillac, Michigan, as an arbitrary freight basing point from which they compute and charge freight, regardless of the point from which each may actually ship flooring." (Tr. 6, fol. 11.),**

is not true.

WHY THE DISTRICT COURT WENT ASTRAY.

The District Court refused to limit the petitioner with respect to time, subject matter, or space. Whatever evidence the petitioner offered, despite its fragmentary character, or source, was "received subject to objection," even though it concerned associations that had ceased to exist some two or three decades or years before the hearing. This great mass of irrelevant matter not only confused the issues and prejudiced the present association and its members, but caused the appellants here to pay some $16,000 for printing (and Clerk's fees), despite the fact that counsel for petitioner stipulated that much of said matter need not be printed. (Vol. V, pp. 975-977.)

In the opinion filed herein, the District Court put to

himself the questions set forth in the margin.[22] The question of *monopoly* or attempt to monopolize under *Section 2* of the Sherman Act was not raised by the petitioner. The petition herein was based *solely* upon *Section 1* of said Act. And, apparently, the great mass of irrelevant matter concerning long-extinct associations and practices that had been abandoned years before the institution of this suit, rested so heavily upon the mind of the District Court that the evidence concerning the *present* association, its methods, and practices, was, in comparison, lighter than the gossamer that "idles in the wanton summer air." Apparently, *all the facts heretofore set forth, as well as those which will be adduced during the course of our argument,* rested as lightly upon the scale "as sleep upon tired eyes." We believe that this court will be amazed at the amount, consistency and cogency of this evidence, of which not even a hint is given in the opinion filed by the District Court. *Furthermore, the learned District Court wholly disregarded the allegations of the petition herein, and made no effort to determine the relation that existed between the petition and the proof.*

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[22] "Does the conduct, past and present, of the defendants indicate a purpose to monopolize the maple, beech and birch flooring industry? Do the present Articles of this Association, either in and by their own force and terms or when viewed in the light of prior agreements of like nature, exert a pressure or compulsion toward the control of production and prices? Does the plan or system followed and pursued by defendants in their operations have a direct and necessary tendency to destroy the kind of competition to which the public has a right to look for protection and which the Congress intended to preserve in and by the enactment of the Sherman Anti-Trust Act? The decision of this case depends and hinges upon the answers to be given to these questions." (Tr. 55.)

CONTROLLING PRINCIPLES.

In order that the issues here may be clear, we take the liberty of recalling to the mind of this court a few elementary principles. Some of them are well stated in

United States v. *United States Steel Corporation*, 223 Fed. 55, 59-60,

as set forth in the margin.[23]

In the same case, on appeal, this court said:

> "Our present purpose is not retrospect for itself, however instructive, but *practical decision upon existing conditions.* * * * In other words, our consideration should be of *not what the corporation had power to do or did,* but what it has

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[23] "Now unlawful restraints of trade are of three kinds, past, present and future. As to present and future restraints, Congress by section 4 empowered 'the Attorney General to institute proceedings in equity to prevent and restrain such violations,' and to that end invested the courts 'with jurisdiction to *prevent and restrain violations* of this act.' *The jurisdiction here conferred is the chancery power of injunction, a power which is used to restrain present wrongs or prevent threatened ones.* This is shown by the act providing even for temporary preliminary restraining orders while the case is being heard. *'The function of an injunction is to afford preventive relief, not to redress alleged wrongs which have been committed already.' Lacassagne* v. *Chapius*, 144 U. S. 119, 12 Sup. Ct. 659, 36 L. Ed. 368, cited in *Black* v. *Jackson*, 177 U. S. 360, 20 Sup. Ct. 648, 44 L. Ed. 801. Applying that general principle, the Supreme Court of the United States in the Standard Oil Case, *supra*, citing *Swift* v. *United States*, 196 U. S. 375, on page 377, 25 Sup. Ct. 276; 49 L. Ed. 518, said:

'It may be conceded that ordinarily, where it was found that acts had been done in violation of the statute, adequate measure of relief would result from restraining the doing of such acts in the future.'"

now power to do, *is doing*, and what judgment shall be now pronounced. * * * (*U. S.* v. *U. S. S. C.* 251 U. S. 417, 444.)

And again on page 445:

"Monopoly, therefore, was not achieved, and competitors had to be persuaded by pools, associations, trade meetings, and through the social form of dinners, all of them, it may be, violations of the law, *but transient in their purpose and effect. They were scattered through the years from 1901* (the year of the formation of the Corporation), *until 1911, but, after instances of success and failure, were abandoned nine months before this suit was brought.*"

In the case of

United States v. *New England Fish Exchange*, 268 Fed. 732,

it appeared that certain practices of the Exchange had been abandoned *after* the filing of the bill. The court, therefore, merely restrained the *resumption* of such practices.

In equity the general rule is as stated in 10 Ruling Case Law, p. 559:

"In making its decree the Court is governed by the situation in regard to the respective rights of the parties existing at the time the decree is to be made, and not by that which existed at the inception of the litigation."

See also:

Randel v. *Brown*, 2 How. 406.

21 Corpus Juris, 663.

THE QUESTION.

Now let us see whether the members of the *present* association have adopted Cadillac, Mich., "as an arbitrary freight basing point from which they compute and charge freight regardless of the point from which each may actually ship flooring."

In the first place, it should be noted that the present association was not organized until *March 29, 1922*, although the *proposed* Articles were dated January 1, 1922. (Vol. I, pp. 78-79, 147, 149; Gov. Ex. 15-GG, Vol. III, pp. 155-6; Gov. Ex. 52-00, Vol. IV, p. 461.)

In *March, 1922*, Mr. F. C. Klesner became the representative of the Grand Rapids Trust Co., Receiver for William Horner,[24] with flooring plants at Newberry, and Reed City, Mich. (Vol. I, p. 333.)

Until May, 1923, all flooring was sold under Mr. Klesner's direction; thenceforth he was in exclusive charge of the sale of flooring under the direction of the Receiver." (Vol. I, pp. 333, 318.)

Mr. Klesner testified:

> "I know of no understanding or agreement among the members of the Association that flooring shall be sold on an f. o. b. Cadillac basis, or that freight shall be charged from Cadillac regardless of the point from which the flooring is shipped." (Vol. I, p. 335.)

Mr. DeWitt, of Oconto, Wis., testified:

> "I know of no understanding or agreement whereby the different members of this Association were to sell their flooring on an f. o. b. Cadillac basis." (Vol. I, p. 235.)

[24] The said Trust Company, as Receiver, is a party defendant to this suit, but Mr. Klesner is not.

Mr. Shepeck, of Wells, Mich., testified:

"I do not know of any understanding or agreement among the members of the defendant Association * * * that flooring should be sold on the Cadillac basis, or that the delivered price should be arrived at by adding the Cadillac freight rate. *We have never used any such method.*" (Vol. I, p. 260.)

Mr. P. S. McClurg, of Phillips, Wis., testified:

"In selling our merchandise, we make a notation on the invoice that the amount of the paid expense bill is to be deducted. *We do not make any computation of the freight.* The buyer then deducts the freight and remits to us the net proceeds. *The buyer learns the amount of the freight from the expense bill that he gets from the railroad company and turns in the expense bill to us as a receipt for the amount of freight deducted from the invoice. For instance, if a shipment of flooring, or a mixed carload of flooring and other lumber, is shipped by us to a buyer at Minneapolis, the buyer deducts the freight from Phillips to Minneapolis. He does not deduct the freight from Cadillac to Minneapolis. In every case the buyer takes the actual freight paid by him to the railroad company and sends in to us the paid expense bill.*" (Vol. I, p. 228.)

Mr. DeWitt, of Oconto, Wis., testified:

"*When we invoice the flooring there is no separation of the flooring from the freight. No separate charge is made for freight as distinguished from flooring.* Sometimes we prepay the freight, but not very often. When freight is not prepaid, the buyer deducts from the invoice the *actual* freight that he pays and then deducts whatever discount is allowed and remits the balance to us by means of check or draft. *The buyer deducts from the face of the invoice the actual amount of freight he pays to the railroad company.*

The Court: I take it that this testimony will be given in substance by every witness that is put on

the stand because that is the *universal* practice in shipping lumber.

Mr. Darby: In view of what the Court has said, we will put on no more testimony as to this matter." (Vol. I, p. 235.)

It was undisputed that buyers of maple, beech and birch flooring—indeed, of *all* lumber—deducted from the face of the invoice the *actual amount of freight paid to the carrier.* And, of course, the carrier collected the freight from *point of origin* to point of destination.

The petitioner did not adduce *any* proof to the contrary. Therefore, the proof failed to support the allegations of the petition that the defendants computed and charged freight from Cadillac, Mich., regardless of the point from which the flooring was shipped.

II.

The proof showed that the terms of sale generally used by some of the defendants were those universally used in all branches of the lumber business. Moreover, the defendants varied even their own terms to suit the convenience of buyers, or to conform to the customs that obtained in the different markets.

It will be recalled that the petitioner charges that uniform rules with respect to terms of sale and the allowance of cash discounts, were one of the means by which defendants maintained a practical uniformity of both "net f. o. b. selling prices" and "net delivered prices." (See page 12, *supra.*)

Mr. Hamlin J. Ward, a *non*member manufacturer of maple and beech flooring, and a witness for the petitioner, testified:

> "*The terms we quote our customers are 2% off from net amount of invoice for cash within 15 days, or 60 days net.* I think these terms are quite generally used by other manufacturers. *They are terms that are general in the lumber business, not only maple flooring, but lumber business generally.*" (Vol. I, pp. 94-5.)

Mr. Ward has been engaged in the hardwood flooring business for about twenty-four years. (Vol. I, pp. 93-4.)

For a great many years the freight rate books issued by the defendant Association and its predecessors contained terms of sale. The freight rate book at the time of the institution of this suit contained the following matter:

"TERMS OF SALE.

Sixty days net or 2% for cash in 15 days or 1% discount for cash in 30 days from date of invoice after deducting freight.

If the car has not arrived, the discount may be deducted on 90% of the invoice less estimated freight for cash within proper discount period, the balance with original paid freight bill to be remitted net within 5 days after arrival of car. No cash discount will be allowed after 30 days from date of shipment." (Vol. IV, fol. pp, 5249-5254.)

Mr. P. S. McLurg (a defendant), testified that the terms of his company were as follows:

"Our terms of sale are 2%, 15 days, 60 days net, on both flooring and other lumber products. The terms used to be 2%, 10 days. They were changed about 15 years ago, I think. I do not know of any Association rule with respect to terms of sale." (Vol. I, p. 228.)

Mr. DeWitt (a defendant), testified as follows:

"Our regular terms of sale are cash less 2% 10 days from date of shipment after freight was deducted, but those terms are varied to suit particular conditions. In fact, I am sure that there are more (fol. 428) sales that varied from the regular terms than there are that conformed with them. For instance, the New York custom has always been to discount either five or ten days after the arrival of cars and in most of the markets no payments are made until after receipt of car. We have one customer in Chicago, who discounts all invoices immediately upon receipt of them. On our coast shipments we have one customer that we allow 2% 90 days after the freight is deducted. *We vary our terms of sale according to our past relation with the individual buyer or according to our financial needs. Terms of sale fluctuate continually and it is a matter of compromise and adjustment. Some buyers are*

always wanting special terms and if they are good customers, we don't haggle over it. This has been our practice since we have been manufacturing flooring.

I knew that the freight rate books contained so-called terms of sale. They are standard terms of sale on which practically all lumber products are handled. I do not regard the terms of sale appearing in the freight rate books as limiting my discretion or as being in any wise binding upon me. We followed those terms when our customers liked them. The present Association has no rules with respect to terms of sale." (Vol. I, pp. 236-7.)

The testimony of Messrs. Colby and Greene (defendants) is set forth in the margin.[35]

See also, Vol. I, pp. 263, 324, and Vol. II, pp. 240-242.

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[35]Mr. Colby:

"Our terms of sale on maple flooring are 2 per cent cash discount for payment within 15 days from date of invoice; one per cent for payment within thirty days, and sixty days net. *Our terms on flooring are an outgrowth of the lumber terms that our company has used for a good many years. We use the same terms in our lumber business, except that in selling lumber we give a two per cent discount for cash in ten days. This difference between the 10-day period and the 15-day period is because flooring moves to a greater distance than lumber does.* The bulk of our *lumber* is marketed in the State of Michigan, whereas *flooring* moves very largely to New England and Pacific Coast points; hence, we have to allow a little longer time for cash discounts because a customer naturally does not like to pay for a car of material until he sees it in his yard. The terms I have mentioned have been used by our company since I have been connected with it. *These terms, however, are not invariably followed. We do not split hairs on the matter of terms and agree to anything that seems fair and reasonable.* In the New York market some buyers insist on taking a two per cent cash discount five days after arrival of car. We do not like that and tell our customers that if they will send us within ten days after receipt of invoice a substantial amount to apply on the car, we will allow them the two per cent cash discount, which they can take five days after arrival of car. If we

While Mr. George W. Keehn, the Association's Secretary, was on the stand the following colloquy took place:

"**The Court:** * * * One question more: The terms of sale, have they varied materially over a considerable period of time? Isn't the usual term 60 days net, or 2% for cash?

A. I think that has been the general custom in

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need business we sometimes accept their terms, and if we are not in need of orders we exact our own terms. The matter of terms is governed largely by supply and demand. The Pacific Coast buyers also demand an extension of the usual terms and we meet their demands. *We have never considerd ourselves bound by any terms of sale that might have been established by the Association.* We used our own judgment entirely. I do not know of any uniform terms of sale so far as the present Association is concerned that are being lived up to. *I think the Association has gathered from different members what might be termed a consensus of opinion as to what the prevailing cash discount terms were, but any statement that was issued with respect to such matters was not considered binding by anyone that I know of. We have always made our own terms of sale in order to meet conditions as they changed from time to time.*" (Vol. I, pp. 208-9.)

Mr. Greene:

"Our terms of sale are 2 per cent cash fifteen days, or 60 days net. They are what we call our regular terms of sale. However, we make special terms as conditions might require. We have for example the Pacific Coast trade, California trade, which I mentioned; we make terms to those people of two per cent discount upon the arrival of the car, recognizing the fact that there is a certain delay, for the privilege of unloading and examining the stock, *and it requires a little more than fifteen days for that car to go across the continent and so they can't take advantage of the discount in the 15-day period, and so we make it more or less elastic in cases of that kind; and we also recognize in selling through representatives who guarantee our accounts, that where we invoice to them, if their customers take their discount from their invoice a few days later than fifteen days, we recognize their right to also take that discount from our invoice, otherwise they would be the loser in the transaction.*

I know of no rules of the present Association regarding terms of sale. *I consider myself free to follow any rule I like and have always done so.*" (Vol. I, p. 385.)

the lumber industry, 60, 2 off ten, sometimes 60, 2 off fifteen.

The Court: *It prevails in all branches of the lumber industry, doesn't it?*

A. "I think in a general way it does. You know some buyers in the eastern market, for example, will not follow such terms. They insist upon the discount 5 days after arrival of car or two days after arrival of car. The same is true with respect to shipments to California. Purchasers out there also insist upon the discount so many days after arrival of car. My observation has been that manufacturers are compelled to accede to the terms of buyers in different markets, according to the customs in force there. These different customs have always prevailed in different parts of the United States." (Vol. I, p. 155.)

Pursuant to resolution adopted on *July 19, 1923, the terms of sale and much other data objected to by the petitioner were eliminated from the freight rate books.* (Vol. I, pp. 155-6, Defts'. Exs. E, and F-1, Vol. IV, pp. 811-814, and fol. pp. 5249-5254.)[26]

The proof therefore failed to support the allegations of the petition that the defendants had established and maintained uniform rules with respect to terms of sale. The slightest knowledge of commercial practices would have prevented the making of any such allegations. In all trades and lines of industry there are customs and practices (elastic in operation) with respect to terms of sale.

[26] F-1 is the proper exhibit number for the eliminated matter, although the F resembles the figure 2.

III

The proof showed that the commissions allowed by the different defendants ranged from nothing to $4 per M feet, and that there was no uniform practice followed by any defendant, much less by all the defendants.

The present Association has never taken any action, either directly or indirectly, with respect to commissions. In the freight rate book issued by *the Association in existence during 1921* there appeared the matter set forth in the margin.[27]

The Oval Wood Dish Corporation, of Tupper Lake, N. Y., began the manufacture of maple, beech and birch flooring during June, 1921, and joined the Association then in existence in August, 1921. (Vol. I, p. 286.) Mr. Hodges testified:

> "I am in charge of the sale of our flooring. *Our commissions range all the way from nothing to $4.00 a thousand. When we joined the Association there was nothing said about our maintaining any standard scale of commissions or limiting our discretion as to when or how much commissions we should pay.*

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[27] "COMMISSIONS.

"A Commission not exceeding $2 may be allowed to your own Registered Special Representative, or a Commission not exceeding $1.50 may be allowed to Registered Wholesalers and Commission Men.

Your Registered Special Representative may allow the Wholesaler's Commission of $1.50 when selling Registered Wholesalers and Commission Men, but the Commission to be paid to your Registered Special Representative on his sales to Registered Wholesalers and Commission Men to whom he allows the $1.50 Wholesaler's Commission shall not exceed $1. In no event shall the total Commissions allowed exceed $2.50." (Gov. Ex. 34, Vol. III, fol. p. 695.)

We have at all times considered that we were free to do as we pleased with respect to commissions. *We have followed no uniform rules with respect to commissions.* We sell largely to jobbers and wholesalers and to some big yards, who maintain a force of floor layers who both sell flooring and lay it. We occasionally sell to contractors and consumers direct. For instance, we sell Stone & Webster, Boston contractors, who used the flooring in a building for the Victor Talking Machine Company of Camden, New Jersey." (Vol. I, pp. 288-9.)

Mr. Dewey, of the Kneeland-Bigelow Co., Bay City, Michigan, testified:

"Our commissions vary from $1.50 to as high as $4.00 per thousand. I know of no rule of the Association which in any wise limits members with respect to what commission shall be paid, to whom, or when. I have never known of any such rule since I have been a member. *We have always paid whatever commissions we pleased without objection by any members of the Association or the secretary."* (Vol. I, p. 393.)

Mr. Godfrey, a wholesale lumber dealer of Boston, gave in evidence quotations received on *February 14*, 1922, from three of the defendants and the commission offered by one of them was *$3.00* per M. feet; whereas the other two offered a commission of *$2.00* per M. feet. (Vol. I, p. 533.) He also gave in evidence other quotations received from certain defendants during *November*, 1922, with the same range of commissions (Vol. I, p. 535); likewise quotations received during *April, 1922*, and testified:

"The Strable Lumber & Salt Company's commission was 5% and the commission of William Horner was $2.00 per thousand. Some companies allow us a commission of 5% and others allow us a commission of $2.00 per thousand. *The commissions allowed by the different manufacturers vary."* (Vol. II, p. 534.)

See also the quotations given in evidence by Mr. L. L. Barth, of the Edward Hines Lumber Co., Chicago, where the commissions range from *nothing* to $2.00 per M. feet, (Vol. I, pp. 412-419), as well as the quotations identified by the other dealers whose depositions were taken.

Mr. Hamlin J. Ward, of Ward Brothers, Big Rapids, Michigan, *nonmember* manufacturers of maple flooring, testified as follows:

> "Quite generally, the quotation to wholesalers and others dealing in maple flooring is made subject to commissions. *The usual commission at the present time is $2.00 a thousand.* Such an allowance is quite generally made in the maple flooring industry." (Vol. I, p. 94.)

Mr. Ward was produced as a witness by the petitioner.

Mr. Greene, a defendant, testified as follows:

> "Our commission varies from nothing up to $3.00 per thousand.
>
> Q. Do you know of any rule of the present Association which attempts to prescribe the commission?
>
> A. I do not.
>
> Q. What were your commissions, before the present Association was organized, in previous years?
>
> A. *Well we paid at one time as low as fifty cents per thousand, one dollar per thousand, a dollar and a half up to two dollars per thousand; in some instances, to the present time, three dollars per thousand; as the price of the product advances we advance it a little more; it costs a little more to the other fellow, with the responsibility of carrying the account, and therefore he is entitled to a little larger commission.*"

Mr. Ralston explained that during the war when the prices of flooring had advanced the commission men

asked for and were given higher commissions than had been paid before because their cost of doing business had kept step with the advance of the cost of living. Mr. Ralston also stated that when *net* quotations are made the commission men have to look to their customers for commissions. (Vol. I, p. 323.)

See also the testimony of Mr. Colby, (Vol. I, p. 229), and Mr. Shepeck, (Vol. I, pp. 261-2, 269-273), who stated what their companies paid as commissions. *They also testified that the present Association had never had any rules on the subject, and that during the existence of previous associations the commissions had varied.*

Mr. George W. Keehn, the Secretary, testified:

> *"There is not now and has never been under the present Articles of Association, or since January, 1922, any registration of special representatives or brokers."* (Vol. I, p. 173.)

See also Vol. I, p. 210.

The petitioner adduced no evidence to the contrary; neither was a single jobber or retail or wholesale dealer, or broker produced to testify that larger commissions should be paid by the defendants, or were paid by other manufacturers of flooring or of lumber products.

The allegations of the petition with respect to uniform commissions are not supported by the proof.

IV.

The petitioner wholly failed to support by proof the averments that the defendants had always maintained and still maintained "a practical uniformity between themselves of net f. o. b. selling prices," and a "practical uniformity between themselves of net delivered prices."

The undisputed proof showed the existence of great price variation and intense competition.

As pointed out in our analysis of the petition herein, the petitioner charged that the defendants infringed the Sherman Act, in that by *various means* they had always maintained and still maintained *"a practical uniformity between themselves of net f. o. b. selling prices,"* and *"a practical uniformity between themselves of net delivered prices."* (Pages 12, 19, *supra.*)

The means were (a) the establishment of minimum prices until 1922, and "average costs" subsequently; (b) recommendations that defendants should not sell flooring below said minimum prices or said average costs; (c) the establishment and maintenance by defendants "as the basis of their individual selling prices," the minimum prices or so-called "average costs"; (d) the use of the Freight Rate Books containing freight rates from Cadillac, Michigan, average cost charts showing average cost f. o. b. cars of flooring, tables of differentials, delivered cost charts, etc.; (e) the charging of freight from Cadillac regardless of point from which flooring was shipped; (f) the establishment and maintenance of uniform terms of sale, cash discounts, commissions "and concessions which were established by and in accordance with said minimum Price Plans."

The alleged *means* are, of course, merely *incidental.* Or rather they are *instrumental.* According to the petitioner, the defendants *employed them* to violate the Sherman Act just as a burglar employs a jimmy to break into a house. The (alleged) unlawful *result* of the use of such means was *the practical uniformity among the defendants of "net f. o. b. prices" and "net delivered prices."* This unlawful *result* is the gravamen of the petitioner's charge. This alleged *result* is adduced by the Government as *proof* that there exists an *unreasonable restraint of interstate trade.* Or rather, the (alleged) *unreasonable restraint of interstate trade* is *deduced* from the (alleged) existence of *practical uniformity* of "net f. o. b. prices" and "net delivered prices."

We have already seen that it is undisputed that the defendants' *prices* for maple, beech and birch flooring were *fair and reasonable.* (Pages 54-61, *supra.*) We have seen that the buyers of the country *prefer* the flooring manufactured by the defendants, and have praised the said defendants for their honesty and fair-dealing. (Pages 62-64, *supra.*)

Manifestly, if the alleged *uniformity of prices* has never existed, or *does not now exist,* the petitioner's entire case must fail. Why? For the good and sufficient reason that the *public* has not been *injured.* Because an *unreasonable restraint* of interstate trade does not exist. For the reason that the petitioner has based its case upon the alleged *uniformity of prices.*

Let us make the violent assumption that *all* the alleged means were *continuously* employed by *all* the defendants, and examine the record for the purpose of ascertaining what *results,* if any, they produced. Let us determine

whether there ever existed among the defendants any uniformity of either f. o. b. mill or delivered prices for maple, beech or birch flooring. Let us ascertain what the record shows with respect to price competition among the defendants.

It is significant (or rather characteristic of the *unbridgable gulf* that exists between the *petition* and the *proof*) that on March 7, 1923, or *two days* after the petition herein was filed, a lumber dealer in Baltimore wrote to the defendant West Michigan Flooring Co., of Manistee, Michigan, a letter asking for quotations on 39,000 feet each of 13/16 x 2¼ Clear, No. 1 and Factory maple flooring. This letter also contained the following paragraph:

> "I shall be very glad indeed to have you keep me posted as to prices and conditions pertaining to orders for maple flooring from time to time, *as there seems to be such a wide spread between the different quotations that our customers receive that they hardly know how to make a consistent estimate.*" (Vol. I, p. 383.)

On November 4, 1920, Mr. Sam E. Barr, a large dealer of New York City, wrote to the defendant above mentioned in part as follows:

> "Your letter of the 2nd received, and in reply wish to say that prices on maple flooring are lower than they have been for a long time. This situation no doubt you know about, *and I can't find where two manufacturers are quoting the same prices on any one item.* I have prices on 13/16 x 2¼" Number 1 as low as $125.00 and as high as 145.00; Factory as low as $75 and as high as 90; Clear as low as $140.00 and as high as $148.00." (Vol. I, pp. 343-4.)

GOVERNMENT'S WITNESSES.

But let us see what the *Government's own witnesses* testified. The following persons were called by the Government and interrogated with respect to their *production*. On cross-examination they testified as follows:

Mr. August O. Bublitz, of Beck & Co., Milwaukee, *nonmembers:*

"We sell most of our flooring at St. Louis, and all the way up to Chicago and St. Paul. We keep in touch with market conditions through salesmen, or we solicit by mail. If we make quotations and our orders are turned down we have got to come again. *We have pretty strong competition.* In the course of our business we have learned of the prices made by Kerry & Hanson, J. W. Wells Company, I. Stephenson, Trustees, Cummer-Diggins Company, West Michigan Flooring Company, Cobbs & Mitchell, and Mitchell Bros. [all defendants]. *They have been competitors of ours in selling in the territory above mentioned.*

Q. State whether or not you have at times found any of the firms you have mentioned quoting lower prices than yours or sometimes higher. How has that been, generally?

A. Well, we have found them sometimes lower and a few exceptions where they were higher—they have often a better price than we—*as a rule they are always lower.* We try to get prices, you know—*we have to meet competition in order to get the business.*"

"*Sometimes we were able to meet their lower prices and to get the business and sometimes they got the business.*" (Vol. I, pp. 84, 83.)

Mr. Carl Barnes, of A. H. Krauskoph Co., Richland Center, Wis., *nonmembers:*

Sell maple flooring as far east as Madison, Wisconsin, and west throughout Iowa.

"In selling maple flooring we have met competition from other manufacturers who sometimes sell at lower prices than we do. We came into competition with the *Northwestern Cooperage & Lumber Company*, W. D. Connor Company, *Wisconsin Land & Lumber Company.*

I am not sure as to the difference in prices as between Connor and *The Cooperage Company, but as between them and us I have noticed a difference. We are higher than they are. That is true also of the Wisconsin Land & Lumber Company, but not so much so I think.* I am not so conversant with the prices recently that they have made." (Vol. I, p. 85.)

Mr. Charles A. Goodman, of Goodman Lumber Co., and Sawyer-Goodman Co., of Goodman, and Marinette, Wisconsin, respectively, *nonmembers:*

"We sell most of our flooring in Wisconsin, Illinois, Michigan and Ohio to wholesale dealers and retail lumber yards. *In the sale of our maple flooring we have met competition from other manufacturers and that competition has always been pretty active since we have been in business. The manufacturers whom I come most directly in competition with are I. Stephenson Company and Cobbs & Mitchell; Mitchell Bros., Wells Lumber Company, Wisconsin Land & Lumber Company, Northwestern Cooperage Company, William Horner, Ward Bros., W. D. Young & Co.* In selling in competition with these various manufacturers *we have found that competition took the form of varying prices quoted by different manufacturers. Sometimes their prices were lower than ours and sometimes we were able to meet their prices or perhaps better them. There has at all times been substantial variations in the prices quoted for the same grades and same sizes of flooring by the different concerns above mentioned.* We find the prices are *extremely variable.*

"The competition we meet is quite difficult for us to locate because we can't depend upon the same prices at all. *We will quote a price on a carload of a certain kind of flooring and maybe get the order and the next day quote the same price for flooring again and lose the order by several dollars. The condition above described so far as the spread in prices between manufacturers for the same grades and sizes of flooring has existed right along since we have been in business and exists to-day. There have been many times when we could figure no profit in manufacturing flooring. At times the prices of flooring has been high enough to permit a substantial profit; other times the prices has permitted no profit. We manufacture our maple flooring from our own logs, our own lumber.*" (Vol. I, p. 86; and see pp. 59-60, *supra.*)

Mr. George Bulgrin, of R. Connor Company, Marshfield, Wisconsin, large *nonmember* manufacturers, who discontinued association membership on February 1, 1920, (Vol. II, p. 478):

"I am the sales manager of the R. Connor Company. As such I come in competition with other manufacturers of maple flooring. Our principal competitors are I. Stephenson & Co., Trustees, Northwestern Cooperage & Lumber Company and Wisconsin Land & Lumber Company; Foster-Latimer Company, Kneeland McLurg Company, J. W. Wells Lumber Company. I have been sales manager of the R. Connor Company for about six years, and during all of said time have kept in close touch with market conditions. *I have always found that competition was very keen and that very rarely would there be any prices alike. Some would be lower and some higher all the time.* The variation in prices was *very substantial.* The normal variation in price *per thousand feet* was $5.00 per thousand. In 1919 and 1920 the variation for a given size and grade of maple flooring was sometimes as high as $25 to $30 a thousand. There were times when there was a spread as

high as $50.00 a thousand. *In order to meet this competition since 1918 I have found that at times our prices were higher than the prices of our competitors who were members of the Association. That has occurred frequently. At other times we were able to meet their prices or perhaps better them and get the business.*" (Vol. I, pp. 88-9.)

Mr. W. R. Gillette, of Brown Lumber Co., Traverse City, Michigan; *nonmembers;* began to manufacture maple flooring in 1920:

"Most of our flooring goes to Chicago, practically 80% of it, and the balance to Detroit. In the Chicago and Detroit markets in the sale of our flooring since 1920 we have met competition. *At times we find the competition very keen and we are able sometimes to get the business, other times we find that the other fellow apparently has a lower price than we have, so we don't get the order.* Our principal competitors are the *Northwestern Cooperage & Lumber Company, Wisconsin Land & Lumber Company, Holt Hardwood Company. I have often been told by our salesmen that some of our competitors were quoting lower prices for the same grade and size of maple flooring than we were. That situation has existed since 1920.*" (Vol. I, p. 92.)

Mr. Hamlin J. Ward, of Ward Brothers, Big Rapids, Michigan, large *nonmembers;* in maple flooring industry twenty-four years:

"During the time that I have been in the maple flooring business I have found *quite active competition. That competition has been represented by variation in prices quoted by different manufacturers for the same size and grade of flooring at any given time.* That *competition* has *always* existed and *exists today.*" (Vol. I, p. 94.)

Mr. Sidney L. Eastman, jobber of maple flooring, hardwood lumber, etc., has not manufactured flooring since 1917:

"I purchase the maple flooring sold by me from

different manufacturers in Michigan. I bought from four different manufacturers and have solicited quotations from a number of others. In 1917 my mill burned. In soliciting prices from various manufacturers of maple flooring I have found that there are *hardly any two prices alike.* There is *always* a variation on most purchases I make. *At times the prices vary anywhere from $2.00 to $10.00 a thousand on the same size and grade.* Most of our flooring is largely for export. I have to charge a higher price in order to take care of expenses incidental to export business. I have made the largest purchases from *Kerry & Hanson Flooring Company of Grayling,* Kerry & Way Manufacturing Company of Saginaw, *the East Jordan Lumber Company,* and the *West Michigan Flooring Company.* Before 1917 I belonged to the Maple Flooring Manufacturers Association." (Vol. I, p. 97.)

Mr. R. F. Hooker, retail lumber dealer, Grand Rapids, Michigan:

"We buy maple flooring from various manufacturers. We have bought from *Nichols & Cox, J. W. Wells Lumber Company, Mitchell Bros., Cobbs & Mitchell, Wisconsin Land & Lumber Company, Kerry & Hanson Company, Cummer-Diggins Company, Bigelow Cooper Company, West Michigan Flooring Company.* In buying flooring we send out inquiries to several different manufacturers. We buy less than half a million feet a year in both carload and less than carload lots. *We address inquiries to several different manufacturers in order that we may buy to best advantage.* There is *always a variation* in the quotations made by *different manufacturers* on *one* inquiry. *I don't recall that I ever found all of them quoting the same price.* At *all* times there has been a *variation between* prices quoted on the *same* inquiry by the different manufacturers *above mentioned. This variation fluctuates.* We buy other lumber products as well as maple flooring. At times the variation in prices of maple flooring was as large as the variation in prices of oak flooring or other

lumber products. We have bought flooring from *Horner of Reed City* and Ward Bros. of Big Rapids. Sometimes the prices of Ward Bros., as compared with the prices of the other manufacturers above mentioned, were lower and sometimes higher." (Vol. I, p. 141.)

WITNESSES FOR DEFENDANTS.

CHICAGO DEALERS.

So much for the Government's witnesses. Let us now turn to the evidence of *buyers* of maple, beech and birch flooring.

Mr. L. L. Barth, 73 years of age, engaged in lumber business since 1878; senior vice president, stockholder and director of Edward Hines Lumber Co., which was organized in 1891 or 1892. Buying and selling done under his direction. Company owns numerous mills and subsidiary corporations, and largest lumber yard in the world at Lincoln street and Blue Island avenue, Chicago, where 300,000,000 feet of lumber handled annually. All told company and subsidiaries handle about 1,000,000,000 feet of lumber annually. *Chicago yard handles from three to five million feet of maple, beech and birch flooring annually.*

Has done business with members of defendant Association.

Keeps in touch with market conditions and prices of maple, beech and birch flooring by *means of inquiries addressed to practically all manufacturers of maple flooring;* talks with representatives of such manufacturers, other yardmen, customers; competitors' prices on some jobs, etc., etc. (Vol. I, pp. 409-410.)

"*We do not make any distinction in purchasing*

flooring between members of the Maple Flooring Manufacturers Association and nonmembers. We do not care from whom we buy flooring so long as we get what we buy." (Vol. I, pp. 425-6.)

"*I consider that it is to our interests as a buyer that there should be free and full competition among the manufacturers of maple, beech and birch flooring, and that is what I am in favor of.* If a person were to tell me that during all the time since 1895 or any part thereof there had been no competition among the manufacturers of maple, beech and birch flooring, and that by various devices said manufacturers and their confederates had established and maintained a practical uniformity of f. o. b. mill and delivered prices of maple, beech and birch flooring, *I would say that he did not know what he was talking about.* I do not think that a man that has had any experience in the lumber business would make such a statement. He might know something about the lumber business, but his experience would be very limited. *I have never suspected that I was being victimized in the manner charged by the Federal Government in its petition in this case. From my knowledge of the lumber business and talks with other yard men, I can say that all yard men in Chicago feel that there has always been competition among the manufacturers of maple, beech and birch flooring.*

I have *never* observed *any uniformity, whether practical or otherwise, in the prices for maple, beech and birch flooring by the different manufacturers.* There might be a case or two where on one item they might be the same, but as a general proposition no. The prices have always varied and that variation has been pretty substantial in many cases. *From my knowledge of the lumber business I can say that the variation or difference in prices of the different manufacturers of maple, beech and birch flooring has been as great as the variation in prices of the other lumber products that I buy. If there had been a practical uniformity of prices, or if the prices of maple, beech and birch flooring had been artificially regulated and controlled by a group of manufac-*

turers, I do not think that such a condition could exist 24 hours before I would become aware of it. This for the reason that we are buying every day and we would immediately learn of any uniformity of price. I do not think there was *ever* a time during my *extended* experience when *all* the *quotations* that we received, were all the *same.*

There has *never* been a time when they were *practically uniform.* From my experience I would say that the prices of maple, beech and birch flooring in Chicago have been governed by the law of *supply and demand,* and that such prices have *not* been artificially *manipulated* and *fixed* by some *group* of manufacturers. This information [opinion?] is based upon my *experience* in the purchase and sale of from *three* to *five million feet* of *maple, beech* and *birch flooring annually.* I believe that there *is now* and has *always* been *free, active and vigorous competition* among the *different manufacturers* of *maple, beech* and *birch flooring.*" (Vol. I, pp. 410-411.)

Fortunately, some quotations received during a period of two years before the date on which Mr. Barth gave his deposition, were located. (See explanation of office system on pages 426-7, Vol. I.) Let us notice the quotations received in response to the *first three inquiries* that appear in the record. It should be stated that the quotations are *per thousand feet* delivered at Chicago, unless otherwise specified.

"The papers you hand me which have been marked Defendants' Barth Ex. 1 for identification are an inquiry dated September 15, 1922, that was sent out by the Edward Hines Lumber Company for *15,000 feet* 13/16ths by 1¼ inch face Clear maple flooring, and also for a car of 13/16ths by 2¼ inch face Clear maple flooring, addressed generally to manufacturers of maple, beech and birch flooring, and the answers of different manufacturers who quoted on said inquiry. Said quotations received by us on the *15,000 feet* of

16th by 2¼ inch face No. 1 Maple flooring delivered at Pittsburgh, Pennsylvania, and the quotations received in response thereto. Said quotations are as follows:

Kneeland-Bigelow, $105.00 less $2.00 commission.

Holt Hardwood Company, $100.50 less $2.00 commission.

The documents you hand me marked Defendants' Barth Exhibit 22 for identification are an inquiry of the Edward Hines Lumber Company, sent out on April 3d, 1923, for *five* cars of flooring and the quotations received in response thereto. One of the inquiries related to *13/16ths by 2¼ inch No. 1 Maple Flooring delivered at Chicago,* and the quotations received with respect to such flooring were as follows:

Holt Hardwood Company, on 5 cars, $94.00, less $2.00 commission.

Holt Hardwood Company, on 5,723 feet, $94.50.

The inquiry also related to 13/16th by 2¼ inch Factory Maple Flooring and the quotations received were as follows:

Holt Hardwood Company, on two cars, $54.50, less $2.00 commission.

J. W. Wells Lumber Company, $59.00.

[30]Ward Brothers, on two cars, $59.25." (Vol. I, p. 420.)

Mr. Barth testified also:

"The inquiries and quotations that have been read in evidence are *typical* of our experience, for the time that we have been in business, of variations in quotations that have been received from different manufacturers." (Vol. I, p. 426.)

The Edward Hines Lumber Co. is a competitor of some

---

[30]Nonmember.

members of the defendant Association in some lines of the lumber business. (Vol. I, p. 426.)

That the price variations above set forth are *substantial* is evidenced:

(a) By the previous testimony of the witness that they were substantial.

(b) By the difference in dollars and cents on the number of feet involved between the results obtained by using the high and the low quotations as multipliers.

(c) By the fact that (when not purchasing for stock) both wholesalers and retailers buy for specific jobs, and their profit ordinarily consists of merely the commission allowed. (Vol. II, p. 595 (fol. p. 1041), and pages 111-112, 138.)

Mr. C. A. Flanagin, Mr. Earl Bartholomew, Mr. Alexander B. Claney, Mr. Albert P. Hawley, and Mr. Charles J. Heniff, other Chicago dealers (large and small), gave equally strong testimony as to the variation in prices. They also testified that strong, active competition existed among the defendants, and many other quotations were read into the record. (Vol. I, pp. 429-434; Vol. II, pp. 449-458, 458-461, 461-466, 467-471.)

MILWAUKEE.

Mr. Lawrence J. Koerble, of John Schroeder Lumber Co., also gave similar testimony with respect to the existence of competition among the defendants. (Vol. I, pp. 445-6.)

The Edward Hines Lumber Co. destroyed all quotations more than two years old. Mr. Barth was therefore unable to read into the record quotations received during 1920, the period of high prices. Let us notice a few of the quotations received by Mr. Koerble during that year.

All the quotations are *per thousand feet* f. o. b. cars, Milwaukee, unless otherwise specified. We quote from the record:

"Defendants' Koerble Exhibit 4 for identification is an inquiry we sent out dated September 20, 1920 for certain items of flooring and the responses that we received thereto.

The quotations received on 13/16 x 2¼" *clear* maple flooring are as follows:

I Stephenson Company	$225.00
Cummer-Diggins Company	177.00
Bigelow-Cooper Company	201.50
Nichols & Cox	187.50
Northwestern Lumber & Cooperage Co.	185.00
Cobbs & Mitchell	182.50
Kerry & Hanson Flooring Co.	182.50
West Michigan Flooring Co.	197.50

The quotations we received on the 13/16, 2¼" face *No. 1* maple flooring were as follows:

Wisconsin Land & Lumber Co.	$170.00
G. H. Tennant Co.	185.00
East Jordan Lumber Co.	173.00
Strable Lumber & Salt Co.	171.00

On the 13/16, 2¼" face *factory* maple flooring, we received the following quotations:

Foster-Latimer Company	$150.00
W. D. Young & Co.	140.00
Bigelow-Cooper Co.	159.50
Nichols & Cox	137.50
Northwestern Cooperage & Lumber Co.	150.00
Cobbs & Mitchell	127.50
G. H. Tennant Co.	155.00
East Jordan Lumber Co.	130.00
Kerry & Hanson Flooring Co.	132.50
Strable Lumber & Salt Co.	146.00
Wisconsin Land & Lumber Co.	135.00
I. Stephenson Company	150.00
Cummer-Diggins Lumber Co.	126.00"

(Vol. I, p. 440.)

All the firms above mentioned were members of the Maple Flooring Manufacturers Association then in existence. (Vol. II, pp. 477-8.) Many other quotations were read into the record by Mr. Koerble. Some of these quotations were from nonmember manufacturers as well as from *brokers.* If the names are not on Defendants' Exhibit QQ, and are not listed as members of the defendant Association or its predecessors (Vol. II, pp. 472-479), then where only individual names are given, such as Paul Knolk, Clayton Gibson, etc., it is safe to assume that such persons are *brokers. Of course, it does not appear by whom the flooring they were offering for sale was manufactured.* The District Court's assertion that "somewhat lower prices have usually been quoted by nonmembers" (Vol. I, p. 59), is opposed to the testimony of both nonmembers and buyers, and is conclusively disproved by the actual quotations appearing in the record. For names of members of the different associations since 1913, see Vol. II, pp. 472-479.

BOSTON.

Mr. Lester N. Godfrey, Treasurer of the Godfrey Lumber Co., has been handling maple, beech and birch flooring for 30 years, and has been engaged in the wholesale lumber business in Boston for 43 years. Mr. Godfrey testified in part as follows:

"Q. Now, in the many years that you have been engaged in the purchase of maple, beech and birch flooring, *has there ever been a time in your experience when all of the manufacturers of that flooring,* or at least all with whom you come in contact as a purchaser, *were quoting uniform prices for their product?*

A. *I cannot remember such a thing, no.*

There has *always* been *competition* among the manufacturers of maple, beech and birch flooring in

the sale of flooring to large dealers such as my company. That competition has expressed itself in varying prices quoted by the manufacturers on the same grade and size of flooring. That condition has always existed as far as I remember. It certainly has existed during the last ten years.

I gave you such inquiries as I was able to find that were sent out by my company to the flooring manufacturers during the year 1922 and the replies that were received in response thereto. The documents you show me are copies of letters and the letters that I received in answer thereto that I sent out dated January 6, 1922, addressed to William Horner, Cummer-Diggins Company and the Kerry Hanson Flooring Company.

(Said documents marked Defendants' Godfrey Exhibit 1, and received in evidence.)

In my letter of January 6, 1922, addressed to the manufacturers above mentioned, I asked for quotations on 13/16 x 2¼" Clear Maple Flooring. The quotations that I received were as follows:

William Horner	$98.50
Cummer Diggins	99.50
Kerry-Hanson	94.50

All the prices above mentioned were f. o. b. cars Boston and were subject to the usual commission.

While I have not had direct charge of the buying during the last few years, I go through all the correspondence every day. I haven't had a vacation for years and it is only a matter of convenience whether Mr. Fisher or either of my sons dictate an inquiry or have the stenographer send one out. I am the head of the business of our company and direct the affairs of it and devote all my time to the management of said company.

In the letter of William Horner dated January 9, 1922, which forms a part of Exhibit 1, it is said, 'We do not see how we can possibly cut this figure, but if it will help you out any, we would be willing to go $1.00 per thousand lower.'

It has been my experience frequently, in dealing with manufacturers, that they endeavor to give me a price which would enable me to meet competition and would cut their own prices accordingly below prices previously quoted by them. *If the prices were uniform, or substantially uniform, for the same grades or sizes of maple flooring, we would not have to send out any inquiries at all.*

In the telegram of Kerry & Hanson Lumber Company dated January 9th, they state, *'Will make up to five dollars per thousand reduction. Do best you can on price.'* It is quite a frequent occurrence, where manufacturers endeavor to meet competition by giving us as low a price as they feel they can. In that particular case Kerry & Hanson practically left the price to us.

The letters you show me are copy of an inquiry that my Company sent out on February 11, 1922 and the answers that were received in response thereto. All these letters were received in the regular course of mail.

(Said documents marked Defendants' Godfrey Exhibit 2 and received in evidence.)

On 13/16 x 2¼" No. 1 Maple flooring, the following quotations were received:

William Horner	$72.00
Kerry & Hanson Flooring Co.	74.50
Flanner-Steger Land & Lumber Co.	69.50

On 13/16 x 2¼" No. 1 Beech flooring, we received the following quotations:

William Horner	$62.00
Kerry & Hanson Flooring Co.	64.50

All the foregoing prices were per thousand f. o. b. cars Boston or New England delivery rate and subject to the same commission.

The documents you hand me are a copy of an inquiry our Company sent out on February 14, 1922, and the letters that were received in response thereto.

(Said letters marked Defendants' Godfrey Exhibit 3 and were received in evidence.)

On 13/16 x 2¼" Clear Maple flooring, we received the following quotations:

Flanner-Steger Land & Lumber Co.	$94.25
Cummer-Diggins Co.	99.50
William Horner	98.00

On 13/16 x 2¼" Clear Beech flooring, we received the following quotations:

Cummer-Diggins	$84.50
William Horner	80.00

On the 13/16 x 2¼" No. 1 Beech flooring, we received the following quotations:

Cummer-Diggins	$64.50
William Horner	60.00

On 13/16 x 2¼" face No. 1 Maple flooring, we received the following quotations:

Cummer-Diggins	$44.75
William Horner	43.00

All the prices above mentioned were on a delivered basis.

The Flanner-Steger Land & Lumber Company's prices were subject to a commission of $3.00 per thousand and the prices quoted by the other manufacturers were subject to a commission of $2.00 per thousand

In our letter to Cummer-Diggins Company, which is a part of Defendants' Godfrey Exhibit No. 3, we state: 'Beg to advise that our customer had a price of $80.00 on 13/16 x 2¼" inch clear beech and $94.25 on 13/16 x 2¼" clear maple. Therefore we were not in it.' That represents a typical case where some other wholesaler was able to quote a lower price than our Company was. Sometimes our competitors are able to underbid us and sometimes we underbid them. There are a good many wholesalers of maple, beech and birch flooring in this territory, and all of us are bidding for the business. The competition

has at all times been vigorous and active and we send out inquiries in order to find out what we can buy the flooring at. *We get the business sometimes because we are able to make a better price through getting the flooring cheaper than our competitors and sometimes vice versa. Such conditions have always existed.*" (Vol. II, pp. 531-533.)

And on cross-examination:

"As a general rule, we buy from Cummer-Diggins, William Horner and Kerry & Hanson, and very frequently from Flanner-Steger Land & Lumber Company, perhaps more frequently from them than the others.

Some of the manufacturers of maple flooring have exclusive representatives here and if they have we don't address inquiries to them. They give their representatives the benefit of their distribution and would not quote us. That is one of the reasons why we don't send out to more than five or six manufacturers at one time. It might be a material advantage to address inquiries to a larger number of manufacturers. *Even among the small number to whom we address inquiries, there is a great variation in price.* We send inquiries to about all we know about who make good flooring and manufacture in large enough quantities to supply our orders. We dicker with the different manufacturers as to commissions and prices in order to obtain as low a price as possible so that we may meet competition. Of course, if a manufacturer gives us a larger commission, his profit would be less. The purpose of allowing a larger commission is to secure orders and the one allowing a larger commission may underbid the other fellow.

I could not state what the average variation in the various prices on a certain grade of maple flooring would be. My correspondence is accessible to either the plaintiff or the defendant. You will find quite a variation at different times. It is owing, a great deal, I imagine, to the amount of lumber they have on hand of certain grades. I don't know whether the difference in freight rates has a bearing upon the

price of flooring. I don't know what effect standardization of flooring has had upon prices, *but I do know that it has been of great assistance to us. We now have a more dependable grade.*

I buy all our flooring outright." (Vol. II, p. 538.)

Other quotations were also read into the record by Mr. Godfrey.

Similar testimony was given by Mr. William Bacon, of the Davenport-Peters Co.; Mr. William C. McConnell, of the McConnell Company, Boston dealers of long experience. (Vol. II, pp. 560-564, 564-569.)

NEW YORK CITY.

The following quotations, which were made to dealers in New York City during the latter part of *February, 1923*, or less than 30 days before the filing of the petition herein, are interesting, especially in view of the different grades and sizes involved:

	13/16x2" clear	13/16x2¼" clear	13/16x2" No. 1	13/16x2¼" No. 1
East Jordan Lbr. Co.	98.25	.....	88.25	.....
Horner	101.50	108.50	.....	98.00
Holt Hardwood Co.	93.25	98.25	63.25	68.25
J. W. Wells Lbr. Co.	.....	108.25	.....	98.25

	13/16x2 factory	13/16x3¼ factory	13/16x3¼
Horner	53.00	57.00	.....
J. W. Wells Lbr. Co.	53.25	59.25	.....

	13/16x3¼" clear	13/16x3¼" No. 1	13/16x3¼" factory
East Jordan Lbr. Co.	84.25	.....	54.25
Horner	.....	84.00	57.00
J. W. Wells Lbr. Co.	94.25	89.25	59.25

(Vol. II, pp. 577-578.)

Mr. Ralph A. Brown, of the John A. Daley Lumber Co.; Mr. George A. Yaest (with Sam E. Barr); Mr. Ray-

mond W. Storm, of George H. Storm & Co.; Mr. Paul G. Ribett, of the Harris Flooring Co., dealers in New York City, all testified to the existence of competition and the variation in prices. Many quotations were also identified and introduced in evidence. (Vol. II, pp. 569-578, 578-581, 581-584, 584-587.)

PHILADELPHIA.

Mr. Elmer M. Phisterer testified as follows:

"'I live at Philadelphia and have for practically all my life—45 years. I am Sales Manager for the William M. Lloyd Company of this city. That Company has been engaged in the lumber business in Philadelphia since 1868. I have been Sales Manager for the William M. Lloyd Company for three years. Before that I was their Traffic Manager.

As Sales Manager I purchase and sell lumber. Our Company handles Long Leaf Yellow Pine, Short Leaf Yellow Pine, Yellow Pine Floorings, Maple Flooring, Oak Floorings, White Pine, Hemlock, Spruce, practically all lumber that is used in building contruction. Our Company deals in these products, both wholesale and retail. We sell principally to the lumber yards throughout the eastern portion of the United States. We also sell to builders, contractors, consumers in and around Philadelphia. *During the past two years I think our Company had handled about a million feet of maple flooring a year.* We purchase maple flooring from different flooring mills. During the past two years we have specialized in the product of Kneeland-Bigelow Company, formerly the Bigelow-Cooper Company. Before we began to handle the product of the Kneeland-Bigelow Company, we purchased maple flooring from various mills. We sent out inquiries addressed to several manufacturers in order to determine from whom we would buy. These inquiries were addressed to probably six or eight different mills in different sections.

The prices quoted by the different mills varied. That was always the case. The variation in prices

was a matter of dollars per thousand feet. I was also then familiar with the prices of oak floorings. *I think that the variations in prices quoted by the maple flooring manufacturers were as great, or greater, than the variations in prices quoted by the manufacturers of other competing flooring, such as oak.* Sometimes the variations would be much greater than at others. I have known of variations of six or seven or eight dollars per thousand feet on different grades of maple flooring. In the sale of the product of the Kneeland-Bigelow Company we are constantly in competition with the product of other manufacturers. W. D. Young & Company of Bay City, Michigan and the West Michigan Flooring Company of Manistee, Michigan are represented in this territory and are the principal ones that we come into competition with. Competition is active all the time and the prices quoted by the representatives of other flooring manufacturings vary from our prices. This variance is sufficient to swing the business to or from us, according to whether our prices are lower or higher than the prices of our competitors.

To my knowledge this condition has existed all the time that we have been handling Kneeland-Bigelow flooring. I don't want to give the impression that we were always higher because there were lots of occasions when we have been equal to or lower than other quotations and received the business; maybe through friendship or through business association we received business, possibly on the same basis or maybe 25 or 50c higher than other quotations.

During all the time that I have been selling flooring I have found very substantial variations in the prices quoted by other manufacturers in competition for a given job. That variation is sometimes as much as four or five or six dollars per thousand feet of flooring. The Philadelphia market is a large consumer of maple flooring, which is used in office buildings, schoolhouses and construction of that character. To my knowledge there has [never] been a time when substantially all the manufacturers of maple flooring, either directly or indirectly, quoted

uniform or practically uniform prices. As we encountered competition, we took the matter up with Kneeland-Bigelow Company.

The letters you show me are correspondence passing between our Company and the Bigelow-Cooper Company or the Kneeland-Bigelow Company. This correspondence was carried on in the ordinary course of business. The correspondence in question was taken directly from our files.

Our letter of January 7, 1922, addressed to Bigelow-Cooper Company, Bay City, Michigan, reads as follows:

'Recently I quoted John L. Conrad & Sons at Port Carbon, Pa., on 10,000 ft. 4-4 Factory Maple Flooring at $38.50 f. o. b. car their city.

I have followed this matter very closely and received a re- (fol. 1032) sponse from them this morning (as I have a friend in their employ) stating that it was bought from Young at $31.50 delivered.'

That letter is typical of the competition between ourselves and some other manufacturer or manufacturer's representative in the sale of factory flooring. I recall the case referred to in that letter. By Young I meant *W. D. Young & Company of Bay City.*

The letter of March 6, 1922, written by the Bigelow-Cooper Company to our Company, reads as follows:

'You understand of course that we have discontinued the operation of our plant and do not intend to resume operations until conditions are stabilized to a point where we can pay the present market prices for rough lumber and sell our flooring at a profit.

Our supply of flooring lumber was reduced to a very low point and we realize it would be necessary for us to go out on the market and replenish our stock. *When we learned the market price on lumber and compared the prices for the finished product, together with our cost of operation, we promptly discovered that figures were in the red.*'

The letter written by the Bigelow-Cooper Company addressed to our Company, under date of March 14, 1922, reads in part as follows:

'We have a great deal of confidence in the future, however, and feel that the extensive proposed building program throughout the country will improve values, while, on the other hand, the crop of rough lumber produced during the past winter will soon be ready for the market and there is a possibility that prices on the rough lumber will be lower. With this in view we are anxious to have our house in order so that it will be possible to take advantage of the conditions and operate our plant to full capacity.

On our last price list we made concessions on certain items which we believe represent the present market, *but in any instance where you are offered business for these items at prices lower than our list, we will allow you to meet legitimate competition, in order secure the business.*

We fully appreciate your position under these conditions and assure you that it is our desire to cooperate to the fullest extent possible without serious loss to ourselves, and we are confident that you do not expect any more than this. *Of course we want you to handle our stock exclusively, but there is absolutely no objection to your purchasing elsewhere items that we cannot furnish, or that it is possible for you to buy to better advantage.'*

When we met active competition and lower prices quoted than we were able to meet, we usually submitted the matter to Kneeland-Bigelow Company. Sometimes they would authorize us to take the business at lower prices and sometimes they would not. We usually have specific cases which we submitted to them where the business had been offered to us and before we would accept we would naturally get in touch with the mill and get their acceptance. Of course, we were always authorized to accept business at the prices fixed in Kneeland-Bigelow Company's current price list. What we took up with them was whether we could accept certain specific orders at less than the prices stated in their current price lists. It was the practice of the Kneeland-Bigelow

Company, as well as the practice of other manufacturers, to send out their price lists from time to time. This is true of the lumber trade generally. Price lists of some character are received in almost every mail. On July 6, 1922 we received a letter from the Bigelow-Cooper Company calling attention to the stocks on hand in various sizes, etc. Said letter reads in part as follows:

'We have made concessions in prices on these items and believe they are considerably below the present market; therefore, we urge you to call the attention of your trade to these particular items.

We would appreciate an expression from you regarding the conditions in your market in reference to prices and the prospective future demand. *It is essential that we have all of the information possible so that we may keep in line with our competitors and plan our future policy.'*

It was our practice from time to time to advise the Kneeland-Bigelow Company of the competitive conditions in this market. It was our intention to keep said Company fully informed as to what their competitors were doing because our getting orders depended always upon being in line with the market or being able to at least equal or undersell other dealers.

On August 9, 1922, we received a stock list and prices from the Bigelow-Cooper Company, accompanied by a letter which reads in part as follows:

'We have endeavored to make prices on these items that are attractive, but are perfectly willing to meet legitimate competition from reputable Maple Flooring manufacturers, if necessary to secure orders.

We will welcome any information that you can give us regarding conditions in your territory, especially with reference to competitive prices, and also any suggestions which you may have to offer that will lead to our mutual benefit in the distribution of our products.'

When a manufacturer has a considerable quantity of given grades and sizes of maple flooring on hand,

the usual procedure is to make a special effort to move those sizes at the list price, if possible, and if not, of course, at lower prices. A flooring mill has to have a continual flow through the mill. Otherwise, if the warehouse becomes filled with maple flooring, the mill portion must stop. It is of such a character that you cannot pile it outside. It must be protected all the way through the manufacture, and then it must be kept in the warehouse until it is loaded on cars and shipped out. Consequently there must be that even flow through the warehouse continually, and if they cannot sell a certain size of certain dimensions, or a certain grade, that piles up, and it is produced all the time in the manufacture of the other grades, that is, you cannot stop it, it comes on continuously, then that flooring much be moved out of that warehouse. All different grades and sizes are and must be produced at the same time. It has been our experience that when a manufacturer becomes stocked up on one particular grade, he cuts the price.

We received a letter from the Bigelow-Cooper Company dated August 23, 1922, reading as follows:

'We desire to again call your attention to the surplus items on our list, and urge you to make a more earnest effort to secure orders for this stock. We are especially anxious to move some of the shorts.

If you find that our prices on this item are not in line with our competitors, it will be satisfactory for you to meet the market price. Our weekly sales reports show that other manufacturers are selling the short lengths, and we see no reason why it should not be possible for you to secure a portion of this business.'

On January 24, 1923, we sent a letter to the Kneeland-Bigelow Company, reading as follows:

'Will you be kind enough to let me know what information you have regarding Wisconsin Land and Lumber Company, as these people were in competition with us with a contract of this city on 200,000 feet 13/16 x 2¼" #1 Maple Flooring, on which they quoted $92.00 per thousand feet.

I understand they manufacture the LXL brand, and inasmuch as their price is $.75 lower than yours I did not think it advisable to wire you the offer as you do not show any of this grade on your stock list.'

We received from time to time stock lists, as well as price lists, from the Kneeland-Bigelow Company. We had those stock lists in order that we might know just what to sell and what not to sell.

On April 17, 1923, we wrote to the Kneeland-Bigelow Company a letter, reading in part as follows:

'For your information, we understand that Ward is willing to take on the business, shipping as outlined, and their price is 50 cents under ours, but we can secure the business on our price.'

The business referred to was 102,000 feet of 13/16 x 2¼" clear maple flooring. The Ward mentioned in said letters is Ward Brothers of Michigan. I do not know whether Ward Brothers are members of the Maple Flooring Manufacturers Association.

In Philadelphia we sell to contractors and consumers and come in competition with yardmen and other dealers who handle maple flooring of other manufacturers. Outside of Philadelphia we have a wholesale business, and in such business we come in competition with other manufacturers in the sale of maple flooring.

We received a letter from the Kneeland-Bigelow Company dated May 3, 1923, reading in part as follows:

'We are surprised to note that you are losing business on lower competitive prices, as other mills report that they are receiving orders at higher prices than our list. As a matter of fact, we have acted very conservatively in raising prices and it was our conviction that it was advisable for us to accept orders for shipment during the third quarter of this year, which you know has not been our policy heretofore.

The instance you report on Factory Maple Flooring may be unusual in some respects as, of course,

in this grade we have competition from various sections of the country.

We are very glad to have you keep us advised of competitive conditions that you have to contend with and assure you that it is our desire to co-operate with you to the fullest extent possible in order to increase the business.'

We received a letter dated June 18, 1923, from the Kneeland-Bigelow Company, reading in part as follows:

'We have been advised in several instances that some manufacturers of Maple Floring are offering reductions in certain items. It is our desire to keep in line with the market in order to secure a fair share of the business offered.

We desire to co-operate with you on future orders and in any cases that you encounter lower prices, we would appreciate it if you would inform us by wire and we will immediately give you definite response.'

We also received the letter dated June 3, 1923, from Kneeland-Bigelow Company, reading as follows:

'Referring to our stock list of June 15th, we call your attention to the surplus of 17-16 by 3¼" face Factory.

In order to secure prompt orders for this stock, we will allow a special concession of $2.50 per M to you for the entire quantity shown in our list.'

We also received the letter dated June 27, 1923, from the Kneeland-Bigelow Company, reading in part as follows:

'We have your favor of the 25th inst. with reference to quotations in your territory and since this letter was written, we have mailed you new price lists with *reductions* on a great many items. This now makes our price on the 13-16 by 2¼" face Factory $57.75 delivered your rate. *You realize, of course, that we have been heavily oversold and consequently have hesitated in reducing our prices. However, we wish to keep in line with the market*

and as previously advised you, it is necessary for us to depend upon our representatives to keep us informed of the competitive price conditions.'

The letters which have been introduced in evidence are typical of the correspondence that has passed between our Company and the Kneeland-Bigelow or the Bigelow-Cooper Company. The competitive conditions described in said letters have at all times existed in the flooring business in the Philadelphia market." (Vol. II, pp. 587-593.)

Mr. George Lippincott, who represented William Horner and the Grand Rapids Trust Co. as Receiver for Horner; Mr. W. N. Lawton, who represented the West Michigan Flooring Co., identified and read into the record price lists received from the above named defendants, as well as others. (Vol. II, pp. 605-616, 616-624.)

A comparison of these price lists will amply substantiate their testimony that competition among the defendants had always existed.

Many quotations were read into the record by Mr. W. J. Barnett, of Watson, Malone & Sons, Philadelphia dealers in lumber since 1854. (Vol. II, pp. 596-604.)

MINNEAPOLIS AND ST. PAUL.

It will be recalled that the petitioner stipulated that similar testimony would be given by representatives of the John C. Hill Lumber Co., the Tozer Lumber Co., and the Capital City Lumber Co., of Minneapolis and St. Paul, if called as witnesses. (Vol. I, pp. 225-6.) They were not called because of a desire by counsel for all parties and the Court to expedite the hearing at Grand Rapids.

ASSOCIATION STATISTICS.

F. O. B. FLOORING MILL SALES.

Appendix B to this brief is a facsimile of Defendants' Exhibit GG, which is contained in Vol. IV, fol. p. 5448. Concerning this exhibit Mr. George W. Keehn, the Association's Secretary, testified as follows:

> "This statement which we have here starts out with the year 1922, shows every f. o. b. mill price where the flooring was sold f. o. b. flooring mills, during the months of January to December inclusive 13/16ths x 2¼ inch face clear, number one and factory maple flooring standard grades and lengths of clear, number one and factory. In this report we have indicated the identity of the member of the Association who made the sale by recording his Association membership number in red ink above the price. During January, February and March, 1922, identifying numbers of members who reported their sales were not disclosed in our weekly record of completed transactions from which all the f. o. b. mill selling prices given on this statement were compiled. During that period of time no identifying numbers appear upon the weekly sales reports." (Vol. II, pp. 781-2.)[31]

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[31]These identifying numbers were used for brevity in making out reports. (Vol. II, pp. 474, 479-480.) In order to eliminate possible objections to the Weekly Sales Reports, the use of identifying numbers has been discontinued. (See pages 308-311, 273, *infra*.)

The numbers of the members of the defendant association are as follows:

No. 2, W. D. Young & Co., Bay City, Michigan.

No. 3, Mitchell Brothers Co., Cadillac, Michigan.

No. 4, Wisconsin Land & Lumber Co., Hermansville, Michigan, with the explanation heretofore made concerning said company.

No. 5, Cobbs & Mitchell, Inc., Cadillac, Michigan.

No. 7, I. Stephenson Co. Trustees, Wells, Michigan.

As a reference to Appendix B will show, there was not only the widest variation in prices among the different members, but in the prices of individual members during any given period.

No. 14, Cummer-Diggins Co., Cadillac, Michigan.
No. 22, Osgood & Blodgett Manufacturing Co., St. Paul, Minnesota.
No. 23, Holt Hardwood Co., Oconto, Wisconsin.
No. 24, Kerry & Hanson Flooring Co., Grayling, Michigan.
No. 26, East Jordan Lumber Co., East Jordan, Michigan.
No. 30, Nichols & Cox Lumber Co., Grand Rapids, Michigan.
No. 33, Strable Lumber & Salt Co., Saginaw, Michigan.
No. 34, Foster-Latimer Lumber Co., Mellen, Wisconsin.
No. 37, West Michigan Flooring Co., Manistee, Michigan.
No. 42, J. W. Wells Lumber Co., Menominee, Michigan.
No. 44, Northwestern Cooperage & Lumber Co., Gladstone, Michigan.
No. 45, Flanner-Steger Land & Lumber Co., Blackwell, Wisconsin.
No. 47, Grand Rapids Trust Company, Receiver for William Horner, Reed City.
No. 48, North Branch Flooring Co., Chicago, Illinois.
No. 49, Kneeland-Bigelow Co., Bay City, Michigan.
No. 50, Kneeland-McLurg Lumber Co., Phillips, Wisconsin.
No. 51, Oval Wood Dish Corporation, Tupper Lake, New York.

The Bigelow-Cooper Company's name was changed to the Kneeland-Bigelow Company about January 1, 1923. All the persons, firms and corporations above mentioned have been members of the present defendant Association from the date of its organization, and are members at the present time, with the reservation, of course, heretofore made with respect to the Wisconsin Land & Lumber Company. (Vol. II, p. 479.)

The identifying numbers are not in sequence, for the reason that members of previous Associations dropped out for one reason or another. A number once given a member was retained by him in succeeding Associations in order to avoid confusion. New members were numbered consecutively, beginning with the next number after the highest number already assigned to a member. (Vol. II, pp. 479-480.)

DELIVERED PRICES OBTAINED BY MEMBERS IN SAME REPRESENTATIVE MARKETS DURING MONTHLY PERIODS IN 1922.

Statements of delivered prices obtained in large markets such as Minneapolis, Chicago, Cleveland, Boston, etc., during different months in 1922 were compiled by the Association's Secretary, Mr. George W. Keehn, who testified that

> "all prices checked have been verified by comparison with prices on original orders and invoices which will be submitted as supporting data.
>
> 2. All prices circled are without supporting orders or invoices but they were included in members' reports of delivered selling prices obtained in the thirty representative markets.
>
> 3. Members No. 2, 4, 34, 47 and 50 did not find time to select from their records their orders and invoices supporting their statements of delivered selling prices obtained." (Vol. II, p. 780.)

These statements were marked Defts'. Ex. FF to FF-9 inclusive, and received in evidence. (Vol. II, p. 781.) They will be found in Vol. IV, fol. pp. 5438-5447.

The same absence of uniformity is shown by the statements above mentioned.

RECORD OF AVERAGE PRICES REALIZED.

Appendices C and D are copies of monthly reports entitled as above. At the end of each month each member tabulated all sales of 13/16" x 2¼" Clear maple flooring and prices obtained. He then deducted from the *delivered prices* the *actual freight* paid by the different purchasers to common carriers. And from the aggregate quantity sold and the net amount realized each member would arrive at the *average* price received by him *f. o. b.*

his mill for 13/16" x 2¼" Clear maple flooring during the previous month. The same method was also used in order to ascertain the *average price* f. o. b. mill of 13/16" x 2¼" No. 1, maple flooring, as well as the average price f. o. b. mill of 13/16" x 2¼" Factory maple flooring,—all three grades of maple flooring of the size above mentioned constituting about 70% of the aggregate shipments of flooring by the members of the Association. (Page 44, *supra.*) From the reports of all members the Association's Secretary formerly compiled reports showing the *average prices* received by the different members f. o. b. their respective mills for 13/16" x 2¼" Clear, No. 1 and Factory maple flooring during two months preceding the date of the report. (Pages 308-311, 273, *infra.*)

Appendices C and D are facsimiles of Defendants' Exhibits II-1 and II-2, which appear in Vol. IV, fol. pp. 5458-9. (See Vol. I, pp. 782-4.)

These averages are also shown on a bar chart. (Defts'. Grant Keehn Exhibit 28, Vol. V, p. 969; Vol. II, pp. 714-717.)

As testified by Mr. Grant Keehn the difference between the high and low averages amounted to as much as 65%.

The explanation should here be made that Member No. 3 (Mitchell Brothers Company) and Member No. 5 (Cobbs & Mitchell, Inc.), both of Cadillac, Michigan, are allied interests having a common sales manager. (Vol. I, p. 431.)

RANGE OF AVERAGE SELLING PRICES FROM 1913 TO 1922 INCLUSIVE.

Appendix E is a part of Defendants' Exhibit HH, which was compiled from the *monthly* reports mentioned on pages 146-147, *supra*, and shows the high and low *average* prices f. o. b. mills for 13/16" x 2¼", Clear, No. 1 and Factory maple flooring by *months* from September, 1913, to December, 1922, both inclusive. These average prices are shown for different groups, as well as for all Michigan and Wisconsin members, who have at all times constituted a large majority of the different associations. This exhibit is explained on pages 782-3 of Vol. I, and appears in Vol. IV, fol. pp. 5449-5457.

Appendix E is a facsimile of such portion of the said Exhibit that gives the figures for the years 1920 to 1922, both inclusive.

The figures show not only a wide range of prices at all times, but also *absence* of artificial fixation or control.

CORRESPONDENCE OF MEMBERS WITH AGENTS AND BUYERS.

MR. GREENE OF THE WEST MICHIGAN FLOORING CO.

Let us notice a few of the many letters that were introduced in evidence by the defendants.

On February 6, 1922, Sam E. Barr, wholesale lumber dealer of New York (Vol. II, p. 578), wrote the following letter to the defendant West Michigan Flooring Co., of Manistee, Mich.

> "GENTLEMEN: This will acknowledge receipt of your letter of Jan. 27th with price list on Maple Flooring to apply on orders for shipment during February. We thank you very much for same and

will be glad to send you any orders that we can secure, *but of course you know as well as we do the present chaotic condition of the Maple Flooring market. If our old friend Horner succeeds in getting rid of the stock he has it will probably help some, as he is the only one I have heard of who is making a price as low as $25.00 on Factory, although I have had several of my customers tell me that they have had prices as low as $27.00.*

Prices on 2¼" No. 1 seem to range from $68 to $73.00 and on Clear, $95.00 seems to be the average.

There is quite a variation in prices on 3¼". Your price on 3¼" Factory is as low as any I have seen, but 3¼" No. 1 has been quoted as low as $63.00 and 3¼" Clear as low as $83.00, so there you are.

I certainly do wish that business would get good enough so that prices could be made more stable. It gives me a great deal more pleasure to send an order to a mill that I know they can make a profit on, than to send at some of those competitive prices that I know when they get the order they are bound to lose money on.

I will be very glad to keep you posted as to price conditions in this particular territory, and will be glad to have you keep me posted as to any surplus stock that you may want to move from time to time. Your very truly." (Defts'. Ex. W-17½, Vol. I, p. 367.)

On September 27, 1921, the West Michigan Flooring Co. wrote to the Wyman-Allen Lumber Co. of Boston, as follows:

"GENTLEMEN: We have your letter of Sep. 23rd in which you ask for price on a car 13/16 x 3¼" face Clear Maple Flooring for your yard stock. We have only a small quantity, or less than a carload of this size and grade on hand today and as 3¼" Clear accumulates very slowly with us it would be at least 30 days before we could furnish a car.

Subject to prior sale we could make prompt ship-

ment of one half car 3¼" Clear and one half car 3¼" No. 1 on which we quote you the price of $85.50 per M for the Clear and $60.50 for the No. 1 delivered Boston rate.

We have your letter of Sep. 23rd, advising that our recent quotation on 2¼" No. 1 was out of line and that your customer bought at a lower price. It has become evident to us that we must revise our values particularly on No. 1 and Factory grades, and accordingly we are enclosing herewith our List No. 52, the basis upon which we trust you will be able to send us some business.

It has always been our policy when establishing prices on our product from time to time to stand pat on these prices and *we possibly are making a mistake in doing so under present conditions as there are three or four mills in this territory who evidently do not take costs into account in arriving at selling values, who have no fixed price and are out to meet competition regardless.*

Having faith in your good selves to treat us right on any leeway that we may give you in the question of quoting our Maple Flooring to meet competition, we will until further notice authorize you to quote our product at any reasonable concession necessary from Price List No. 52, excepting 2¼" Clear, to meet competition of any of the Wisconsin or Michigan mills providing the business can be secured for our Maple Flooring on an equal basis of price. We will not care to make any concession on 2¼" face Clear at this time as we find a ready sale for it at our asking price, in fact, we are sold ahead on it to some extent, and most of the manufacturers are situated in the same way.

All the way 'round, it would seem to us that our List No. 52 is low enough to compete with reliable manufacturers although, if not, we are going out to meet their competition." (Defts'. Ex. W-12A, Vol. I, p. 350.)

On June 25, 1920, Mr. John C. Hill of St. Paul, wrote

to the defendant W. H. Greene of the West Michigan Flooring Co., as follows:

"My dear Mr. Greene: I have been diligently trying to get at something definite regarding the market. It is a very hard matter to do. In the first place, things are very quiet and they are adopting the policy of the Dutchmen in Milwaukee, buying just as little as they can and therefore they are not as hungry as they were six months ago, and as some of the mills are taking care of their orders better now, they are not anticipating their wants ahead.

I have gathered up the following information, however, which you can look over and govern yourself accordingly.

Wish that you would kindly treat this confidentially, because I may want to get you information later on, and I don't want to let them know that I am passing it on.

Hermansville claim are filling open price orders at $185.00 for Clear; $175.00 for #1. (This is their idea of market prices.)

Foster-Latimer & Connor claim to be getting $200.00 for Clear; $190.00 for#1; and $150.00 for Factory, on new business.

I. Stephenson Company authorize new business on basis of prices Foster & O'Connor.

J. W. Wells have nothing to sell as they have strike on and not running.

Twin City Hardwood Lumber Company representatives for Cooperage Company, claim they have recently bought 1½" Clear at $191.00; 2¼" Clear for $186.00 and ⅞ x 1½" Clear at $155.00.

Chicago market-Factory is offered as low as $131.50 up to $160.00, we are trying to get $150.00 to $155.00 in C/L; #1 is $185.00 and Clear is $195.00 to $200.00.

This information from Chicago is Nashville Hard-

wood Flooring Company, which account we have West of the Miss. River,—

Oak market is weak and unsettled.

Horner thinks the market is $185.00 for Clear, $180.00 for #1, and $140 for Factory, is as low as it should be quoted.

With kind personal regards I am, yours very truly." (Defts'. Ex. W.-19L, Vol. I, p. 378.)

On August 6, *1922*, the Strable Hardwood Co. of *Oakland, California*, wired the West Michigan Flooring Co. as follows:

"Quote delivered f. o. b. Sacramento forty thousand feet one by three also one by four number one maple flooring tongue and grooved for delivery sixty days *competition unusually keen* some firms shading prices rush wire protecting quotation up to and including August fifteenth."

In answer the West Michigan Flooring Co. wired as follows:

"Your wire sixth *meet legitimate competition other reliable manufacturers.*" (Defts'. Ex. W-2½ and W-2, Vol. I, pp. 340-1.)

In the printed transcript it is stated that the foregoing telegrams were dated August 6, and 7, *1923*, respectively. That this is due to a typographical error, either on the part of the stenographer or the printer is evidenced by the context. The witness (Mr. Greene) had already identified two other communications dated, January 5, *1922*, March 29, *1922*, then the two telegrams above quoted. Whereupon the witness testified that

"the *foregoing letters* are *typical instances* of conditions that existed right along **before** the *beginning of this suit.* * * *

Mr. Darby: Telegram from the Strable Hard-

wood Company dated January 17, 1922, to West Michigan Flooring Company, Manistee, Mich." (Vol. I, p. 341.)

Two telegrams dated January 17, and 18, 1922, respectively, were then read. Then came a long series of communications which were exchanged during *1923, 1921* and *1920*, (Vol. I, pp. 342-383), whereupon Mr. Greene testified:

"The foregoing letters dated in 1920, 1921 and 1923 are typical of our experience in the sale of flooring." (Vol. I, p. 383.)

MR. HODGES OF THE OVAL WOOD DISH CORPORATION.

On May 27, 1922, the Jones Hardwood Co., of Boston, wrote the defendant Oval Wood Dish Corporation, of Tupper Lake, N. Y., as follows:

"Your letter of May 23rd with new price and stock list came to hand while I was away, and I would like to know if these new prices are subject to the special arrangements for discount which you gave me when you were here last. I want to know about this as we are quoting prices continuously and want to be sure where to place the business. *It seems to the writer that your price on 2¼" Factory of $39.50 is pretty stiff. The Western mills as a rule, are asking $34.50 less commission, while your price on the 3¼" face Factory is lower than theirs somewhat.*" (Defts'. Ex. X-8¼, Vol. I, p. 309.)

On October 24, 1923, Mr. Sam E. Barr wired the Oval Wood Dish Corporation as follows:

"Have order immediate shipment twenty-seven thousand one by three Clear Maple, one hundred dollars delivered Spring Lake, N. J. stop. Thirty thousand same width, thickness number one Maple ship about two weeks New York City, New York Central delivery eighty-seven. *Wrote several manufacturers and have their reply. Can purchase their*

prices, offer immediate acceptance. Wire answer prices subject regular commission." (Defts'. Ex. X-4½, Vol. I, p. 306.)

On the same day the said defendant wrote the following letter to Barr:

"Your telegram is received, and we have wired you as follows: 'Your telegram 24th accept both orders.' And now confirm.'

This covers twenty-seven thousand feet of thirteen sixteenths x 2¼ Clear Maple flooring at $100, less commission, delivered Spring (fol. 547) Lake, N. J. for immediate shipment. Also 30 M feet of 13/16 x 2¼ No. 1 Maple Flooring for shipment in two weeks at $87.00 less commission, delivered New York City. *We are satisfied that the stock can be purchased for these prices, and are, therefore, meeting the competition. However, we do not believe we want to accept any further orders on this basis."* (Defts'. Ex. X-4, Vol. I, p. 306.)

On *June 27,* 1922, George H. Storm & Co., New York City, wrote to the Oval Wood Dish Corporation as follows:

"GENTLEMEN: We have been doing a lot of scrapping lately over the big order of Maple Flooring for *John Lowry. He has been a good customer of ours for years,* and *we could not let the order pass.* He has offered us the job at the other man's figure, and we have today agreed to accept it, *although it is altogether too low considering the class of work that he expects.* He had a combination figure from some wholesaler and some lumping floorlayer here in town, which was what caused all the trouble.

We received your telegram that you could not cut the price, and suppose you are right in your stand, although it did seem that *considering the special conditions surrounding this order, and the fact that you have been so anxious to move your Clear stock, you should have been able to help us a little.*

We have submitted samples of your flooring and we want to supply your stock, so that you may expect to receive an order from us very shortly. It will be for about 150,000′ for shipment between now and September 1st. We believe this ought to make you feel good." (Defts'. Ex. X-16, Vol. I, p. 314.)

On *June 29*, 1922, the said defendant wired Storm & Company as follows:

"Advance prices on two and quarter Clear, number one and factory Maple flooring five dollars per M—*Will accept Lowry order if sent promptly.*" (Defts'. Ex. X-15, Vol. I, p. 314.)

(For other telegrams and letters see, Vol. I, pp. 303-317.)

MR. SHEPECK, OF I. STEPHENSON CO., TRUSTEES.

On March 17, 1923, the Schneider-Deschamps Lumber Co., of Milwaukee wrote to the defendant, I. Stephenson Co., Trustees, the following letter:

"We have yours of the 16th inclosing maple flooring stock sheet and note what you say about orders for 13/16 x 2¼ clear. We do not seem to be able to get posted on the flooring situation at present. *We lost several orders at Madison recently on account of a difference of 5.00 per thousand in the price on clear, and the dealers here advise us that they have prices from a number of mills quoting 103.00 on clear and from what we can learn this price is being quoted by southern Michigan mills.* We wish you would give us what information you have on the market and this may be of some help to us." (Defts'. Ex. V-15, Vol. I, p. 278.)

On March 20, 1923, the said company wrote the said defendant as follows:

"We are returning herewith your *sales report* of

maple flooring and of course it is very interesting to us.

We can now see where some of the business we did not get has been placed, and while the price on flooring has not hurt our business very much in the country towns, we do notice the difference in Milwaukee and Madison and towns of that size that seem to be worked harder by *the southern Michigan mills.*

We hope you will find time to stop off here on the 22nd." (Defts'. Ex. V-17, Vol. I, p. 279.)

That the "Sales report" above mentioned was the *Weekly Sales Report issued by the defendant Association,* see Defts'. Ex. V-36, Vol. I, p. 285, and Defts'. Ex. V-16, Vol. I, p. 278.

On January 26, 1923, Mr. J. O. Mackie, traveling salesman for said defendant, wrote his employers as follows:

"These Dower orders look pretty good with the exception of the one item of 4,000′ of 1½″ No. 1 on order #21. Mr. Dower showed me a quotation from Hermansville of $81.25 f. o. b. Wadena, on a lot of about 60,000′ of this, also a price of $42.00 on about 100,000′ of 7 inch to 22 inch 2¼″ clear maple, also a letter dated Jan. 22nd, in which they said their prices of Sept. 15th would not be changed. *In view of this and the fact that they gave me all their flooring orders, even the car for Wadena where they have always used IXL, I thought it all right to meet the Hermansville price.* Mr. Dower showed me the Hermansville letters in confidence so if you have occasion to say anything, please do not refer to them." (Defts'. Ex. V-29, Vol. I, p. 282.)

"Hermansville" is, of course, the defendant Wisconsin Land & Lumber Co., of Hermansville, Mich.

On Sept. 22, 1921, the Schneider-Deschamps Lumber Co., wrote the said defendant as follows:

"GENTLEMEN: Inclosed find our order for a car

of flooring for Northside Lbr. and Fuel Co., and in connection with this will say that in the past week we have called on every retail yard in the City and we get the same story at every yard, that is, Beck is selling the yards at 90.00 delivered on the job and we find that Holt and the Cooperage Co. are quoting $89.00 on the clear and we were told that they are shading our price on the number one. *We cannot sell Hilty Lbr. Co. at 89.00 and we feel that they are buying it for less, so it is up to us to take the business at competitive prices or leave it and if you feel that you do not care for any of this business we of course will pass it up.*

We have tried to get started at Sheboygan this year as there has been considerable business there, and while we have quoted on nearly every inquiry we were never low enough to get the order. Last week Deschamps was at Sheboygan and quoted Hildebrand 90.00 to try them out but was advised that the Cooperage Co. made them a price of 89.00 through Newfeldt of Green Bay. We are advising you of these facts so you will understand what we are up against." (Defts'. Ex. V-9, Vol. I, p. 275.)

"Beck" is August C. Beck Co., Milwaukee. (Defts'. Ex. QQ, Vol. IV, fol. p. 5507.) "Holt" is the defendant Holt Hardwood Co. The "Cooperage Co." is the defendant Northwestern Cooperage & Lumber Co.

For other communications, see Vol. I, pp. 268-285.

In this connection it should be remembered that the Government stipulated "that the individual defendants and the officers and agents of the corporate defendants who have not testified in this suit, would, if placed on the stand, testify to substantially the same effect and to similar facts and circumstances as did the witnesses De Witt, Ralston, Greene, McLurg, Dewey, Saunders, Klesner, Colby, Shepeck, Kerry and Hodges, *and that they would produce data and correspondence similar in character*

to that produced by, and offered in evidence in connection with the testimony of, the witnesses above mentioned." (Vol. I, pp. 409, 225.)

TESTIMONY OF THE DEFENDANTS.

All the gentlemen mentioned in the foregoing stipulation as having testified gave evidence of the most positive and convincing character as to the existence of competition in the sale of maple, beech and birch flooring. However, *inasmuch as the evidence given by the witnesses for the Government and the lumber dealers throughout the country,* to say nothing of the correspondence above mentioned, *is undisputed,* we need not take the time to set forth or discuss this cumulative and supererogatory evidence of the said defendants.

THE FIELD REPRESENTATIVE'S REPORTS AND TESTIMONY.

Mr. De Witt aptly described Mr. Robertson as the *missionary* for the defendant Association and its predecessors.

> "Q. And I wish you would state briefly to the court as to the field representative's work, the work that is done by Mr. Robertson, the official field representative of the Association.
>
> A. Well he is what we call our 'missionary,' that is what I call him anyway; *he visits the architects all over the country and consults with them as regards the building conditions in their territories and the prospective*—
>
> **The Court:** I am very glad you used that word, because it was running through my mind all yesterday afternoon, when I was listening to the witnesses, that the principal business of this Association was to be a home missionary.

A. He consults with architects and tries to induce them to use our product in buildings where it is possible, tries to show them the benefit of using that material in the place of other.

Q. *And on the different grades, does he tell them where one grade is satisfactory and the other one is not?*

A. *Just as we were doing, just the same as in the Tolona high school job, where I tried to make them understand that Factory flooring was not suitable for that building,* that is one of Mr. Robertson's jobs, *and he keeps us well informed of the building prospects over the country.* He really is a missionary, that is what he is, *trying to introduce the right flooring into the proper buildings.*

Q. *And to advise the members of the building conditions and operations in different parts of the country?*

A. *Yes, sir*

Q. And he occasionally sends in the name of some lumber dealer whom you get in touch with if you happen to have your [no?] flooring carried in that district, etc.

A. Very often." (Vol. I, pp. 254-5.)

Mr. Robertson made written reports from time to time. These reports describe competitive conditions in different parts of the country. They show what local manufacturers of maple, beech and birch flooring were doing to get business. They tell what efforts the nonmember manufacturers of Michigan and Wisconsin were making along the same lines. They relate what the oak flooring manufacturers, and the makers of composition floorings were doing, etc., etc. A reading of these reports (Defts'. Robertson Exhibits 20 to 30, inclusive, Vol. IV, pp. 872-891) will show not only the existence of the intensest competition, but also the utter impossibility

of maintaining uniformity of prices by the members of the defendant Association. See also Mr. Robertson's testimony in Vol. I, pp. 520-527.

THE GOVERNMENT'S ABANDONMENT OF ITS CONTENTION THAT THERE EVER HAD BEEN UNIFORMITY OF PRICES.

Practically at the close of the hearing when the Government introduced some data alleged to have been compiled from the weekly sales reports of the defendant Association and its predecessors for the years 1920 to June 30, 1923, inclusive, Mr. Fowler said:

> **"We are not insisting on uniformity."** (Vol. II, p. 857.)

Upon what, under the petition herein, **can** the Government insist? *Uniformity of f. o. b. mill prices and net delivered prices is the very crux of the Government's petition.*

And inasmuch as the evidence is *undisputed* that the prices for maple, beech and birch flooring were *fair and reasonable;* inasmuch as the alleged uniformity *never* existed; *and the keystone of the arch of the petition has been withdrawn by the Government;* inasmuch as it is undisputed—indeed, *proved by the Government's own witness that competition in the sale of said flooring existed and had always existed*—how, we ask, can it be contended with even a *semblance* of logic or good faith that the activities of the defendants have resulted in an unreasonable restraint of interstate trade?

At any rate, the proof *wholly* fails to support the allegations of the petition that the defendants *"have always maintained * * * and they still maintain a*

practical uniformity between themselves of net f. o. b. selling prices" and "of net delivered prices."

In the opinion filed herein the learned District Court makes the astounding assertion that "*the actual results* flowing from such plans, agreement and execution and performance thereof, *are of secondary importance.*" (Vol. I, p. 59.)

Apparently *a priori* reasoning is more to be trusted than the results obtained by actual experiment. If such results contradict theories arrived at by the deductive method from uncriticized assumptions or allegations of fact unsupported by proof, so much the worse for the results!

Nature herself is the great Experimenter; she recognizes no other test than trial and error. The methods employed by the learned District Court in arriving at a decision herein were discarded hundreds of years ago in every existing science upon the suggestion of Bacon of Verulam. And the brilliant advancement of all the sciences, the rehabilitation of philosophy, and progress in all the arts has, broadly speaking, been due to the patient observation of experiments and acceptance of the results. Notwithstanding the dictum of the learned District Court, we still believe with the Son of Man that a tree is best judged by its fruit.

The learned Court also makes the remarkable assertion that

> "No method has been discovered and probably none can be discovered by which to measure either accurately or even approximately the *effect* of the agreements and doings of these defendants upon prices, production and competition in the maple,

In order to provide for the general expenses of the association we make an assessment of 25 cents per thousand on the shipments of each quarter. We started out originally with an advertising fund of 10 cents per thousand on shipments during each quarter and that assessment was afterwards raised to 25 cents per thousand feet of flooring shipped, that is, 25 cents per thousand feet shipped by each individual member of the association. *There is some effort now being made to increase the advertising assessment to 40 cents per thousand, but it has not yet been agreed on. This increase was suggested on account of the competition of oak flooring and other flooring materials. It seems necessary to expend more money in advertising in order to hold our places in the market.* We raise funds from the members in proportion to their volume of business. *The advertising fund, of course, is spent for advertising maple flooring and also covers the field representative work.*

For example, we recently sent Mr. Robertson to California to investigate the competition of Philippine mahogany. This flooring is known as Begac and Orion. We have been informed that these floorings were coming in from the Philippines and were supplanting maple and beech for school houses and other business in California. Mr. Robertson does considerable field work during the year." (Vol. I, p. 150.)

Mr. Frank M. Hodges testified as follows:

"Q. How about the field representative work, how about the field representative work by Mr. Robertson, I wish you state as to that.

A. Why I think that is very valuable. He goes to these various markets and gets in touch with the architects there and finds out what kinds of flooring are being used in that particular market, he gets a list of the public buildings that are being constructed, schools, various things of that kind, and that information is all sent out to the members.

Q. *How about the advertising done by the Association, is that a benefit?*

A. *That is very valuable I think.*

Q. *Why?*

A. *Well because every association is advertising, the oak flooring association are spending a vast amount of money in the eastern territory to advertise oak flooring.*

Q. *How about the Linoleum people?*

A. *The linoleum people are very active, they do more advertising than anyone else I know of down there.*

Q. *And various synthetic floorings and other woods?*

A. *Yes, sir.*

Q. *Could the manufacturer meet the propaganda and advertising carried on by the Associations of competing woods and other sorts?*

A. *No, we could not.*

Q. *Do you consider that the guaranty of your quality by the Association is a valuable asset to your company in the sale of your flooring?*

A. *We think enough of it so we specify in all of our advertising that we are members of the Association.*

* * * * *

Q. *The Association has paid a great deal of attention, in advertising, to the quality of its product?*

A. *Yes, sir.*

Q. *And advertises the fact that it is guaranteed and there is reinspection service. State whether or not some dealers will pay more and some architects prefer to specify the product manufactured by the members of the Maple Flooring Manufacturers Association because of these things?*

A. *I think so.*" (Vol. I, pp. 294-295.)

magazines is directed by experts. (Report last mentioned.) The necessity for extensive magazine adverising is also shown in the said report.

Although denigrative epithets were freely used in the petition, the Government did not even attempt to support them by evidence.

Surely, it is fantastic to claim that the *advertising activities* of the defendant Association and its predecessors have even *tended* to restrain interstate trade and commerce. Surely, there existed many activities on the part of numerous individuals and groups which had a more pernicious effect upon the public welfare than the dissemination of information as to *how to lay maple, beech and birch flooring,* or the beating of rhetorical tom toms in order to attract the public's attention to their manifold virtues. Under the circumstances, the assault upon such activities by the Department of Justice, under the leadership of Mr. Daugherty, is not unlike that never-to-be-forgotten assault upon the windmills by that valiant knight, Don Quixote.

VI.

The Government offered no proof whatsoever in support of the charge:

> "The use of the uniform trade-mark and the character of the advertising put out by the defendant association intensify the tendency to establish and maintain uniform prices and also practically eliminate all competition between the defendants based on the quality of their respective products." (Vol. I, p. 10.)

Neither did the Government offer any proof that the standards adopted and maintained by the defendants were not fair and reasonable.

The proof showed that the quality of the flooring had been improved by means of the adoption and maintenance of such standards, that disputes between manufacturers and buyers had been greatly reduced, and that litigation had been eliminated.

The Government's own witnesses, as well as buyers all over the United States, were both unanimous and enthusiastic in their praise of the standardization of maple, beech and birch flooring by the defendants. Buyers testified that the flooring manufactured by the defendants was superior to that manufactured by others, and that standardization of such flooring by defendants had increased competition, and greatly benefited the public.

That during this industrial age a department of Government—even the Department of Justice during the administration of Mr. Daugherty—should seriously object to the standardization of flooring almost surpasses belief. We feel that by his promotion of the standardization movement in many branches of industry, as well as by his intelligence, common-sense, efficiency, modernity, helpfulness, and broad vision, Mr. Secretary Hoover has dishonored and betrayed the traditions, methods and practices of bureaucracy, of which he is such an unworthy member.

The standardization of maple, beech and birch flooring has been accomplished step by step during the past fifteen years. (Vol. I, p. 206.) It will take some little time to go into these technical matters; however, inasmuch as the Government has raised the issue, such matters must be gone into, at least to the extent that the absurdity of the Government's position will clearly appear.

The standardization of maple, beech and birch flooring by the defendant Association and its predecessors rests upon *five things*. *First*, the formulation of practical standards for the guidance of graders at different mills. *Second*, the precise definition of the three grades for the benefit of Association members, architects, lumber dealers and the general public. *Third*, the creation of the office of Mill Inspector for the purpose of keeping Association mills up to the mark. *Fourth*, the establishment and maintenance of a reinspection service for the mutual protection of Association members and the general public. *Fifth*, the use of uniform templets or gauges in the manufacture of flooring so that the product of one Association mill will match with the product of other Association mills and can be used together for all purposes.

Let us look at the happy conditions that obtained in pre-standardization times—those good old days over which the Department of Justice heaves sentimental sighs, and which it seeks to restore.

THE GOOD OLD DAYS.

Mr. George W. Keehn testified that he had been Secretary of the various Maple Flooring Manufacturers Associations since 1905; also:

"In about 1912 or 1913 there was a movement initiated by the manufacturers of maple, beech and birch flooring with respect to the standardization of the different grades of flooring. Before and at that time the flooring was manufactured in three grades, namely, the Clear grade, which is the best quality, the No. 1 grade, which is the second quality, and the Factory grade. Along in 1910, 1911 or 1912 there was considerable agitation with respect to standardizing the grades. This agitation became quite strong in 1913. *In 1914 an effort was made to standardize the grades in order that manufacturers would know what they were expected to furnish and that architects and the consumers of flooring generally would be protected and get the grades of flooring that they wished to use. Some manufacturers were strongly in favor of standardization, some were luke warm and others were opposed to standardization.* All of them felt the importance of standardization in a general way, but like every movement of that kind it grew and developed somewhat slowly.

The conditions that lead to the agitation for standardization of grades were the many complaints that were received by the manufacturers regarding the flooring that they had shipped. There was an absence of a precise definition and authoritative interpretation of grading rules. Each one put his own interpretation upon what constituted Clear or No. 1 or Factory. This was also true of architects, dealers and consumers. They knew in a general way that there was a Clear grade and a No. 1 and a Factory grade, but there was confusion and disagreement as to what was meant by Clear, No. 1 and Factory as applied to grades.

Maple, beech and birch flooring were shipped to

all parts of the United States and the grading rules were differently interpreted in different parts of the United States. As a result of the agitation for standardization, grades were more precisely and clearly defined so that the manufacturer and architect and the consumer would know what was intended by Clear grade, No. 1 grade and the Factory grade. The Association that brought about the standardization was the one that was organized on January 1, 1913. That Association took up the movement for standardization in the spring of 1914." (Vol. II, pp. 480-481.)[33]

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[33]Mr. Keehn also testified as follows:

"It has been the custom for a great many years for various lumber Associations to adopt standard grades for their products. As a matter of interest, I have been collecting some of the grading rules of these other Associations. I have also been looking through the publications of the United States Chamber of Commerce of the War Industries Board regarding grading rules that have been adopted by the various Associations. In looking over some of these matters, the first reference that I can find with respect to grades of lumber and inspection service, etc., is in the charter that was granted to the Lumbermen's Exchange of Chicago by the State of Illinois on March 31, 1869, which reads as follows:

'Said corporation shall have power to appoint inspectors, as many as they shall see fit, to examine, measure and inspect lumber, timber, shingles, wood and every article of traffic commonly dealt in by the members of said corporation or any of them or by persons engaged in what is commonly understood to be the lumber business, and to prescribe the rules and fix the grades by which such inspectors shall be governed in the discharge of their duties, and a certificate of such inspector as to the quality, quantity or character of such article thus inspected, and their mark thereon, shall be evidence between buyer and seller of the grade, quantity, quality or character of the same, and shall be binding upon the members of said corporation or others interested who shall obtain, require or assent to the employment of such inspector.

Nothing herein contained, however, shall compel the employment by any one, of any such inspector.'

I might add that in those days very large quantities of lumber

Mr. Robertson testified that before 1914:

"We had what was called an Arbitration Committee, or official inspectors, whose business it was when a complaint was lodged with a member, and

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*were shipped to Chicago by cargo. * * * The full product of the log came upon the market and was offered for sale without a tally from the shipper and had to be inspected and tallied and sold in the different yards engaged in business in those days. Then later on, when the source of production was farther away from the market, different Associations were formed and they adopted grading rules for the different species of lumber.*

In former days there were no official grading rules in any of the markets and if a dealer wanted to buy a lot of lumber, it was necessary for him to go to the saw mill, look the stock over, purchase it and then have it shipped. Lumber, as well as flooring, is very bulky and it would not be practical to carry on the business of selling lumber or flooring and shipping samples all over the country. For example, if a lumber dealer in California or in New England wanted to buy a carload of flooring and there were no standard grades established, it would be necessary for him to make a trip to the flooring mill to find out what he was going to get, for a manufacturer might call flooring Clear, No. 1 or Factory. On the other hand, if he wanted to have a sample shipped, that would be very cumbersome. A manufacturer might be obliged to ship 100 pieces of flooring as samples of Clear grade, and in that case they would not be typical of all the flooring contained in the grade. Consequently, in order to carry on the business it became necessary for all the different Associations to establish standard grades so that the buyer would know what he was to furnish and the seller would know what he was going to get.

In the earlier days of the maple flooring industry and generally in the lumber business, many honest differences of opinion arose between the buyer and the seller because the grades were not clearly defined. It is my experience that the more clearly the grade of flooring or lumber is defined, the more satisfactory it is to the honest buyer and the honest seller. A clear definition of the different grades eliminates ambiguities and sources of confusion and disagreement. For these reasons grading rules have been adopted by the various Associations." (Vol. II, pp. 482-3.)

The witness then identified grading rules of numerous Lumber Associations. (Vol. II, pp. 483-485.)

it could not be adjusted between the shipper and the consignee it was referred to this committee, and some member, or more, one member or more of this committee inspected, and heard the complaint and passed judgment whether or not the complaint was justifiable or not. *It became a burden to the Association. I was one of this committee, and I did a good deal of traveling, and I saw that there was a wide diversity of quality in what was termed the same grade although we had the same rules; both the manufacturer and the buyer had the same rules, but they put different interpretations on those rules; there was not a specific declaration in the rules relative to the smaller, intricate features of the application of a rule. Hence what seemed to be a great grievance to one man might be much less to another; and so those differences of opinion continued until it became, as I say a burden;* and I agitated myself, and so did some others, until we had a standardization of the mills, both as to the grading of the stock, and the manufacturing of it, and all features pertaining to it." (Vol. II, p. 498.)

"A. *There was room for complaint. Many times when I would go out on these reinspection trips I would find that the manufacturer had by some means misinterpreted his grade and there was cause for complaint. The same dealers, or the same consumer, whichever it might be, may have bought another car, of the same mill, and the grade did not correspond—there was somewhat of a difference, quite a difference, in the grading of the same grade from the same mill.*

Dissatisfaction of buyers with grades discredited the whole industry because each manufacturer was somewhat of an underwriter for all the members belonging to the Association." (Vol. II, p. 501.)

FIRST STEPS TO IMPROVE CONDITIONS.

Mr. George W. Keehn testified that in 1914 the Association then in existence

"employed an expert flooring man, Mr. M. H. Robertson of East Jordan, Michigan. *Mr. Robertson had had a wide experience in every branch of the lumber business.* He had been a manufacturer of maple, beech and birch flooring.

In the earlier days he was an inspector of rough maple and other lumber and had a thorough knowledge of the characteristics and grades of the raw material. He was also thoroughly familiar with logging operations and saw mill processes because at one time he had been an employee of the East Jordan Lumber Company, who had a saw mill and extensive timber holdings. As above stated, Mr. Robertson had been engaged in the manufacture of maple flooring with a plant at East Jordan, Michigan. After that he was engaged in the superintendence of the manufacturing operations and in the sale of maple flooring produced by the East Jordan Lumber Company after that Company took over Mr. Robertson's flooring plant. *Mr. Robertson was a man of very high integrity and impartiality and had the confidence of the trade and of the other members of the Association.* In the sale of flooring, Mr. Robertson had come in contact with architects, buyers and dealers in traveling about the country. *The Association was convinced that if anyone was capable of standardizing the grades, Mr. Robertson was the man.* They therefore employed him to do the work and requested him to make preliminary trips among the mills in 1914." (Vol. II, p. 481.)

Mr. Robertson testified:

"In 1914 I made three several trips and visited each mill on each of these trips. On my first trip I paid particular attention to the grading of the product as it passed all the machines. I also got a general opinion as to how each one was doing his grading. I took the high and the low and the inter-

mediate and tabulated all these data and from them I arrived at a standard. *I did this after visiting the mills three times and going over the grading. I also made a list of the types of machines used, number of machines, etc., at each plant. My first trip was largely an observation trip and in order to learn the conditions at the different mills.* My first trip was made in April and May. I think my second trip was during the mid-summer of 1914. *On the second trip I examined conditions more thoroughly and discussed with the various managements imperfections in machinery and in the handling of the product.* My third trip, in 1914, was made in Ocober, I think." (Vol. II, p. 499.)

THE STANDARDS.

From the data gathered Mr. Robertson formulated standards for the three *grades* of flooring. The standards represented the averages of all the mills for the three trips in 1914. These standards and the testimony of Mr. Robertson can be best understood by referring to the attached diagram.

There are *three* grades of maple, beech and birch flooring. In the order of their excellence (as to grade) they are Clear, No. 1 and Factory. Inasmuch as all three grades *must* be produced at the same time, regardless of the quality of rough lumber used (pages 43-44 *supra*), *the flooring as it comes from the machines is not of uniform quality.*

It consists of pieces or lengths of Clear, No. 1 and Factory. *And in each grade there are some pieces or lengths much better than others, no two pieces being exactly alike,* and the rules specifying what are *allowable* defects in each grade. *Pieces or lengths of flooring containing these allowable defects* belong in the *lower*

A
A
CLEAR GRADE
UPPER STRATUM OR "HIGH"
65% OR PIECES UPPER STRATUM
LOWER STRATUM OR "LOW"
a
35% OR PIECES LOWER STRATUM
B
B
No 1 GRADE
UPPER STRATUM OR "HIGH"
65% OR PIECES UPPER STRATUM
b
LOWER STRATUM OR "LOW"
35% OR PIECES LOWER STRATUM
C
C
FACTORY GRADE
UPPER STRATUM OR "HIGH"
60% OR PIECES UPPER STRATUM
c
LOWER STRATUM OR "LOW"
40% OR PIECES LOWER STRATUM
D
Scale 2½" or 40/16" = 100% or 100 pieces.

strata of each grade, and were designated "low" by Mr. Robertson, whereas, *the best pieces or lengths* would go in the *upper strata* of each grade and were designated "high" by Mr. Robertson. However, *neither the pieces in the upper strata nor those in the lower strata can have unallowable defects.* In other words, *all pieces in the upper strata and all the pieces in the lower strata of each grade must not have unallowable defects.*

Mr. Robertson determined that the Clear grade should contain 65 pieces (or percentage in feet) of the best quality (upper stratum or "high") and only 35 pieces (or percentage in feet) of flooring having allowable defects (lower stratum or "low.") *The 100 pieces* (*or per cent*), however, would all be *Clear* grade.

The standard for the No. 1 was 65 of upper stratum and 35 of lower stratum. The standard for the Factory was 60 of upper stratum and 40 of the lower.

It is perhaps needless to say that pieces classifying as upper stratum of Factory would not classify as even lower stratum No. 1. Neither would the upper stratum of No. 1 classify as lower stratum Clear. The upper stratum of each grade is simply the best of *that* grade.

The diagram is drawn to scale, and the distance between the heavy lines AA and BB is 2½ inches or *40 sixteenths* inches. The distance between the heavy line AA and the light line aa is 26 sixteenths inches or 65% of the distance between the lines AA and BB—*the amount of the best quality of flooring* the Clear grade must contain being 65%.

In the No. 1 the amount is the same, whereas in the Factory the amount is 60%, and the distance between

the heavy line CC and the light line cc is 24 sixteenths inches or 60% of the distance between the heavy lines CC and DD which represent the Factory Grade.

Mr. Robertson's testimony on these points is as follows:

"Q. You say you formulated a standard. How did you formulate the standard?

A. I took a hundred pieces, for example, a hundred pieces of say the clear grades, first; *and of a hundred pieces on the average sixty-five of those would stand up in what I call the high strata; and thirty-five of them will fall below, down toward the lower extremity or lower edge of that strata.*

Q. *But the whole hundred pieces would be clear?*

A. *The whole hundred pieces would be clear. None of them will contain any defects which are not allowable. We have what we call allowable and unallowable defects. What we call the unallowable defects may occur in a grade; if so, we describe that, and throw it down into the next grade below.*

Q. *What is the next grade below?*

A. *The next grade below is our No. 1.*

Q. *And the grade below that?*

A. *Is our Factory.*

Q. Now, can you graphically represent the method by which you formulated this standard for the grading of the product.

A. I think we drew, according to my interpretation, something a while ago, and it will save my drawing it again, if we have it." * * *

"A. *It is understood by lumber men practically no two pieces are exactly alike, as no two faces are exactly alike; hence we cannot say that they all, in the clear grades, are alike in any respect; there will be some distinguishing feature which will distinguish one piece from another. Now, those pieces which are almost free from all defects are what I call my*

upper strata of the clear grade; and those which have allowable defects are in the lower strata. That may grade from one allowable defect to the extreme number of allowable defects; but they are almost free from all defects, in the upper strata. Now, I found, after giving this the three times interpretation, that the standard rested, at sixty-five pieces out of a hundred, rested in the upper chamber—as it were, of this diagram—sixty-five pieces will run in what I call the high. That I have termed it all through my report, 'high.' And thirty-five pieces in the lower strata, which is denominated 'low.' Now, that holds good in the No. 1, as well, sixty-five high, thirty-five low. The Factory grade rested first as fifty-nine pieces high and forty-one low. It afterward was advanced to sixty high and forty low, where it stands today or at the last inspection I made." (Vol. II, pp. 499-500.)

The figures set forth in the margin show the Association's average and *a member's* average for the first two trips made by Mr. Robertson in 1914.[34] *It will be observed that neither average equalled the standards ultimately established, and that the Clear grade contained some No. 1; the No. 1 some Clear and Factory, and the Factory some No. 1 and a small percentage of flooring which did not classify as Factory at all.* (See Vol. II, pp. 501-2.)

Before the standards were adopted, a buyer might receive a shipment of Clear grade with only 45 per cent of higher stratum and 55 per cent of the lower stratum.

	Clear			No. 1				Factory			
	(High	Low	No. 1)	(High	Low	Clear	Fac'y)	(High	Low	No. 1	No. 2)
rip:											
Av.....	64.5	35.5	3.6	65.1	34.9	2.3	1.8	59.2	40.8	1	.9
Av.....	62	38	4.5	61	39	2	2	61	39	3	
rip:											
Av.....	64.6	35.4	3.8	65.8	34.2	2.9	2	58.8	41.2	2.4	.7
Av.....	62	38	10	62	38	1.5	6	60	40	6.5	

Defts'. Robertson Ex. 2, Vol. IV, p. 868.)

The next shipment might be 70-30, the next 40-60 and so on, to the confusion and dissatisfaction of the buyer.

Mr. Robertson also testified as follows:

"Q. Now, as the result of your efforts to produce standard rules and interpretation and definition of the rules, would you say that the quality of the product as now manufactured is worse or better than the product that was manufactured say in 1914, and before that, or 1915? *In other words, has the product been improved, or has it deteriorated since 1914?*

A. *The whole product cannot be improved, except by machinery. If you take a hundred pieces of the natural production of the trees, or lumber, as it comes as a whole, you cannot improve that any, because you cannot re-make that lumber; you cannot improve the grades perhaps, very much, excepting to interpret them, and closely interpret what is called the off-grade, that is, the grade of No. 1 that may be found in the Clear and should belong in the No. 1. You cannot improve that any. It will all be in that space that I have defined there as belonging to the Clear grade. But you can't have it all in there; that is what we are expecting.*

Q. What do you mean by cannot have it all there?

A. *Well, there are what I call sharp practices. taking out a little of the upper Clear and putting a little of the upper No. 1 over into this Clear, and putting a little Factory over into the No. 1, and calling it a grade in which it does not belong.* If I take out some of that grade; it should all be there.

Q. *Assume that the rules are followed strictly, and a person is given 65 of the upper strata in the Clear and 35 of the lower strata, would you say that he now receives less service or better service than what he was receiving in 1914?*

A. Better service than when?

Q. Than in 1914.

A. Before 1914?

Q. Yes, or before 1914.

A. *He is receiving better, because it is uniformly that; there is no departure from that rule,—that is, there is a slight departure, I had better put that; humanly speaking we do not get things perfect.*

Q. *Why not give them a hundred pieces of the upper strata instead of 65?*

A. *Because the timber would not make it, or the lumber would not make it; and if that is done, he has got to rob some other shipment to do it, in other words, it is what we call robbing Peter to pay Paul.*

Q. You say the rules provide for 65 of the upper strata of clear and 35 of the lower strata?

A. Yes.

Q. It being all Clear. *Now, why not give the buyer 100 of the upper strata?*

A. *Because the product will not make it, the raw material will not make it.*

Q. *Did he at any time ever receive 100 of the upper strata when he was buying?*

A. *Not unless some other shipment was robbed to do it.*

Q. *If the rules now in force are strictly followed by the manufacturer is the buyer in a worse or better position than he was before 1914?*

A. *He is in a better position.*

Q. *In what respect?*

A. *Because they [the Association members] have come to a better knowledge of what this standard is and what it means, and they adhere to it very tenaciously—with some departures, of course, but they still adhere to that, and thus there is a uniformity. A new grader comes on, and they are afraid to trust that new grader until he has been instructed either by me or by the former grader, who has had his instructions from me; and thus that uniformity exists, not only in a given mill but in all the mills—*

so much so that it is surprising how nearly they conform to the standard. And that makes it very satisfactory to the buying public." (Vol. II, pp. 509-510.)

MORE DETAILED AND EXPLICIT GRADING RULES.

Mr. George W. Keehn testified:

> "*Along in 1916 grading rules were compiled and the characteristics of the different grades were clearly defined.* That work was done by a committee consisting of different manufacturers and was finally completed by Mr. Robertson and Mr. Fred R. Welsh, who, at that time, were official inspectors of the Association then in existence. Mr. Welsh also had had large experience in the manufacture of maple, beech and birch flooring. Mr. Robertson was one of the leaders of the movement for the standardization of grades." (Vol. II, p. 486.)

Mr. Keehn also testified:

> "When the present Association came into existence * * * it continued to use the same grading rules. *The Association which originally adopted said rules on January 28, 1920, had about 40,000 copies of the rules printed and distributed all over the country to architects, contractors, retail lumber dealers, wholesale lumber dealers and others, so that everyone interested in the use of maple, beech or birch flooring could be fully informed as to said grading rules. * * * the present defendant Association has merely continued to use such printed copies as had not been distributed."* (Vol. II, pp. 481-2.)

The grading rules have been changed from time to time as experience suggested. The rules now in force will be found in Vol. IV, fol. pp. 5331-5336. Some of the former rules and much historical data will be found in the statement prepared by one of the leaders in the standardization movement, Mr. Kerry, of the defendant

Kerry & Hanson Flooring Co., (Defts.' Ex. BB, Vol. IV, pp. 826-830; Vol. II, p. 769.)

As a reference to the various rules will show, *the wasteful processes of earlier days have been eliminated.* As stated by Mr. Kerry:

"It will be observed by a comparison of the previous grading rules and those now in force that the grades are much more fully defined. *Modern perfected methods of manufacturing hardwood flooring produced a larger proportion of shorter lengths than the old time methods, because the defects are cut out closer, thus improving the average quality of the flooring, and experience has demonstrated that shorter lengths combined with longer lengths cost no more to lay and make as good or better floors at a material saving in cost, than all long lengths. Shorter lengths can always be used to advantage in closets and other small spaces.*

The stand of maple, beech and birch stumpage is limited and is becoming rapidly depleted, and the sentiment in favor of conservation of forest resources is strongly in favor of the utilization to the greatest extent of these valuable woods, especially when the result obtained in a finished floor is in no wise depreciated. In the extravagant process of earlier times the shorter lengths now used were burned as offal. Were it not for the utilization of these shorter lengths the cost of the longer lengths to the consumer would be greatly increased. In other words, if these shorter lengths were thrown away as was done in the early days of the industry, the cost to the consumer per thousand feet of the other product composed of longer lengths would be greatly increased." (Vol. IV, p. 829.)

THE ADOPTION OF STANDARD GAUGES.

Mr. George W. Keehn testified as follows:

"In 1920 the shape of the flooring was standardized in order that the product of the different mills would match up. *Prior to that time the grades had been standardized as to quality but the matching had not been standardized,* so that a man could buy flooring of a mill in Wisconsin, the flooring of a mill in Michigan and the flooring of an Eastern Lower Michigan mill or of a Saginaw Valley, and use it altogether in one building. *A standard thickness was adopted and steel templates and blue prints were made and furnished to each member so that all of them would know exactly what to do in manufacturing their flooring.*

This made it necessary to bring out a new edition of the grading rules, which was done on July 29, 1920. On Page 6 of said grading rules under the title "Standard Measurement," there appears the following language:

'The actual thickness of 13/16 inch and thicker flooring is 1/32 inch scant of the thickness used as the trade name. *The 1/32 inch scant is taken from the under side of the flooring, leaving the thickness of the wearing surface unchanged.'*

In other words, the consumer of the flooring got just as good services as before because the wearing surface of the flooring was not changed." (Vol. II, p. 486.)

Upon being asked why this change was made, Mr. Keehn stated that it was due to his experience with Government agencies during the war. *As Secretary of the Association then in existence orders for large amounts of flooring were sent to Mr. Keehn. Owing to the Association's statistical work Mr. Keehn knew what mills made maple, beech or birch flooring of the desired thicknesses and faces, and, what was more important, the*

stock on hand at each mill. These large orders were distributed to the different mills, so that shipment could be made without delay.

However, it was then necessary to give instructions to the Government agencies that the flooring received from the different mills for one job must be kept separate and used for different floors, for the reason that it would not match. (Vol. II, pp. 487-492.)

As shown on page 74 *supra, the stocks on hand in 1920 were lower than they had ever been before.* It was therefore an opportune time to make this desirable change. Modern buildings require all the way from 200,000 to 800,000 feet of flooring. (Page 59 *supra.*) The different mills have their regular trade, and 300,000 feet of *one* size represents a considerable portion of a year's run of any one mill. (Vol. I, pp. 420-426.) *It is obviously of great advantage to dealers and contractors to be able to get the desired quantity of any size without delay from several mills, especially when the flooring from such mills can be intermingled and used together.*

Other advantages are described by Mr. Kerry as follows:

"For many years I took an active interest in standardization, both as a manufacturer of maple flooring and subsequently as a member and chairman of the Grades Committee. *I found that some manufacturers were center matching, also using a large round tongue, which left a lesser wearing surface, and others were using a smaller tongue, and some of them a wedge shaped tongue. We finally in our own factory established the use of the smaller wedge-shaped tongue. By having a smaller tongue and putting it below the center gives a better wearing surface. We also had letters of comment from some of our users, advising that they could lay floors where the wedge shaped tongue was in use for at*

REINSPECTION SERVICE.

In case of dispute as to grade, inspectors are sent anywhere in the United States to reinspect the flooring. As shown on pages 47-54, *supra*, the dealers praise this service very highly. See also Vol. I, pp. 425, 430, Vol. II, pp. 455, 459, 565, 581.

The Government did not produce a single instance where any buyer had been unfairly treated.

The reinspection work was described at length by Mr. Robertson, chief inspector, and by Mr. Keehn. (Vol. II, pp. 491-492, 504-5.)

It should also be stated that the flooring manufactured by Association mills is stamped in such a way that it can be readily determined whether it was manufactured by an Association mill, and if so the mill that manufactured it. (Vol. II, p. 492.)

And of course all flooring manufactured by Association members is guaranteed by the Association. (Vol. I, pp. 149, 286, 293, 300, 298; Vol. II, p. 498.)

RESULTS OF STANDARDIZATION.

DEFENDANTS' WITNESSES.

Mr. Robertson and Mr. Keehn testified that complaints had been materially reduced; that the relations with architects, lumber dealers and consumers had been improved; that every one had praised the work accomplished by the Association. (Vol. II, pp. 490-1, 506-7.)

They also testified that the quality of the flooring had

been improved, and that it was better now than ever before. (Vol. II, pp. 509-510, 490-1.)

For the opinions of some of the defendants, see Vol. I, pp. 220-1, 251-255, 286-7, 293-4, 300-3, 307, 334, 398-9.

GOVERNMENT'S WITNESSES.

Mr. Ward, a *nonmember,* manufactures his flooring according to Association rules. (Vol. I, p. 94.)

Mr. Foreman, a *nonmember,* testified:

"I am familiar with the grading rules of the Maple Flooring Manufacturers Association. *We manufacture our flooring strictly according to those rules.* They are standard and we could not sell flooring if we didn't. *Architects specify flooring to be made under those rules. Standardization of maple flooring has been of great benefit to the public as well as to the yard men and wholesalers. It gives them something to stand on.* The quality of flooring is tested by reference to those rules. *It is a benefit to the dealer because he can carry the product of three or four different mills or a dozen different mills and all of the different floorings can be used on the same job.* That condition did not exist in early days. My flooring will match up now with the flooring of other manufacturers. *That is because I was formerly a member of the association and have continued to manufacture my flooring in the same way.*" (Vol. I, p. 140.)

Mr. Hooker, a Grand Rapids lumber dealer, testified:

"*I believe standardization of maple flooring is a good thing. We know exactly what we are going to get when we send out an inquiry and place an order.*" (Vol. I, p. 141.)

Mr. W. R. Gillette, a *nonmember,* testified:

"We manufacture our flooring according to the grading rules of the Maple Flooring Manufacturers

Association. We have found it an advantage to do so. *It enables us to say to our customer that the flooring is made in accordance with the Association rules, and we claim that our flooring is equally as good as that made by members of the Association. I think the rules are all right. They give the purchaser a standard grade of flooring—uniform flooring.*" (Vol. I, p. 92.)

See also Vol. I, p. 85.

It should be stated, however, that the grading rules merely describe the different grades. The standards formulated by Mr. Robertson for the guidance of graders at Association mills are not contained in the grading rules. This, in part, perhaps, accounts for the superiority of Association flooring.

THE PROOF WAS UNDISPUTED THAT STANDARDIZATION INCREASES COMPETITION AND REDUCES COST OF DISTRIBUTION.

Mr. Ralph A. Brown, a large dealer of New York City, testified:

"*My experience has been that the standardization of maple flooring has been beneficial to the trade.* It has been beneficial with respect to uniform matching of the flooring and uniform grades so that when a certain grade is asked for *it can be obtained, not necessarily from one particular mill, but from several mills. Standardization makes competition better and, in my opinion, increases rather than decreases competition. It provides a wider field from which a buyer can select flooring for a particular job.*

I have had occasion to ask for the reinspection service maintained by the Maple Flooring Manufacturers Association. Such service has been beneficial to the trade. It insures the purchaser of maple flooring fair treatment and the delivery of exactly

what he has contracted to buy. *I do not think that the Maple Flooring Manufacturers Association has had the effect of keeping up the prices of maple flooring above the level which the ordinary law of supply and demand would put it.*" (Vol. II, pp. 573-4.)

Similar testimony was given by other large dealers. (Vol. II, pp. 579, 586, 618.)

And as Mr. Phisterer of the William M. Lloyd Company, of Philadelphia, pointed out:

"Standardization of flooring is of benefit to all concerned. *That benefit would be to the consumer in the appearance of the flooring after it has been put down. It would also, I should think, be a basis on which you could judge the prices that the different mills were asking for that particular grade of flooring. If you had a standard grade of flooring, called clear, then, if they were manufacturing under that standard, then the difference in the price would be of advantage, but if the one manufacture was excellent and the other manufacture was poor, the lower price might be a high price in the long run and at the end of the sale. In the absence of standardization, there is no real basis for the comparison of prices.*" (Vol. II, p. 593.)

In the Tenth Annual Report issued by the Department of Commerce, Mr. Secretary Hoover states:

"Agitation has been current for many years for the extension of the Federal laws to the establishment of grades and qualities of different commodities. *The lack of such established grades and standards of quality add very largely to the cost of distribution, because of the necessity of buying and selling upon sample or otherwise, and because of the risk of fraud and misrepresentation, and consequently larger margins in trading.* It was considered by the Department, however, that it would be *infinitely better* if such grades and qualities could be established *voluntarily* in the *trades themselves,*

instead of by *legislation, and policed by trade associations, as is the case in several old established trades.* To this end a number of conferences have been held in different branches of the lumber, textile, paper and other trades.

The service of the Department has been to bring the different branches of the trade, the manufacturers, wholesalers, retailers and representatives of larger consumers' associations together, and to develop committees of different branches of trades. The plan has been generally welcomed, and applications have been received from many trades for such assistance. The expert services of the Bureau of Standards, Bureau of Foreign and Domestic Commerce, and the other Bureaus of the Department, have been brought into service for technical advice in these matters; *and results of important bearing upon the improvement of business ethics and cheapening of distribution have been attained.*" (Vol. II, p. 485.)

For a good account of the standardization movement and the results thereof see *Trade Associations and the Law* (Jones), pp. 80-102.

THE TWEEDLEDUM AND TWEEDLEDEE ATTITUDE OF THE DEPARTMENT OF JUSTICE.

While Mr. DeWitt was on the stand, he was asked whether architects did not specify that flooring be manufactured according to the grading rules of the defendant Association, whereupon the following proceedings were had:

"**Mr. Fowler**: Your Honor, that has been gone over by witnesses a dozen times if not two dozen times, a repetition of the same thing, and it is a waste of time. There will be no question but that architects require that and that that is what they ask for, and there will be no testimony to the contrary. It is unnecessary to repeat that so often.

Mr. Darby: *Well, Mr. Fowler, you allege that these standardization rules violate the Anti-Trust Act. If you will withdraw that charge—*

Mr. Fowler: That is a certain line of evidence here that they have gone over and over, and I don't see any necessity for going over it so often, and especially that particular line of evidence, *that we will not introduce proof to the contrary and there will be none so far as the standardization is concerned. I am not eliminating anything so far as the charge is concerned.*

Mr. Darby: The Court suggested he would be interested in the subject of the benefits obtained [from Association membership] and I intend, subject to the ruling of the Court, to go into the matter of the benefits and advantages, fully.

The Court: Proceed." (Vol. I, p. 253.)

As heretofore stated the Government did not introduce any evidence that even tended to show that the standards adopted by the defendant Association were not fair, nor any evidence that even tended to support the charges of the petition heretofore quoted in our Point VI.

As Mr. Bacon of Boston testified:

> *"I haven't noticed any tendency to uniformity of price because of standardization.* In fact, standardization of the product has tended to broaden the field. *New manufacturers have gone into the business because they would know what grading rules they could use in working up their lumber into flooring. Before that everything was at sixes and sevens, they didn't know how to grade flooring."* (Vol. II, p. 561.)

In the entire record there is proof of but one respect in which the value of the standardization of maple, beech and birch flooring was questioned. Mr. Robertson testi-

fied concerning his conversation with some lumber dealers, as follows:

"A. Yes, I have had them question the value of that, on the subject of *price* only.

Q. What was said?

A. *They would ask me what value the standardization feature would be to them, when the quotations were so widely apart, from different members of the Association. We adhere to no standard on price.*

Q. *And what did you say to that?*

A. *I always say to that that we have no standard on price, that our Association members are at liberty to quote as they choose.*" (Vol. II, pp. 522-3.)

That dealers prefer the product of Association mills, see pages 47-54, *supra.*

In the face of all the foregoing *undisputed evidence* it will not do for the Government to indulge in *a priori* reasoning as to the effect of the standardization of maple, beech and birch flooring.

VII.

The proof shows that the prices of maple, beech and birch flooring have at all times fluctuated in harmony with the laws of supply and demand. Distinguished statisticians and economists so testified, and supported their evidence by a mass of statistics, charts and other data.

The record conclusively shows that the alleged minimum price plans were never enforced, and that in actual practice each member sold his flooring at whatever price he could get, and ran his business just as he pleased.

The undisputed proof also shows that prices during the earlier years were never uniform because of the diversities mentioned on pages 66-75 supra; whereas, from 1919 to 1921, inclusive, they were controlled by abnormal economic conditions, which found adequate expression in the rise of Factory grade flooring from $45 per M feet to $150, and its decline to $15.

At no time does the proof show fixation or control of price by the defendants; and, as we have seen, even the Government admitted at the hearing that there had never existed any uniformity of prices among the defendants.

Before the District Court filed its opinion herein we had assumed that in equity cases pleading without proof, or proof without pleading, was insufficient to support a decree. We had thought that it was the duty of a court to ascertain the relation that existed between a complainant's pleading and the proof, and that in this process *all* the evidence would be considered. The record in the case at bar shows that the District Court did not follow these fundamental rules, and that his opinion herein and the decree based upon it are demonstrably erroneous.

The Government's allegations with respect to the Minimum Price Plans are set forth and analyzed on pages 7-17 *supra*. It will be observed that the Government first alleges that certain Minimum Price Plans were adopted by the defendant corporations and others; then the terms of the Plans are generally described; next comes the allegation that minimum prices were ascertained from time to time and that "*recommendations*" were made that the defendant corporations and other members should not sell flooring "at prices below said minimum prices." It is then alleged that

> "the defendant corporations have *at all times* during said period accepted and acted upon said recommendations, and have concertedly established and maintained as the *basis* of their individual prices, the minimum prices * * * and by concertedly maintaining the same," and the uniform terms of sale, etc., "they have *always maintained* during said period * * * *a practical uniformity between themselves of net f. o. b. selling prices*" and "*of net delivered prices.*" (Tr. 6-7.)

It is clear that the burden was upon the Government to *prove* the allegations above quoted. The District Court summarily considered the *mere terms* of the said Minimum Price Plans, and held that they were obnoxious to the Sherman Act.

Besides ignoring (in the opinion filed herein) the *undisputed* proof that there had *never* existed *a practical uniformity of prices* for maple, beech and birch flooring, *and that price competition among the defendants had always been strong, active and vigorous*, (pages 116-162 *supra*), the District Court also ignored the following evidence, which clearly proves that the Minimum Price Plans were abandoned and never enforced.

Mr. George W. Keehn testified:

"Another provision of the minimum price plan was that if a member sold flooring at less than the minimum price, he was to pay into the expense fund of this Association ten per cent on that sale. *As a matter of fact, no penalties were ever exacted from any member of the Association under the minimum price plan and no criticisms were ever made to any member of the Association either by the secretary's office or by any other member of the association regarding any prices at which he sold his flooring.*" (Vol. I, p. 101.)

And again:

"During the period that these four articles of association which have been referred to by me were in force there was also in force or at least there was an agreement containing a provision for the carrying out of the minimum price plan. That is the minimum price plan dated July 1, 1915, introduced in evidence as government exhibit 11. That plan was entered into about July 1, 1916.

Q. How long did that continue in effect?

A. Well, this particular plan says July 1, 1916, to November 1, 1916.

Q. Was that plan or agreement in force during that period?

A. *It was never enforced.*

Q. When you said in your direct examination that it was never enforced will you explain just what you meant by that? What was done by the association then existing under this minimum price plan, Government exhibit 11, if anything?

A. Some of the statistical data and lists of surplus stock, etc., were submitted to the association, *but no penalties or fines or assessments of any kind were ever made upon or claimed for or ever paid into the general fund or the treasury of the association or were demanded by the association. In other words, the members continued on and so far as my*

judgment and opinion goes they sold their flooring at whatever prices they pleased.

I had an opportunity to observe the prices the members were selling their flooring at this period from statistical data I received from them and according to my observation the prices during all that time varied and we assembled considerable statistical data showing average prices realized, f. o. b. flooring mills and at different markets in the United States which will surely substantiate that statement. I might also add that no criticism was ever made by the officers of the association regarding the prices at which any member sold its flooring, and so far as I know no members of the association criticised other members of the association regarding the prices at which they sold their flooring or called them on the carpet as the saying is. I certainly never did it as secretary of the association.

The Court: That doesn't answer the question, at least as I understood it. The question was this: Was there a general observance of the minimum price plan by the members of the association. In other words, did the members of the association generally refrain from selling below the minimum price?

A. According to my observation they did not.

* * *

It is my recollection that this minimum price plan of July 1, 1916, government exhibit 11, came to an end in November, 1917, but according to this letter that we read today it seems to have been extended until January 1, 1919. I wouldn't be sure whether that letter refers to the articles of association. It might have referred to the minimum price plan because later on the minimum price plan was reprinted under date of January 1, 1919, running to July 1, 1919. That was the same plan, government exhibit 11, but a reprint of the same, together with the petition. It was not sent to the Trade Commission. I think it was given to Mr. McKeague when he was in Chicago.

Q. What was the status during that period from January, 1919, on, with respect to the operation of this minimum price plan?

A. Mr. Johnston, there seems to have been an extension of some kind made in there, you know, between 1917 and January, 1919.

Q. Well, during that period was there any change in the situation as you have described it in answer to my previous questions with respect to the operation or effect of this plan?

A. No, sir.

Q. Was it in force in the same way that you have testified the original plan of July 1, 1916 was in force?

A. You mean "in force"?

Q. In force, yes.

A. We figured it was the same proposition all the way through.

Q. *Was it enforced?*

A. *None of the provisions in regard to penalties, etc., of any of the minimum price plans were ever enforced.*" (Vol. I, pp. 144-6.)

Mr. P. S. McLurg testified:

"There were certain so-called Minimum Price Plans in 1919. When we signed those Minimum Price Plans, we were of the opinion that they would be lived up to. *We found out they weren't and that everyone sold their flooring at any price they wanted to, and we did the same. We took what we were able to get for our flooring. We learned that the Minimum Price Plan wasn't being observed through our traveling salesman. He gave information that he got from his customers. If he failed to land a certain order, he would telephone the office and say that the customer had told him another mill had made a certain price. It might be an Association mill or a nonmember mill. If we were long on stock, or if we needed the money, which we usually did, we told him to get the order.*" (Vol. I, pp. 227-8.)

And again:

"Our company never paid any fines or penalties for not living up to the rules of any of the associa-

tions. I know of no demands that were ever made on any of the other members." (Vol. I, p. 233.)

Mr. Walter L. De Witt testified:

"When there was a minimum price plan or minimum price basis *certain prices were recommended but they were never observed. I know that because we found in selling our product that we were obliged to meet competition, and sometimes our price was higher and sometimes our price was lower.*" (Vol. I, p. 234.)

On cross-examination Mr. De Witt testified:

"Q. Then when you made your agreement you didn't consider that you were bound by a single solitary thing in the thing you signed, is that it?

A. We knew when we signed that agreement that we were not going to be compelled to maintain any price.

Q. Well, why did you know that when it is specifically stated on that page that you are bound to observe the minimum price?

A. Because there had been those same agreements and practically the same agreements in force for a long time, *and they had never been observed, they never had been enforced, and we knew they would not be.*" (Vol. I, p. 258.)

Mr. H. H. Shepeck testified:

"There wasn't any uniformity of price when the so-called Minimum Price Plans were in effect. I knew that from daily contact with the trade. We were meeting competition. We were seeing the quotations made by others and knew what orders were being placed with other concerns. There never was any demand for a fine or penalty and none was ever imposed upon us for a failure to observe Minimum Price Plans. I know of no demand that was made upon anyone else for a fine or penalty for failing to observe the so-called Minimum Price List." (Vol. I, p. 261.)

The situation that obtained in the old days before the organization of the present Association is well stated by Mr. Greene in a letter to the John C. Hill Lumber Co. of St. Paul dated *Nov.* 8, 1920:

"Gentlemen: This acknowledges receipt of your letter of November 4th in which you submit a list of ten cars of Maple Flooring for which you have inquiry and in which you ask us to give you a line on the going prices on these items. To be candid with you we would not know what kind of price to put on the stock ourselves if we had the flooring for sale.

At the last meeting of the Association held on September 29th the Market Conditions Committee *recommended* as a fair value for 13/16" Maple Flooring of Full List for Clear, $5.00 Off List on No. 1 and 40.00 Off List on Factory. This refers to the list of March 1st, 1920, using CJ freight for delivery to Twin Cities.

We expect there will be another meeting of the Association sometime this month although we do not know the exact date. *However, in any event the Association does not have iron clad prices. Our Market Conditions Committee after analyzing stocks on hand, production, unfilled orders, new business, etc. merely recommends what in their judgment ought to be the asking price. This is merely a guide to the manufacturer and he is at liberty to quote his stock at any old price either more or less than the recommended values.*

The flooring business is certainly in a demoralized condition and everybody seems to be running wild. We have reports from some of our Eastern connections to the effect that no two manufacturers are quoting within gun shot of the other and that prices are varying from $5.00 to $15.00 and $20.00 on the same items. This certainly is not a healthy condition and it of course is due to the fact that there is very little demand and some mills are very anxious for business and some disregard altogether the cost of production." (Vol. I, pp. 378-9.)

Mr. T. M. Ralston testified as follows:

"Q. You spoke of the variation in prices, competition among the different manufacturers. Did that group of manufacturers include the members of the Maple Flooring Manufacturers Association?

A. Yes, both members and nonmembers.

Q. You say there has always been active competition not only among members, not only by members among themselves, but of members against nonmembers?

A. Absolutely, yes, sir.

Q. How do you explain the existence of that condition, when you consider the fact that during the previous years there was supposed to be in force and effect, at least the so-called Minimum Price Plan of the Maple Flooring Manufacturers Association?

A. I really don't know, unless, if there was any such agreement, it was not carried out. Whatever I saw of prices that were being quoted, my own opinion would be that the law of supply and demand for flooring controlled it.

The Court: It must have been one of two things: Either they didn't carry out their bargain, or the prices quoted must have been above the minimum price.

Q. What was your observation as to whether those Minimum Price Plans were observed in the practical conduct of the business?

A. I would say absolutely that they were not.

Q. How do you know that?

A. From prices that I have seen at different times and my own personal knowledge of the prices that other mills were quoting.

Q. You compared the prices that you saw and were able to get, with the minimum prices, so-called, in force at that time?

A. With the prices—

Q. So-called minimum prices. I think in some of the articles they set forth what shall be the minimum price Frame "A." Did everybody get higher than that price, or get that price all along?

A. *My judgment would be that there wasn't much attention paid to it. In some cases, the price would be higher and in some cases lower.*

Q. *Each fellow got the business on such terms as he could?*

A. *Yes, sir.*

Q. *That is the way you conducted the sales department of Horner?*

A. *Absolutely, at all times.*

Q. *Was it your observation the others conducted their business along the same line, the other members?*

A. *I would judge from the quotations I have seen, and what I know of their business, that they did.*

Q. You were getting statistics, were you, that were issued by the Association?

A. Yes, sir.

Q. Did you ever have occasion to compare the reported sales with the so-called minimum prices which were supposed to be in effect?

A. I don't know as I ever did, because I never paid much attention to the prices that were given in the completed list.

Q. What would you take into consideration when you fixed the price of your flooring? You had to arrive at some price at which you would sell it; how did you arrive at the price, what factors did you take into consideration?

A. Our cost of production based on the cost of the rough lumber, manufacturing costs, selling costs, and a profit.

Q. And the conditions in the respective markets where you wanted to sell?

A. And market conditions very largely.

Q. The amount of inquiries you received, did you take that into consideration?

A. *Not so much that as the amount of business on our books, or our wish to move a certain article, certain size or grade, of maple flooring; all those things entered into it.*

Q. *Did you feel free to exercise your own independent judgment during all that time, or did you feel constrained by some rule or data that were issued by the Association, or any recommendations of the Market Conditions Committee?*

A. *I aways felt free to make my own prices, and I always did make them.*

Q. *You always did?*

A. *Yes.*

Q. How did you advise your trade as to what your prices were, or your representatives, or special agents?

A. We sent out lists on our own stationery, showing the different items and our price f. o. b. cars mill, freight at the bottom, the amount to add for freight in dollars and cents to cover the point which that representative covered.

Q. You made out and distributed your own price lists?

A. Yes.

Q. *Did you use any books or data that were issued by any of the associations as price lists?*

A. *None whatever.*" (Vol. I, pp. 321-2.)

As stated by the District Court, "Either they didn't carry out their bargain, or the prices quoted must have been above the minimum price." But it was incumbent upon the Government to *prove* either that the defendants had carried it out, or that "the prices quoted" were "above the minimum price."

The Government did not even undertake to show the minimum prices which were alleged to have been determined from time to time. There are a few scattering recommendations in the record, but there is no proof that these were all that were made.

The Government did not even undertake to prove the relation that existed between the recommended minimum prices and the prices at which members sold their flooring, nor what effect if any the said recommendations had upon the prices of the different members.

The Government did not even *allege* that the minimum price plans were carried out, or that flooring was sold by the defendants at prices equal to or more than the recommended or alleged minimum prices. As pointed out in our analysis of the Government's petition on pages 10-12 *supra*, all that the Government alleges is that the defendants "concertedly established and maintained as the *basis of their individual selling prices*," the aforesaid minimum prices. What this allegation means, we do not know. (For its possible meanings, see pages 10-12 *supra*.) At any rate, the foregoing allegation was incorporated in the petition merely by way of *inducement*. The Government alleged that the defendants *by concertedly maintaining the minimum prices as the basis of their individual selling prices* (and the uniform terms of sale, commissions, etc.) "have always maintained during said period and still maintain, *a practical uniformity between themselves" of "net f. o. b. selling prices" and "net delivered prices."*

It is the alleged *uniformity of prices* upon which the Government based its case. Of course, the evidence is conclusive that the alleged uniformity never existed (Pages 116-162 *supra*.)

For further proof that the minimum price plans, scientific price lists, etc., did not work out in actual practice, see Vol. III, pp. 207, 230-1, 246-7, 249-251, 299, 333, 340, 411; Vol. IV, pp. 435-6, 519-521. All the foregoing evidence was introduced by the Government.

Furthermore, Mr. Thomas Forman, a witness called by the Government, testified that he was a member of the various associations from 1898 until 1918 or 1919, (Tr. 137-8); that in the early days, say in 1903 or 1904, an attempt was made to fix the price of flooring, but that "it was a dead failure" for the reason that "we couldn't hold together, all the time somebody breaking the price, we got disgusted with it." He also testified that the members therefore ignored the price that had been fixed and sold their flooring as best they could. *And the same conditions obtained with respect to the alleged minimum prices which were recommended*—"we were never controlled in any way at all—we all went and sold our stuff as we were a mind to." (Vol. I, p. 138.)

The District Court's conclusion is squarely opposed by the testimony of Mr. Edward B. Gordon, Mr. Grant Keehn, Professor Albert John Hettinger and Professor Homer B. Vanderblue. Mr. Gordon is on the Research Staff of the Bureau of Business Research of Harvard University. Mr. Grant Keehn is a graduate of the Harvard Graduate School of Business Administration and is employed in the Statistical Department of Goldman-Sachs & Company of New York City. Professor Hettinger is the Assistant Professor of Business Statistics of the school above mentioned and Consulting Statistician for the Federal Reserve Bank of Boston and the Ludlow Manufacturing Associates. Professor Vanderblue is Professor of Business Economics in said School and Economist with the Harvard University Committee on Economic Research.

MR. GORDON'S TESTIMONY.

Mr. Gordon testified that prices may be kept (1) at an unreasonably low level, or (2) at an unreasonably high level, or (3) at a reasonable level, or (4) intermittently at one or the other levels previously mentioned. (Vol. II, p. 625.) He stated that if the defendant Association and its predecessors had controlled the prices at an unreasonably low level *there would have been no other supply produced.* Inasmuch as other supply was continuously produced by nonmembers, (see pages 27-31 *supra*) he concluded that prices had not been kept at an unreasonably low level. (Vol. II, p. 626-7.)

He testified that prices had not been kept at an unreasonably high level, for the following reasons:

If the price of a commodity is kept at an unreasonably high level there would be special inducement in the form of attractive profits for the production by others of an additional supply. This supply would either break the market or deprive the original producers of their trade.

To control prices at an unreasonably high level, it is necessary to control the potential supply. The potential supply of a commodity rests upon control of raw material, equipment, capital, management and labor. The raw material of maple, beech and birch flooring is the rough lumber, which accounts for about *seventy-five per cent* of the cost of the finished product. Investigation showed that the members of the defendant Association controlled *less than* 2% of the total stand of maple, beech and birch timber in the United States, and that from 1912 to 1920, inclusive, the members of said defendant and its predecessors devoted to flooring purposes less than 20% of the annual cut of maple lumber.[35] (Vol. II, pp. 628-9.) See also page 26, *supra.*

Machinery for the manufacture of flooring can be freely purchased. And it requires only an expenditure of $30,000 to embark upon the production of maple, beech and birch flooring. Furthermore, there are the oak flooring manufacturers and the saw-mill operators who could without any additional (or only nominal) expense engage in the manufacture of maple, beech and birch flooring. (See pages 31-33, *supra.*) And the large productive capacity of nonmembers, of which not more than 15 to 20 per cent was used, could likewise be tapped if prices were unreasonable. (See page 29, *supra.*)

We assume that not even the Government will contend that the defendants ever had control of capital, managerial ability or labor.

It was concluded, therefore, that neither the defendants nor their predecessors had controlled prices at an unreasonably high level. (Vol. II, pp. 632-633.)

It was testified that investigation had disclosed that there was no fixation or control of price at a reasonable level, because the defendants did not have control of the raw material, or capital, equipment, management or labor necessary to the production of flooring. (Vol. II, p. 634.)

With reference to intermittent fixation of price at one or another of the three levels already discussed, Mr. Gordon testified as follows:

"A. Well, this method of price manipulation would be done in the following manner:

The seller, A., with control of a portion of the supply would raise his price to an unreasonably

[fn] Maple flooring constitutes about 90 per cent of the total (flooring) output of Association members. (Page 44, *supra.*)

high level in order to secure additional profit. Provided he did not have control of the potential supply of the product, other supply would be produced and sold under the inducement of an adequate margin of profit.

The seller, A., who was attempting price control, would find additional supply placed upon the market at a lower price. He would be forced to lower his price in order to retain his market. The failure to do so would mean the loss of his market to the cheaper supply, which was available to the purchaser,—to the buyer. If he maintained his price at the unreasonable level he would be forced out of business. If he lowered his price, in order to keep his market, he would cut below the price of the additional supply which was being offered to buyers. The price of the seller, A., would be below the price of the uncontrolled supply for two reasons: First, the cost of production of the seller, A., would be less than the cost of production of the additional supply, for if this were not the case this additional supply would have been produced before; secondly, the additional supply, with the same demand, would cause the price to decline.

Thus, the result would be to drive the producer of this additional supply from the market. *This manipulation of prices would be reflected in the prices realized by the seller, A., and would be evident in comparison with other prices, particularly the prices of similar commodities.*

Q. *For the purpose of ascertaining, therefore, whether there was in this case any such attempted fixation of prices at alternately high and low levels in the manner in which you have described, have you made a comparison of the prices realized by the members of the Maple Flooring Manufacturers Association with an index of all commodity prices, an index of all building material prices, and an index of lumber prices, and also a comparison with the prices of competing floorings.*

In addition we have compared the prices realized by members of the Association with the cost of the

raw material, and with the cost of other manufacturing and marketing expenses." (Vol. II, pp. 634-5.)

The witness then identified and verified defendants' Gordon Exhibits 6 and 7. (Vol. II, pp. 635-647.) Defendants' Gordon Exhibit 6 is a comparison of the index of the prices of "The Product" with the United States Bureau of Labor Statistics indices of "All Commodity Prices," "All Building Materials Prices" and "Lumber Prices," by months from 1913 to 1923. (Vol. V, p. 899.)

The prices of "The Product" were arrived at by taking the *monthly* average prices of 13/16" x 2¼" Clear, No. 1, and Factory (see pages 146-148, *supra*) and combining them in the proportion of their production, viz., 50 per cent, 35 per cent and 15 per cent, respectively. This method is known as "weighting" and is used by the United States Bureau of Labor Statistics and statisticians generally. It is fully explained by Mr. Gordon on pages 635-647 of Vol. II. Defendants' Gordon Exhibit 7 (Vol. V, p. 901) is the proof of the validity of the method used in arriving at the prices of "The Product."[26] (Vol. II, p. 646.)

Mr. Gordon's analysis of Defendants' Gordon Exhibit 6 appears on pages 647-651 of Volume II. A reproduction of said exhibit is Appendix F to this brief. The witness concluded this study as follows:

"Now, a study of the movements of the four indices reveals the fact that during the years 1916, 1917 and 1918, and the first half of 1919 the price

[26] It should be stated that in some instances the supporting data were not printed, for the reason that it was undisputed that the graphs or charts were correct representations of the data upon which they were based.

levels of the four indices were dissimilar. The index of all commodities prices was on the highest level, and the index of all building materials prices upon the next highest level, followed by the index of lumber prices and with the index of the Product upon the lowest level.

During the last half of 1919 this relationship changed. The Product advancing to the highest level, all building materials to the third highest level and all commodities upon the lowest level.

A study of the indices themselves, that is, the commodities which make them up, will explain this relationship. Maple flooring is a specialized product and cannot be used for a variety of purposes,—its sole outlet being for flooring purposes in building construction. Lumber, on the other hand, is a less specialized product, although the major proportion, it has been estimated sixty per cent, of all lumber goes into new building construction. There are also a variety of other uses, such as for boxing, crating, shipbuilding and such outlets for lumber. All building materials is a still less specialized group. Many of the products making up this index are used in a variety of industries, and in addition many of them are made from raw materials, such as iron and steel, which, if the prices are not attractive will be diverted and processed into other commodities. The all commodity index has no specialization, being made up of all manner of commodities and will be influenced by an increase or decrease in the amount of building in the United States only to the extent that those products used in the building industry make themselves felt in the general average of the 404 commodities which are included in the index. (Vol. II, pp. 650-1.)

A series of charts (Defendants' Gordon Exhibits 9-13, both inclusive) were then introduced in evidence. (Vol. II, pp. 651-662; Vol. V, pp. 917-925.) *These charts show that the demand for maple flooring is dependent upon the volume of new building construction in the United*

States, and explain the reversal of price level that took place in 1919-1921. They show

"that as the volume of new building advanced or increased or decreased the volume of new orders booked by Association members advanced and increased or decreased in a corresponding manner." (Vol. II, p. 662.)

Mr. Gordon testified:

"Q. Now, having discussed the question of the dependence of new orders booked by members of the Association upon the volume of building construction in the United States, will you go back to Defendants' Gordon's Exhibit 6, and point out, if there is anything that you desire to point out there, the relationship of the dependence or the importance of the dependence in the reading of this chart, Exhibit 6?

A. *The purpose of determining the dependence of the demand for maple flooring upon the volume of building construction in the United States was to explain the change in price level as shown by the chart Exhibit* 6.

During the years 1916, 1917 *and* 1918, *when the index of the Product was upon a lower relative level than the other three indices, there was very little new building construction in the United States because of restrictions placed upon that industry.*

As a result this failure of demand for flooring inevitably caused its price to stay upon a low level. The continuance of this low volume of building, during the years 1917 *and* 1918 *created a shortage of building, which at the close of the war and the removal of restrictions upon the industry was allowed expression and explains the tremendous increase in demand for flooring and other building materials during the period* 1919 *to date. This shortage and the consequent high level of building since* 1919 *is shown in a chart.*

Mr. Johnston: That is Exhibit 14.

A. Exhibit 14." (Vol. II, pp. 662-3.)

Appendix G is a reproduction of the Defendants' Gordon Exhibit 14. (Vol. V, p. 927.)

*"It is apparent that * * * from* 1916 *to* 1918 *the volume of building declined to a level lower than at any other time since* 1900. *The area underneath the line of trend* [1900-1916 *projected*] *will give you an approximation of the accumulation of building shortage."* (Vol. II, p. 667.)

Mr. Gordon also testified:

"The difference in level of price before and after the end of 1919, *it has been shown, was caused by the specialization of the Product, which can be used only as flooring in the construction of new building. The changes in the quantity of new building in these periods offers explanation of the change in relative price levels of these four indices."* (Vol. II, p. 669.)

This falling off in the volume of building was due to the restrictions imposed by the Government during the war. (Vol. II, pp. 666-7.)

Mr. William L. Saunders testified as follows:

"In 1919, there was a marked shortage of good lumber in the market, in fact, at that time it was practically a runaway market. It was only a question of whether you had the thicknesses and grades that were required by the industries demanding such lumber. *During that time we sorted out a large amount of No.* 1 *Common flooring stock and sold it on the market to other industries. The prices of rough maple lumber during* 1919 *and* 1920 *compared very favorably with the prices of maple flooring, although at that time there was a great expansion in the building trades, and owing to a couple of serious fires that occurred in the flooring industry, I think flooring had a tendency to fluctuate a little more in value probably than the rough lumber. The first fire occurred in the dry kiln department of the Horner people, whose plant was located at Newberry. A couple of months later their mill at Reed City burned. The Horner people manufactured*

about 20 per cent or better of the entire output of Michigan or of the so-called Association, and at the time of the fires they had something like 19,000,000 *feet of orders on their books. Their customers immediately attempted to get other manufacturers to supply them with flooring. I took on some of that business at prices which were to be fixed at time of shipment. These prices were to be at whatever I was then selling flooring at. When the Horner supply was cut off and their customers had to buy flooring elsewhere, it made it very difficult for many contractors to get the material for buildings already contracted for. During* 1919 *and* 1920 *the demand for flooring was very great, and it was necessary for my company to allocate almost every carload of flooring to the customer that was pressing us hardest for shipment, so that our warehouses were entirely empty. We were then running continuously and bending every effort to manufacture all we could."* (Vol. I, p. 198.)

Mr. W. L. De Witt testified:

"We have never been a party to any agreement or understanding of any kind to limit our production. We have steadily increased our production since 1918, when it was between three and four million. This year it will be over eight million. *We had a little falling off in* 1920, *as our plant was closed by the I. W. W. strike for a period of about three months. That was in the early part of* 1920, *beginning about May* 1*st and continuing until practically August* 1*st,* 1920. *There had been talk of a strike or a threat of strike for nearly a year before. Practically all the mills in Wisconsin and the Upper Peninsula of Michigan were closed down from May* 1*st to about August* 1*st,* 1920. *This caused a great shortage of flooring and was probably one reason why the prices fluctuated so much. Prices were then very high. There was a great variation in prices during that period. The I. W. W. strike was general among the mills in Northern Wisconsin and the west portion of the Upper Peninsula of Michigan."* (Vol. I, pp. 234-5.)

That during 1919-1920 contractors and others were bidding for deliveries irrespective of price in order to get flooring for building already under construction, see Vol. I, pp. 346-8, 381, 383, 432-3, 446; Vol. II, pp. 458, 574; Vol. III, p. 131.[37] For a statement of the wages paid, the prices of supplies and rough lumber, see Appendices H, I, J, K, L, M and N, which are copies of Defendants' Exhibits K, L, T, T-1, CC-½, OO and PP, respectively. (Vol. I, pp. 224, 229, 268; Vol. II, pp. 769, 797, 798; Vol. IV, 820, 821, 822-5, 834, fol. p. 5505.)

Mr. Gordon also pointed out that there were 21 *commodities mentioned in the United States Bureau of Labor Statistics, Wholesale Price Bulletins that had a higher relative peak price than did "The Product"* (Defendants' Gordon Ex. 15, Vol. II, pp. 670-1, Vol. V, p. 932), *and* 146 *other commodities that had a higher average price for the period of* 1913 *to* 1922, *inclusive, than did "The Product."* (Vol. II, p. 672, Defts.' Gordon Ex. 16, Vol. V, pp. 933-943.)

For Mr. Gordon's summing up, in support of his conclusion that the defendant Association and its predecessors did not control the price of maple, beech and birch flooring, see Vol. II, pp. 673-676.

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[37] * * * in the English parliamentary debates upon the corn laws about the year 1840 it was estimated upon data furnished by Mr. Tooke in his *History of Prices*, that a deficiency of one-sixth in the English harvest resulted in a rise of at least one hundred per cent in the price of corn; and another estimate by Davenant and King, at the close of the seventeenth century corroborates this apparently excessive statement." (Marshall's *Industrial Society*, p. 414.)

MR. GRANT KEEHN'S TESTIMONY.

Mr. Keehn identified two charts, Defendants' Grant Keehn Exhibits 17 and 18 (Vol. V, pp. 945-7) where the *prices* of "The Product" were compared with the prices of competing wood floorings, viz.: Oak (a hardwood) and Arkansas Soft Pine, Southern Yellow Pine and Douglas Fir, which are soft woods. The second chart above mentioned is a comparison of the *indices* of the prices of all the floorings above mentioned. (Vol. II, pp. 679-683.) Mr. Keehn testified:

"A. This chart, Exhibit 18, indicates that the prices of all five floorings started to rise sharply at about the same time, in March and April of 1919. *The rise of the prices of The Product, however, was not as accelerated as that of the prices of the other four wood floorings.* The last half of 1919 saw a reaction in the advance of the prices of the other floorings, whereas the price of The Product, which as can be seen, was still upon a relatively lower level, continued to advance.

In November and December of 1919 the upward movement was recommenced in all series, with The Product still upon a lower level. This rise was continued by all five wood floorings until early 1920. The soft woods, Arkansas soft pine, Southern yellow pine and Douglas fir reached their peaks coincidently in February of 1920.

The hard woods, oak and The Product, continued to advance and did not reach their peaks until April of 1920. The decline which has set in after the peak prices in all of the five series was broken in all by a slight reaction in the third quarter of 1920, but the precipitous downward movement was again resumed.

The downward movement of all indices was broken only in February, 1921, save for Southern yellow pine, and culminated in the low points in 1921. Douglas fir was the first to reach its low point in

April, 1920 [1921]. The next two months saw a slight reaction in all prices, and, with the exception of Douglas fir, July again brought a decline.

This marked the low point for the other two soft wood floorings, Arkansas soft pine flooring and Southern yellow pine flooring.

The next month saw a sharp rise in the indices of the soft wood flooring prices. The two hardwood floorings, however, continued to decline in price. Oak flooring reached its low point two months later, in September.

Mr. Newman:

Q. What year?

A. September, 1921.

Mr. Johnston:

Q. Yes?

A. *And The Product continued to decline until October, when the bottom was reached. Thus the price of The Product was the last one to advance, having continued its downward movement in the face of the sharp advance in other flooring prices.*

A reaction from the upward trend was felt by *all* of the flooring prices in the early months of 1922; but the upward movement was again resumed in the second quarter of that year, and continued with but few interruptions to May of 1923.

The Product price index has risen since its low point in 1921 *at a slower rate than all other flooring indices except for that of Douglas fir flooring, from their respective low points.*

This comparison indicates the price movements and fluctuations of these competing floorings to have been practically identical with those of the prices of The Product. All have moved together with soft wood floorings and coincidently reached their peaks and troughs earlier than did the prices of the hardwood floorings.

The Product is shown to have advanced less sharply on the upswings, both in 1919 *and again in*

1921. *It would appear that the existence of the Maple Flooring Manufacturers Association has not tended to accelerate the upward movement of the price of its product.*

It would appear further that the Maple Flooring Manufacturers Association could not have had control of the prices of its product when the price of its product did not advance in the face of sharp advances of other flooring." (Vol. II, pp. 683-4.)

Mr. Grant Keehn also testified:

"We investigated the prices of The Product, or the prices realized by the members of the Association [see page 210, *supra*] with their cost of production, and in comparing the prices with the costs of the raw material and the other manufacturing and marketing costs. * * *

The cost of the raw material in the production of maple flooring is approximately three-quarters of the total cost of the finished maple flooring. * * * *In making the comparison of the costs of the raw material and prices realized it was not our purpose to show the relative amount of profit secured at one time as compared to another, but merely to indicate changes in the cost of the raw material and the finished product, and to compare the fluctuations in their price.*" (Vol. II, p. 685.)

Mr. Grant Keehn then identified Defendants' Grant Keehn Exhibit 19, which compares the index of the f.o.b. mill prices of 4/4 rough maple lumber of three grades (Firsts and Seconds, No. 1 Common and No. 3 Common)[38] with the price of "The Product," for the period of 1913 to 1923. (Vol. II, pp. 686-8; Vol. V, p. 949.)

[38] The prices of the three grades of rough lumber were added and the arithmetic average was taken as the price of the combined grades.

"*We could not weight the prices of these three grades in proportion to their use, because we did not have figures on the relative consumption of these three grades by the members of the Association. It was necessary, therefore, to combine them on some arbitrary basis, and the arithmetic average seemed the reasonable method of combining them.*" (Vol. II, p. 687.)

Appendix O is a reproduction of the exhibit last above mentioned.

Mr. Keehn concluded his exposition of the chart in question as follows:

> *"From this comparison it is evident that the prices of The Product, of the Maple Flooring Manufacturers Association, were not unreasonable from the point of view of the cost of raw material. Moreover, from this single point of view it appears clearly that the members of the Association would have been justified in securing a higher price in the years* 1917 *and* 1918 *and the first part of* 1919, *and the last half of* 1920, *and the first one-half of* 1921, *and the first part of* 1923. *The prices of The Product were on a relatively higher level than the price of its raw material for only about one year in the* 11 *under consideration."* (Vol. II, p. 690.)

Mr. Grant Keehn also testified:

> "We made a comparison of the price of The Product with an index of the average manufacturing and marketing costs of the members of 'the Association'. This index includes costs other than raw material. These average costs were made recently quarterly by the Association. * * * The comparison has been made from 1916 to 1923. The only other year in which a survey was made was in 1913, which year we have used as a base. We did not believe it necessary to chart previous to 1916, because it would merely be a straight dotted line from 1913 to 1916." (Vol. II, p. 690.)

The foregoing comparison appears on Defendants' Grant Keehn Exhibit 21, (Vol. II, p. 690; Vol. V, p. 953) which is Appendix P to this brief.

Mr. Keehn concluded his exposition of said chart as follows:

> "It is apparent from this comparison that there

is little similarity, except in general direction, in the movements of these two indices. For approximately half of the period the average manufacturing and marketing costs were upon a higher relative level than the prices of The Product, and during approximately one-half of the period this relationship was reversed.

"*A study of the items which make up the average manufacturing and marketing costs, and the conditions and forces which affect them, will provide an explanation of the divergence and dissimilarity in the movements of these two indices.*

"Of the items which go into Average Manufacturing and Marketing Costs, other than raw materials not here included, labor cost is dominant. Because of agreements with labor and the lack of an immediate necessity to raise wage rates, wages practically always lag after prices of products upon which this labor is expended. So great is the lag that the payments made to labor increase even after the peak in prices has been reached and continues to decline even after the prices have reached their low points and have again started upon the upswing.

"Delay is also caused in the action of labor costs by the increased per unit expenditure after the peak has been reached and the rate of production decreases; and conversely, after the rate of activity has increased the per unit expenditure for overhead and labor decreases. The other manufacturing and marketing costs, which are the overhead expenses, fluctuate in a similar manner, and are less flexible in their fluctuations.

"This comparison indicates the fact that the prices of The Product during the last half of 1917, 1918, and the first half of 1919 were upon a much lower relative level than the average manufacturing and marketing costs.

"As was stated when a comparison was made of the prices realized to the costs of the raw material, the Association would have been justified had it secured higher prices during this period. And it was

pointed out that the cause of the low relative price level of The Product at this period was due to low volume of building construction and the consequent lack of demand for The Product." (Vol. II, pp. 691-2.)

Mr. Keehn stated that he and Mr. Gordon had investigated the relation of the price of The Product to supply and demand. Mr. Keehn discussed the laws of supply and demand, including their relation to *crises*, or Business Cycles, in order to show how they operate *when unhampered by artificial control.* (Vol. II, pp. 692-700.)

A series of three charts were then introduced in evidence. These charts all relate to the supply of and demand for The Product, and show the relations of each to the price thereof for the period of 1912-1923. (Vol. II, pp. 700-705; Defendants' Grant Keehn Exhibits 22, 23 and 24, Vol. V, pp. 955-959.) Mr. Keehn explained the methods employed as follows:

"A. Yes. In order to compare the prices of the product with the supply and the demand, of the product of the Maple Flooring Manufacturers Association, it was necessary to have some indices of the supply and the demand. *We took, to represent supply, in this case, the stocks on hand of the fifteen identical members of the Association, which were used previously, or, whose new orders booked were used previously to represent the demand. To represent the demand in this instance, we used the unfilled orders at the end of the month, of the same identical fifteen members. The reason that we used the unfilled orders instead of the new orders booked in this case, is apparent from the explanation that I gave previously of the effective sources of supply and demand, which was, namely, that while the new demand would be the genesis for the activity of the business over a long period of time, it would be the accumulated demand and the accumulated supply*

which would regulate the necessity for accepting new demand, and at what price the new demand would be accepted. The unfilled orders, obviously, would better represent this accumulated demand than would the new orders booked. That the stocks on hand are represented by the supply actually ready for sale there can be no question.'' (Vol. II, p. 700.)

Appendix Q is a copy of the final chart of the series above mentioned. Mr. Keehn interpreted this chart as follows:

"To discuss in detail, now, this Exhibit 24, which shows corrected indices, *it can be seen that in the first part of* 1912, *demand was low, and the stocks on hand, which represent supply, were high; and as a consequence the price was falling.* Throughout 1912 demand rose steadily, demand represented by unfilled orders, but suffered a temporary reaction in November and December, reaching its high level again in January and February of 1913. During the last half of 1912 stocks on hand, which represent supply, fell, and, after a lag, which we have explained to be natural, the price of the product began a gradual upward trend.

Throughout 1913 the trend of demand was downward, and, with the exception of the last four months, the trend of supply was upward; and as a result, and after the natural lag, the prices of the product reached the peak, in the middle of 1913, started downward. The stocks on hand, representing supply, fell off in the last four months, but not to as great an extent as did the demand, in the last part of 1913. The result of that falling off of supply is seen in the leveling of the prices of the product in the last two months of 1913.

Q. Falling off of supply?

A. Yes. Through the entire year 1914 the trend of supply, stocks, again was upward; demand-unfilled orders—after an abrupt jump to a high level in the first quarter of 1914, declined during the entire

year. *In the face of a situation of declining demand and increasing supply, the price of the product was forced to decline throughout the entire year.*

In the first quarter of 1915, a reaction occurred. *Demand increased, and supply declined. This condition was only temporary, and did not affect the price. In the middle of* 1915, *however, conditions again changed, the demand rising sharply, and supply dropping off. These factors caused the price to advance, after a short period of lag. Through the first half of* 1916, *demand and supply merely maintained the levels secured at the end of* 1915; *and the price also remained* [*at the*] *levels secured at the end of* 1915; *and the price also remained level. In the second half of* 1916, *however, demand again advanced sharply, and supply fell off rapidly. The price, after a short lag, advanced.* The trend of demand was downward in 1917. The trend of supply, with the exception of the first few months, was upward. Prices continued to rise, until this change in conditions was felt, in the middle of the year when the price, as could be expected, declined.

This condition continued through the early months of 1918. *In March, April and May of* 1918, *demand again increased abruptly, with a concomitant falling off in supply. As a result the price of the product advanced sharply in May and June. In June, however, demand fell off heavily, and continued to do so for the remainder of the year. Supply, which had been falling off, increased again in the last half of the year. In consequence of these forces the price discontinued its advance in July, the month after the decline began in demand.* This position was held by the price during the remainder of 1918 and the early part of 1919. *In early* 1919 *a great change took place. Demand started a sharp advance to an unprecedentedly high level, which lasted until January of* 1920; *and supply fell off precipitously throughout the entire year, to an unprecedentedly low level.*

After a few months lag the price of the product inevitably rose to unprecedented heights.

Beginning with the first month of 1920 *demand reached its peak, and started to decline sharply; and supply reached its low point, and started a sharp advance. After a few months lag, during which the prices continued to feel the effect of the great accumulation of orders still unfilled, the price of the product inevitably fell, and continued to do so for the remainder of the year.*

January, 1921, saw a slight reaction in both supply and demand, followed one month later, in February, by a reaction in the price.

Since the beginning of 1921 *the reaction of the price to conditions of supply and demand has been particularly sensitive. Demand had reached an unprecedentedly low level by the end of* 1920. *The return of demand, which occurred in the first three quarters of the year, merely served to bring it up to an ordinary low level. Supply, which was already above normal, continued to rise during this period. As a natural result of these conditions, prices continued to decline, although less sharply. In September, October and November, demand rose sharply, and supply began to decline. This was followed, after two months lag, by a reaction in prices, which advanced slightly in November and December.* In December, 1921, January and February, 1922, demand again decreased heavily. In December, 1921, and January, 1922, supply increased slightly. This increase was followed in January, February and March of 1922, by a slight decline in prices.

In March and April, demand again advanced sharply, and supply continued to fall off. One month later, in April, prices again resumed the upward movement. From May to October the demand hardly more than maintained its level. Supply, for the first three of these months, continued to decline, and then merely maintained its level. *Price, in consequence, advanced less sharply, and in the last three months of* 1922, *advanced not at all.*

In the last two months of 1922, *and through February of* 1923, *the demand increased rapidly, and*

supply declined sharply. As a result, after a short lag, prices advanced sharply.

Thus it is clear that the prices of the product of the Maple Flooring Manufacturers Association fluctuated in harmony with the forces of supply and demand. It is apparent that, with practically every increase in the excess of demand over supply came, with a natural lag, an increase in the price; and with every increase in the excess of supply over demand came, with a natural lag, a decrease in the price of the product.

It can be noted that in the latter part of '18 and the early part of 1919 the price of the product did not decline, but remained level, while demand was decreasing and supply was increasing. *It must be remembered, however, that at this period the cost of the raw materials and the cost of manufacturing and marketing were upon a higher relative level than the prices of the product; that the prices of practically all other commodities were upon a higher relative level; and after the close of the war there was a condition of uncertainty. In addition to these factors, and perhaps most important of all, is the fact that during the latter half of* 1918, *there were restrictions placed upon building. Because of these restrictions people could not build, even though they so desired. A cut in price of the product at that time, therefore, would not have stimulated demand.*

Moreover, it may be contended that the price of the product should not have gone as high in 1919 and early 1920. *Unexpressed demand had accumulated because of the restrictions placed upon new building. It is necessary merely to regard the extent to which the unfilled orders increased in this period, to prove this statement. In addition to the accumulation of demand, production was low and the plant organizations had become disorganized throughout the years of* 1918,—1917 *and* 1918.

It might also be contended that the price of the product in early 1920 should not have continued upon such a high level so long a time, in face of the drastic decline in demand and increase in supply.

It has already been stated that such a condition was a reasonable one, because the manufacturers had on their books enough unfilled orders to maintain production at a high rate, without accepting new orders. Furthermore, stocks were low and could not be brought up to normal. Costs were still high, and many of them rising. It would be unreasonable to expect a producer to cut his prices, in face of these circumstances, until such a step became an absolute necessity.'' (Vol. II, pp. 705-707.)

Other explanatory charts were introduced in connection with the foregoing subject. (Vol. II, pp. 708-712; Defts.' Grant Keehn Exhibits 25, 26 and 27; Vol. V. pp. 961-967.)

Mr. Keehn concluded his summing up of all his testimony (Vol. II, pp. 712-714) with the following paragraph:

"To sum up finally, therefore, *the study which Mr. Gordon and I made developed data and material such as to clearly indicate that the members of the Association did not have the ability to continuously control the prices of maple flooring, or, even if it be assumed that they had such ability, comparisons with other prices, with prices of competing floorings, with the costs of maple flooring, and with the conditions of supply and demand of that product, do not offer any evidence of fixation or unreasonableness.*'' (Vol. II, p. 714.)

There were other charts, but the foregoing ones are the most important.

THE TESTIMONY OF PROFESSORS HETTINGER AND VANDERBLUE.

Professor Hettinger as a statistician, and Professor Vanderblue as an economist, unqualifiedly praised the work done by Messrs. Gordon and Grant Keehn. They stated that the charts and methods used were correct, and that they concurred in the conclusions of Messrs. Gordon and Keehn as stated in their depositions. (Vol. II, pp. 722-739, 740-769.)

The discussion by the District Court of the foregoing evidence strikes as being wholly inadequate. (Vol. I, p. 59.)

From the mere fact that there were other associations in the lumber industry, there can be no legitimate inference that the manufacturers of competing floorings illegally fixed the prices thereof.

Comparisons of one industry with other industries are of the greatest value; and such comparisons are made by economists, by bankers, investment brokers, speculators, captains of finance and industry, sociologists, legislative committees, and every person of scientific training or habits of mind. Such a method substitutes information for ignorance, it discloses relations, it develops standards, it provides proper *data* as grist for the mills of the mind, which otherwise would produce only the chaff of *a priori* conclusions from a heterogeneous mass of vagaries, unjustifiable assumptions and phantasies.

The statement that "every industry is so *dependent* upon and intertwined with others that the trends of prices and market conditions *necessarily must be* in the *same* general direction in *all*" is a dogmatic and unjusti-

fiable misstatement of the principle that in the present phase of capitalist industry the prices of all commodities have a *tendency* to move in the same general direction. So, the air has a *tendency* to maintain a certain pressure; the ocean has a tendency to keep its level. All terrestrial things *tend* toward the center of the earth. In modern times there is even the augmenting tendency of all citizens to participate according to their needs in the intellectual, moral, esthetic and economic wealth of civilization. But the most appalling inequalities still exist.

Have copper companies participated in the recovery from post-war depression? Has the grower of wheat and other farm products? Have the leather manufacturers? or the railroads? or the packers? During the war steel and iron companies piled up millions while other other industries were going broke. Shortly after the war automobile companies reaped a harvest, while the producers of oil products were in the dumps. In 1919-1920 the buildings trades were in clover, while the merchants, wholesale grocers and others were in the slough of despond.

There always exist these diversities even in ordinary times, although, of course, all industries are responsive to the systole and the diastole of inflation and depression. But their degree of response varies greatly, as reference to Defendants' Gordon Exhibits 15 and 16, Vol. V, pp. 932-943 will abundantly prove.[39]

[39] And of course *every* industry is not dependent upon *all* other industries; else the 'death' of one would be the end of all. In the industrial, no less than in the organic, world, there is a strenuous and constant struggle for existence. The past history of industries may be condensed into as few words as *l'histoire des hommes: "ils naquirent; ils suffrirent; ils moururent."* Like creeds, philosophies, nations, they rise, flourish and pass into the maw of Time,—and leave not a wrack behind!

Furthermore, the conditions pertaining to the maple flooring industry, or, rather, *to the business of the defendants*, were *specifically* investigated by Messrs. Gordon and Grant Keehn. The evidence of these gentlemen, especially when it supplements and is supported by a great mass of other undisputed evidence, cannot be lightly brushed aside by means of unoriented generalities.

VIII.

The Government failed to support by proof the essential allegations of the petition with respect to the activities of the present Association, which was organized on March 29, 1922.

A.

GENERAL PROVISIONS OF ARTICLES.

That the defendant Association was not organized until March 29, 1922, see page 101, *supra.*

For the present Articles of Association, which differ markedly from all previous articles, see Government's Exhibit 8, Vol. III, pp. 64-74.

Membership in the Association is open to any manufacturer of maple, beech or birch flooring. (Vol. III, p. 65, Vol. I, p. 286; Vol. II, p. 789.)

For the provision concerning the Membership Fee Fund, see Article XIII, Vol. III, p. 68. For the evidence regarding said article, see Vol. I, pp. 149-150, 173-4.

> "The *total* yearly expenditures of the Association do not amount to more than a quarter of one per cent, or three-tenths of one per cent of the value of the flooring sold by the members." (Vol. I, p. 174.)

For the different committees, see Vol. I, pp. 126, 171.

For the evidence concerning the Expense Fund (Article XVI), see Vol. I, p. 150.

The Advertising Fund (Article XVII) has been discussed on page 164, *supra.*

The obligations of members are merely to pay all dues and assessments. (Article XIX, Vol. III, p. 72.)

There are no fines or penalties prescribed for failure to make reports, or to attend meetings. The only penalty prescribed by the articles is for failure to pay dues or assessments. (Vol. III, p. 72.)

B.

ASSOCIATION MEETINGS.

The allegations concerning the holding of meetings are set forth on pages 20-21, *supra*. As there pointed out, no infraction of the Sherman Act is charged by the Government. Surely, it has not become unlawful for business men to hold monthly meetings for the purpose of discussing the supply and prices of the raw material used by them, manufacturing and marketing costs, and general trade conditions. *United States* v. *U. S. Steel Corporation*, 223 Fed. 55, 154-55.

The District Court stated that it was a heavy tax on one's credulity to believe that at Association meetings the members turned their eyes solely to the past and "carefully avoided, in both conversation and discussion, all reference to the highly important subjects of present trade conditions, and future trade outlook." (Vol. I, p. 58.) Such a statement is merely another evidence of how easily important facts in a voluminous record may be either forgotten or remembered without discrimination. No such evidence was given by the defendants, nor was any such contention advanced by counsel.

The evidence—*the undisputed and wholly credible evidence*—was that *future prices* for maple, beech or birch flooring were not discussed, because before the organization of the present Association Mr. Newman gave explicit written instructions that such matters should not

even be discussed. (Vol. I, pp. 132-34, 174, 178, 206-208, 213, 236, 210, 212, 295-98, 330, 332.)

There is nothing strange or sinister in the fact that meetings of the defendant Association were held monthly. There were several committees which were engaged in important work. Manufacturing difficulties, marketing problems, advertising matters, traffic questions, the Canadian tariff on flooring, freight rates, labor troubles, manufacturing costs, the rough lumber market, and other matters which affected all members were constantly recurring. Moreover, great quantities of flooring and lumber are daily sold in Chicago. All members have customers there. Chicago also affords opportunities for both instruction and diversion that are not available in smaller communities. *And inasmuch as the expenses of members to and from the monthly meetings were paid by the Association* (Vol. I, p. 150), *it is not surprising that a majority of the members usually attended these meetings.* After a session of a few hours and a good lunch, most members called on their representatives, or customers, or went to theatres, ball games, etc. These meetings also afforded manufacturers of rough lumber opportunities for selling it to other members, and for different members to sell surplus flooring to others who were short certain sizes or grades. (Vol. I, pp. 205-6, 330, 332, 295-8, 132, 134, 178, 206, 208, 236.)

The Government does not even charge that at such meetings there was any understanding or agreement, either express or implied, with respect to prices.

There are about 1800 trade associations in the United States. (*Trade Association Activities*, p. 304.) There are probably tens of thousands of fraternal organiza-

tions, lodges, clubs, societies, etc. All of them grow out of the fact that man is a social animal. Individuals desire new experience, response, recognition. And when associations, lodges, etc., are once organized and habits of attendance at meetings are formed, continued attendance follows almost automatically by virtue of the well-known laws of habit. The meetings also afford opportunities of escape from monotony, business worries, other troubles, or self. Most men cannot long endure solitude. They must rejoin the herd, even though they derive but little, if any, personal profit or satisfaction from it, other than a mystical feeling of identity with the herd—a fleeting illusion that the individual self is not utterly alone in the universe. This desire for association with one's fellows is often so strong that even a solitary person will often seek the society of others, although he knows from past experience that he will either offend his fellows, or be inexpressibly bored by them.

During his argument Mr. Johnston stated that the defendants placed no particular importance upon the monthly meetings; and that if the District Court felt that they were contrary to either the letter or the spirit of the Sherman Act "we are perfectly willing to have those meetings enjoined." And Mr. J. Stanley Thompson, of counsel for the Government, will recall that he and Mr. Darby (of counsel for defendants) agreed that the foregoing statements might be incorporated in the Certificate of Evidence, but that the District Court refused to sanction such agreement, for the (to us rather curious) reason that the said statements merely had been made during the course of argument and were not binding upon the defendants!

lower and more peaceful sorts of men did money-lending and commerce begin to be recognised as means to get money by the use of money. 'Economic Rationalism' is the suggestive name which Sombart gives to the change of spirit from the romantic, adventurous money-hunting of the Middle Ages to the pursuits of modern commercialism. *In this process he assigns a very significant part to the discovery and use of technical business methods in account-keeping, the application of exact calculation to Industry.* Two names mark the early advances towards modern book-keeping—Leonardo Pisano, whose *Liber Abbaci*, published in 1202, may be said to indicate the beginning of modern industry, coinciding as it did with the Venetian assault upon Constantinople; and Fra Luca, whose completed system of double entry was essential to capitalistic account-keeping. The development of book-keeping, accompanied as it was by a wide general application of rational and mathematical system throughout commerce, in the shape of exact measurement of time and place, forms of contract, land surveying, modern methods of weights and measures, city plans, public accounts, was at once an indispensable tool and an aspect of modern industry. *It rationalised business, releasing it from caprice and chance, and giving it a firm objective character from the profit-making standpoint.* This was the most definite and direct contribution to industry of the Renaissance, with its emphasis on individual interests, personal responsibility, and free competition—the same spirit which wrought in art, literature, religion and politics." *

Economists roughly distinguish four stages in the history of industry during mediaeval and modern times. "It is common to speak of them as (1) the *family* or *household* system, (2) the *gild* or *handicraft* system, (3) the *domestic system* or *house industry*, and (4) the *factory system*."[12]

[12] See also *Industrial Society* (Marshall). pp. 166 *et seq.*

* *The Economic Organization of England*, (Ashley) pp. 35-36.

Bookkeeping was not of much importance when the craftsman worked on either the customer's materials or his own, and was in direct contact with his "market." It was of considerable importance in the *domestic system* of industry, where the entrepreneur financed production and maintained business relations with numerous workmen who performed different operations at their homes. Bookkeeping, like industry, was then a comparatively simple matter.

But we have come a long way from that comparatively simple organization of industry. The slow accumulation of wealth, increase in population, the discovery and exploitation of deposits of precious minerals, the contributions of mathematics, chemistry, physics and biology which resulted in multitudinous inventions and labor-saving devices, improved means of communication and transport, and the raising of production and consumption to the *nth* degree, have made cost-accounting of tremendous importance.

Simple bookkeeping has evolved into the science of accounting, of which cost-accounting is a recent development. It was a necessary incident to large-scale production and distribution and the hazards of capitalist production. Large corporations have developed cost-accounting to a very high degree of efficiency, but it is notorious that, until recent years, the average manufacturer knew but little, if anything, of such methods, while the small business man, even now, knows no more about cost-accounting than he does about relativity.

The essentially *hazardous* nature of capitalist production is demonstrated on pages 474-519 in Marshall's *Industrial Society.* Aside from *static* risks, such as damage by lightning, hail, earthquake, storms, disease, fires, bankruptcies, accidents, etc., there are the *dynamic* risks, such as changes in the wants of society, changes in the methods of production, growth of population, increase of capital, seasonal fluctuations, labor disturbances, etc., etc.

Moreover, the dependence of all industries upon transport and finance (Marshall, p. 404), the complementary or subsidiary relation that most industries and trades bear to certain other industries or trades (405), the interdependence of prices (408), the relation of crops to industry (412), the action of government, etc., are also of far-reaching effect. We set forth in the margin Professor Marshall's excerpt from Professor Irving Fisher's *Elementary Principles of Economics*, which is prefaced by the statements:

> "Ours is a pecuniary society. Industry is conducted on a price basis. This selection shows how numerous are the risks of the business man, *no other factor than change of price being considered.*"[43]

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[43] "We may now fitly review the theory of prices by enumerating the various possible causes which might decrease the price of, let us say, pig iron in New York. Its price might fall for any one or more of the following reasons:

I. A RISE IN THE MARGINAL DESIRABILITY OF MONEY DUE EITHER TO—

A. A rise in the purchasing power of money through

1. A decrease in money or deposit currency, or

2. A decrease in their velocities, or

3. An increase in the volume of trade; or to

B. An impoverishment or reduction of incomes.

II. A FALL IN THE MARGINAL DESIRABILITY OF PIG IRON DUE EITHER TO—

A. An increase in the amount of pig iron used, through

1. Importation of pig iron from other places where its price is lower than in New York, or

2. Short sales of pig iron for future delivery in expectation of a fall of price, thus releasing to present use such stocks as would otherwise be held over for the future, or

3. A decrease in its cost by

(a) A saving of waste,

(b) A saving of labor,

Man's inability to cope with these inconstant and incalculable factors results in periodic crises with their

(c) A decrease in the price of iron ore or other prices entering into its cost,

(d) An increase in the price of by-products, or

4. A trade war; or to—

B. A fall in the marginal desirability of a given quantity of pig iron, through—

1. A decrease in the price of iron products through decrease in marginal desirability of the satisfactions they yield, because of

(a) An increase in their amount,

(b) A change in fashion, etc., or

2. An increase in substitutes for pig iron, or

3. A decrease in complementary articles, or

4. An increase in the rate of interest whereby the value of pig iron is obtained (by discounting the value of iron products) through an increase in the marginal rates of impatience,

(a) From a change in human nature

(1) By decreasing foresight,

(2) By decreasing self-control,

(3) By increasing shiftless habits,

(4) By decreasing regard for posterity, or

(b) From a change in incomes

(1) By shifting their distribution in time toward the future,

(2) By reducing their size,

(3) By increasing their uncertainties.

Back of these causes lie other causes, multiplying endlessly as we proceed backward. But if we trace back all of these causes to their utmost limits, they will all resolve themselves into changes in the marginal desirability or undesirability of satisfactions and of efforts, respectively, at different points of time, and in the marginal rate of impatience as between any one year and the next." *Industrial Society*, pp. 483-485.

huge toll of business mortality and social injury. Any means whereby the hazards of business may be minimized without social injury, or violation of law, is of course desirable.

INVESTIGATION AND RECOMMENDATIONS OF THE FEDERAL TRADE COMMISSION.

In Jones' *Trade Association Activities and the Law*, it is said:

> "The Federal Trade Commission, by its educational campaign several years ago urging the importance of an accurate knowledge of costs in our various industries, greatly stimulated the interest of businessmen and trade associations in this subject.* Many trade associations have developed uniform cost accounting systems within the past few years." (p. 62.)

A list of some 60 associations which had adopted or were then planning to adopt cost accounting systems is given by the author above mentioned.

In an address by Hon. Edward N. Hurley, Vice Chairman of the Federal Trade Commission before the Boston Commercial Club on March 28, 1916, it is said:

> "The Federal Trade Commission has been in existence one year, and after surveying the field we found from a preliminary investigation that 200,000 corporations out of a total of 260,000 engaged in the manufacturing and mercantile business of the United States were eking out an existence; 100,000 of them did not earn a penny. Out of 60,000 suc-

*"The Commission has issued the following pamphlets on cost accounting which have had a very large circulation: 'Fundamentals of a Cost System for Manufacturers,' July 1, 1916; 'A System of Accounts for Retail Merchants,' July 15, 1916. See also numerous addresses of E. N. Hurley while Chairman of the Commission."

cessful corporations doing a business of $100,000 a year, over 30,000 charged off no depreciation whatever. Only 10 per cent of our manufacturers and merchants know the actual cost to manufacture and sell their products; 40 per cent estimate what their costs are, and 50 per cent have no method but price their goods arbitrarily. Most of the manufacturers and merchants who do not know what their goods cost are basing their selling price on what their competitors sell for and with only this knowledge for a basis they are frequently cutting prices and demoralizing the industry in which they are engaged.

There were over 22,000 business failures in the United States last year; more than 20,000 of them were small concerns. We all know that a large percentage of business is run at loose ends, haphazard and without the proprietors really knowing at any time how they stand or whether they are making a profit or a loss. * * * *

When business was done on a large percentage of profit, questions of accurate cost and of operating efficiency were not so important, but in most lines of industry to-day the large percentage of profit has passed. Manufacturers are working on smaller margins and must absolutely know what their goods cost. With margins of profit so close, any unreliable method of arriving at cost of production must be eliminated.

It is a fact well understood among business men that the general demoralization in a large number of industries has been caused by firms who cut prices not knowing what their goods actually cost to manufacture, and the cost of selling, which is equally important, is almost wholly lost sight of. Are the officers of the companies who are cutting prices right and left, irrespective of their costs, fair to their customers, stockholders, or competitors?

A manufacturer who does not know with a close degree of accuracy what it costs him to produce the different articles he manufactures, and what it costs him to sell them, is not in a position to meet intelligently competition and invites business disaster.

Many of the larger manufacturers have thorough cost accounting systems, which they recognize as necessary in order to give them the information essential to successful management. On the other hand, the number of small manufacturers who have no adequate cost accounting system and who price their goods arbitrarily is amazing.

Proper accounting for the smaller manufacturer is most essential. It is necessary for his success that he knows on what particular article he is making a fair profit and on what he is making only a narrow margin of profit or losing money. If he has this information he can concentrate on the manufacture and sale of the product on which the profits are satisfactory.

Whole industries, in many instances, are suffering from a general lack of intelligent knowledge of cost.

HOW THE COMMISSION CAN HELP.

How can the Federal Trade Commission help to improve this situation.

The Commission has no intention and no desire to use compulsory methods. But it does hope to reach the desired end by encouraging improvements in accounting practice, by indorsing standard systems of bookkeeping and cost accounting, and by assisting in devising standard systems, either at the request of individual merchants and manufacturers, or through the association that represents the industry.

It is recognized that no one standard system of accounting is applicable to all classes of business, but that special systems are required for each group or class of commerce and industry.

The Commission, however, while recognizing the commercial advantages to be derived from uniformity of systems, does not advise making a change where systems already installed give adequate information and are economically operated."

DEPARTMENT OF COMMERCE.

Defendants' Exhibit NN-1 (issued by the Government Printing Office) "presents the results of an inquiry made by the Department of Commerce to ascertain and illuminate those activities of trade associations which contribute to public welfare." (Vol. II, p. 795.) It is called *Trade Association Activities.*[45] On page 4, Mr. Secretary Hoover states:

> "Goods must be sold at a profit or industry and commerce will not survive. Truly remarkable were the findings of Government agencies in the war years regarding the knowledge and understanding of costs in production and distribution. Losses often were confused with profits, all for the lack of knowledge of the fundamentals of cost accounting. *So to-day the trade association is proving itself the most potent organized influence in the study of costs in industry and trade. Standard costs systems applicable to the peculiar conditions are being developed within each business group. All tend to more scientific knowledge of business and ultimately lowered costs.*"

Among the advantages of a cost accounting system, Jones names the following: Sound basis for determination of price, location and elimination of waste, improvement of quality, stimulation of production, better credit standing, increased trade, aid in making tax returns, etc. (Jones, *Trade Association Activities and the Law*, pp. 64-68.)

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[45] This report was not printed, because of its length, and for the reason that it was issued by a department of Government.

SECTIONS 1 AND 2 OF ARTICLE XIV.

In Section 1 the defendants merely record their acceptance of the principle that manufacturers should carefully consider the question of the cost of production and distribution, which the Federal Trade Commission had advocated. There was no agreement that the members would not sell their flooring for less than cost.

Section 2 merely provides that surveys of cost shall be made from time to time in order to arrive at the *average* cost of manufacturing and marketing maple, beech and birch flooring, and that the results shall be furnished to Association members and filed with the Federal Trade Commission.

The defendant Association has more than 20 members, among whom exist great differences. (Pages 66-75 *supra.*) Manifestly, the *Association* could not undertake to furnish its *members* with the *cost* of producing and distributing maple, beech and birch flooring. As said in 1 Taussig *Principles of Economics* (3d edition revised, 1922) p. 172:

> "Cost is never actually equal for all producers. In the previous exposition, such equality has been assumed. The fact that a general change in cost may take place, affecting all producers, does not necessarily alter the application of the reasoning. An invention or improvement may lower cost for all; the horizontal supply line on the diagram may be lowered; but the result is merely adjustment to a new level, not the introduction of a new set of conditions. If, however, the lowering of cost takes place not at the same time for all the producers, nor in equal degrees, we have a new principle and a different case—production at varying cost. This is what in fact happens when inventions bring about a

reduction in cost. The change takes place by successive steps. The more shrewd and enterprising of the competitors introduce the improvements first; others follow suit; gradually all adopt it. And by the time all have adopted one improvement, another may be introduced, and the same steps are again gone thru. If there be a succession of changes—and such are likely in the highly progressive modern industries—equality of cost never exists. There are always some producers who are turning out their goods at lower cost than others.

None the less, over probably the greater part of the industrial field there is a tendency to equality of cost. The differences in cost are not permanent; the process is simply one of gradual and irregular adjustment to the new level, instead of prompt and even adjustment."

All that the Association could do was to undertake to furnish its members with the *average* cost of the production and distribution of maple, beech and birch flooring. Of course, this means the average cost of members of the defendant Association. However, the members themselves ascertained their own actual costs, and the secretary merely determined and announced the average.

It should be noted that there was no agreement that any Association member should sell his flooring at any price whatsoever. Each member was left perfectly free to do as he pleased.

SECTION 3 OF ARTICLE XIV.

In the Government's petition it is charged that "the elements specified as entering into costs * * * contain many items of *profit*", and that the average costs as determined by the Association "in fact have represented and now represent *all possible elements* of actual cost and also *large* profits to the defendant corporations." (Vol. I, p. 5.)

In Marshall's *Readings in Industrial Society*, pages 451-453, appears the following adaptation of pp. 24-32 of J. L. Nicholson's *Cost Accounting:*

"Production costs are classified into three principal divisions, known as the elements of costs: (1) material; (2) labor; (3) expense. These may be subdivided into:

(1)	Material	Direct Indirect
(2)	Labor	Direct or productive Indirect or non-productive
(3)	Expense	Direct Indirect

Direct charges. 'Direct charges' is that element of cost that enters into, and can be charged directly to, the product.

The cost of the substance out of which the product is made is the direct material charge; the cost of the labor applied directly to the productive process is the direct labor charge; and any other expense that can be charged directly to an order, job, or process may be included as a direct charge under the caption 'direct expense.' The expense of workmen in traveling to and from a job, as well as their hotel expenses while engaged out of town on a particular job, are examples of direct expenses.

Indirect charges.—Indirect material consists of such material as factory supplies, which, while used in processes, either does not enter into the product itself, or else enters in such a way as not to be chargeable conveniently to any particular article.

Indirect or non-productive labor is that used in repairing, handling, supervision, etc.—in short, any labor not expended directly on the article or process itself.

Indirect expense as used here refers only to those expenses incurred in the manufacturing end of the business which are properly a part of the cost of production; e. g., supervision, repairs, light, power, depreciation, etc.

Items composing the indirect charges.—The following list shows some of the more constant items which compose the indirect charges. The classification will vary in almost every factory, but the items listed almost invariably appear.

Indirect material	Interest
Oil	Depreciation
Supplies	Maintenance
Insurance	Repairs

Freight and express inward, when not charged to direct material cost.

Indirect labor	Taxes
Supervision	Power or power plant
Inspection	Light
Expermiental work	Heat
Rent	Small tools

Wastes of material, shrinkage of weight, defective work.

Production costs and selling costs.—A clear distinction must be made between production costs and selling costs. The latter include the selling expenses, such as advertising, commissions, salaries, etc., which are necessary elements in determining the price for which an article may sell, but have no direct bearing on the cost of producing the article itself. The cost of production ends when the finished stock is ready for sale.

The expenses that arise from advertising, commissions, salaries of officers, etc., are known as commercial or selling and administrative expenses.

The segregation of administrative expenses, as a distinct class, is sometimes a matter of convenience. In the majority of cases the time of the administrative force is spent in supervising the selling organization, in solving problems of production, and in looking after the finances of the business. Therefore, administrative expense is partly a production cost, and partly a selling cost. The purposes of cost-finding are best served by separating expenses of such a nature from those expenses which arise from production proper and its direct supervision.

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> *Relation of cost elements to selling price.*—The sum of the direct material and labor cost is known as the 'prime cost'. This, combined with the indirect costs, gives the final 'factory cost'. The total of the selling and administrative expenses, plus the factory cost, shows the cost of making and marketing the article; and this total—plus the profit—gives the actual selling price."

See also *Trade Association Activities,* issued by the Government Printing Office for the Department of Commerce, pp. 76-77.

Certainly element (a) of Section 3 of Article XIV—"the actual market value of the raw material, as established from time to time by *current* sales of *rough flooring lumber* on the *open market*"—is a proper element of cost. As we have already seen, only 14 members of the defendant Association own timber; in 1920 there were more than 600 producers of rough maple lumber in the States of Michigan and Wisconsin alone. (Pages 26-27 *supra.*) The market was, therefore, free and uncontrolled, especially in view of the fact that in 1923 the members of the defendant Association owned less than 2 per cent of the total stand of maple, beech and birch timber in the United States, less than 4 per cent of the stand of such timber in the Lake States and less than 1 per cent of the stand in the Middle Atlantic States. (Pages 26-27, *supra.*)

Rough lumber fluctuates in price. And Surveys of costs are properly based upon the market value of such lumber as established by *current* sales.

Aside from ascertaining profit or loss, an inquiry into the cost of production and distribution at a given time in a going business is for *the purpose of obtaining data upon which to base an opinion as to what prices should*

be. And it is the *present* cost, based upon *present conditions,* not upon conditions that obtained several months ago, provided, of course, there has been no substantial change, that should control.

Even if rough lumber had been purchased months before at a lower price, the *present* value should be taken, for the reason that the *rough lumber having such a value* is converted into flooring. It is a common business practice for manufacturers and other buyers of raw material, and even merchants, to take advantage of the appreciation in value of raw materials and stocks of goods. They are forced to do this in order to compensate the losses that are sustained where the market value of stocks of goods or raw materials decline in value before they can be disposed of or converted into finished products and sold.

So far as determining the *profits* of a manufacturer, the actual cost of the rough lumber should be taken. But the *individual* members must determine that for themselves. They must determine their own selling prices also, in view of their own manufacturing and marketing costs, what their own supplies of rough lumber cost them, and all the other conditions that obtain at any given period.

For the purpose of arriving at the *average costs* from time to time and placing such information before each individual member for such action as he may think proper, the method used by the defendant Association is entirely correct.

Some members produce all their rough lumber, others produce a part only, still others produce a surplus and sell it on the market, while some members are forced to

buy all their rough lumber. Some may have large stocks of raw material, others may have practically none, etc., etc. The *average costs* at a given time for a group so differently situated, could be best and most fairly arrived at by taking the *then* market value of rough lumber. And of course there should be no distinction between members who produce all or a part of their rough lumber and those who buy all they need. The only *evidence* on this subject is set forth in the margin.[46]

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[46] "A. By no means—there should be no differentiation, because there will be only one market price, which will include the costs of what is known as the marginal producer. By marginal producer is meant that last producer who will be induced to produce and can produce, at a profit, at the market price. It is used in connection with changes or with differences in the expenses of production. The members who own their own timber and process it into hard maple lumber, or rough maple lumber, and then into maple flooring, could, if they were not permitted to secure a profit on both operations, sell their rough maple lumber in the open market, and secure a profit on both operations,—sell their rough maple lumber in the open market, and secure a profit, selling it at the market price; they could then purchase the rough maple lumber and process it into maple flooring, selling it at the market price for maple flooring. It is only reasonable that they should secure a double profit, because of the double operation, that is, more profit than a manufacturer who merely buys the rough maple lumber in the open market and processes it into maple flooring, this because he has need of a greater organization, he has need of a greater investment, and it also necessitates greater managerial worries and functions than in the case where there is only the one operation. To continue, on that: It is only reasonable that the manufacturers who perform both functions in this particlar industry, namely, cutting the rough lumber from the timber, and the processing of it into flooring, should consider as their raw material costs the market price which the rough maple lumber which they are using brings." (Vol. II, p. 722.)

That the defendant J. W. Wells Lumber Co., a producer of rough lumber, charged its flooring factory much less than the market value of the rough lumber, see Defendants' Ex. CC-½, Vol. III, p. 834, which is Appendix L to this brief.

The other subsections of Section 3 are not sufficiently definite, and hence it now becomes necessary to ascertain the methods actually used by the defendants.

The investigations and recommendations of the Federal Trade Commission resulted in the action taken by the predecessors of the defendant Association with respect to ascertaining average costs. (Vol. II, p. 794.) On July 14, 1915, the Association then in existence filed a petition with the Federal Trade Commission for the approval of a minimum price plan based upon average cost plus a reasonable profit, the books and activities of the Association to be under the supervision and control of the said Commission. (Gov. Ex. 10, Vol. III, pp. 76-78.)

The Surveys of Cost made by the *defendant Association* are based upon (1) reports by members of manufacturing and marketing costs, which are forwarded to the Secretary, (2) reports of the Cost Surveys Committee of sales of rough lumber, and (3) test runs made by members. These test runs are the working up of a given quantity of rough lumber, during which the percentage of waste, the exact quantity of each size of flooring produced, etc., are carefully ascertained. From these data, the Secretary computes the *average costs* and informs the members of the results. Let us look at—

THE MANUFACTURING AND MARKETING COSTS.

We set forth in the margin Government's Exhibit 25, Vol. III, p. 279.[47] Mr. George W. Keehn testified that he sent out questionnaires from time to time to *Association members* who forwarded to him "itemized statements of costs." (Vol. I, p. 104.)

These manufacturing and marketing costs are sent in quarterly. (Vol. I, pp. 99, 104, 107.) The Government in-

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[47] SURVEY OF COSTS.

MANUFACTURING AND MARKETING COSTS PER 1 M FEET OF FLOORING PRODUCED DURING JANUARY, FEBRUARY AND MARCH, 1922.

Average of replies received.	Per 1 M ft. of flooring produced
1. Labor taking lumber off of dock, car, pile or wagon and placing in dry kiln, including expenses of night fireman	$1.16
2. Cost of manufacturing into flooring and putting flooring in warehouse, including twine, oil, belting and other factory supplies, and factory repairs and including manufacturing administrative expenses	8.34
3. Warehouse expense and loading into cars or on wagons	.90
4. Insurance and taxes. (Divide ¼ of annual amount by quantity of flooring produced during January, February and March)	1.07
5. Interest at 6 per cent on value of plant and on value of average stock carried of rough flooring lumber and of finished flooring. (Divide ¼ of annual amount by quantity of flooring produced during January, February and March)	1.92
6. Selling expenses, including commissions and advertising, and office expenses including selling administrative expenses	3.75
7. Cash discount	.80
8. Annual depreciation on flooring plant as is usually allowed by the United States Government. (Divide ¼ of annual amount by quantity of flooring produced during January, February and March)	1.37
9. Total per M Feet	19.31
10. Less net profit from wood and other by-products of flooring lumber per 1 M feet of flooring produced during January, February and March	1.32
11. Actual Manufacturing and Marketing Costs per 1 M feet of flooring produced during January, February and March	17.99

May 31, 1922.

introduced no proof that they were not made honestly and accurately made. The Government introduced no evidence whatsoever by accountants or others that any of the items mentioned in Government's Exhibit 25 contained profit, or were improper from an accounting standpoint. The undisputed evidence was to the contrary. (Vol. I, pp. 107, 151.) We set forth below a few excerpts from minutes of meetings, letters, statistics, etc., with respect to these costs.[48]

February 8, 1922: "At this writing we have received 8 Surveys of Costs for the last quarter of 1921 and they show a substantial reduction. The average cost is about $17.00.

It is earnestly urged that other members will send in their Surveys in a few days, so that our compilation to be submitted to the meeting will be more complete and represent a larger proportion of the industry." (Vol. III, p. 153.)

July 13, 1922: "It is hoped that the members who have not yet sent in their reports of Manufacturing and Marketing Cost during the second quarter of 1922 will do so at once so that the data can be compiled in advance of the meeting." (Vol. III, p. 175.)

August 16, 1922: "Mr. Dewey also stated that the reports from eleven members giving their Manufacturing and Marketing Costs during the second quarter of 1922, showed an average of $16.93 compared with $17.99 for the first quarter of 1922, and that the average waste in the second quarter was 23.5 per cent compared with 22.4 per cent in the first quarter." (Vol. III, p. 183.)

October 17, 1922: "At this writing only a few members have sent in their reports of their Manufacturing and Marketing Costs during the third quarter of 1922, but it is hoped that other members who can do so will make this report by the end of this week so that the Committee on Cost Surveys will have sufficient information upon which to base a report that will represent average conditions in the industry during the past few months." (Vol. III, p. 185.)

April 9, 1921: "Reports for the last Survey of Costs were made by ten members, and the average was $25.13 instead of an average of $22.00, as was hoped might be the case when the Tables of Values Based Upon Average Costs was compiled as of January 0, 1921." (Vol. III, p. 313.)

March 2, 1921: "You can appreciate the importance of our Survey of Costs being kept up-to-date and that the more reports we receive

It will have been observed that an honest effort was made to obtain typical results. Also that some members

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from the members the better will our compilation of average cost prove representative of conditions in the industry as a whole. We are enclosing blank forms to those members who have not yet sent in their Survey of Costs." (Vol. IV, p. 451.)

August 4, 1922: "At the last general meeting of the Association, I was instructed to write to the Members who have not yet sent in their survey of Manufacturing and Marketing Costs during the second quarter of 1922 and to request and urge them to send in their Surveys as soon as possible, so that our averages will portray typical conditions in the industry.

Several of the Members who were present at the last meeting said they had already compiled their Surveys, but did not feel that it is incumbent upon six or seven Members to do all this work for the benefit and information of the other Members and that they were of the opinion that the other Members should do their part and make this report, as provided for in the new Articles of Association.

You will also recall that our attorney, Mr. Newman has strongly urged at several of our meetings that all the Members should make this report and that if some of them could not make it with exact accuracy, that they should do the best they could in computing their Manufacturing and Marketing Costs.

The following Members made this report some time ago—three of the reports were received early in July and the other one since the meeting was held:

Holt Hardwood Company, Oconto, Wisconsin.
East Jordan Lumber Company, East Jordan, Michigan.
Northwestern Cooperage & Lumber Co., Galdstone, Michigan.
North Branch Flooring Company, Chicago, Illinois.

Hoping to hear from you early next week, so we can have the Surveys tabulated and the averages compiled in time for the general meeting on the 16th, we are

Yours very truly,

GEORGE W. KEEHN,
Secretary."

(Vol. IV, p. 464.)

were indifferent to what was really important. The Government would have this Court believe that the defendants were an alert band of conspirators who used the average costs for the purpose of agreeing upon prices. If this were so, every member would have sent in his costs, so as to be sure that his costs would be taken into account in arriving at the average.

During the trial, while Mr. George W. Keehn was testifying as a Government witness, the following proceedings were had:

The Court: What you are lacking thus far, is the details of the manufacturing costs.

A. Yes.

The Court: And selling costs.

A. I am going to get to that now, your Honor. Suppose we use this one as an illustration, the one of November 10, 1923. November 10, 1923, we have a manufacturing and marketing cost, the third quarter of 1923, $18.34. *Here are the reports of the members of the Association who made these reports.*

The Court: You take into consideration all of the reports which you received from your members.

A. All of them.

Mr. Darby: Not all of them.

A. Except in this case, we had the report from the Grand Rapids Trust Company, Receiver, for William Horner, showing their cost was $34.81, and we concluded that was abnormally high, so we omitted it from this calculation. If we put their cost in to get the average, our average marketing and manufacturing costs would have been about $21.00, and we would have been justified in using it instead of $18.34.

Mr. Fowler: They are sometimes abnormally low.

A. We always put in the low ones.

Mr. Fowler: Always exclude the high ones.

A. When they are shut down or something like that. This is a fair illustration; there we have the actual manufacturing and marketing cost on this schedule, which I will read to you. 'Survey of Costs.'

* * *

Now, we have this tabulation as to number five, Cobbs and Mitchell, Inc., Total cost 16.44; less wood, etc. 1.09; actual manufacturing and marketing costs 15.35; percentage of waste 10½%.

No. 26, East Jordan Flooring Company; total cost 18.58; wood 1.22; actual manufacturing and marketing costs 17.36; percentage of waste 26.4%.

No. 34, Foster and Latimer Lumber Company; total cost 19.661, less wood, etc. 1.74; actual manufacturing and marketing cost 17.92; percentage of waste 27.6%.

No. 42, J. W. Wells Lumber Company; total cost $21.50; less wood, etc. 4.09; actual manufacturing and marketing costs 17.41; percentage of waste 31%.

No. 48, North Branch Flooring Company, total cost 26.60; less wood 2.92; actual manufacturing and marketing costs 23.68; percentage of waste 23%, a total of 102.78 in the first column; the wood is 11.06; actual manufacturing and marketing costs 91.72, and the simple average total cost 20.55; less wood, etc. 2.21, and the actual manufacturing cost 18.34, and the percentage of waste it so happens is 24%.

Mr. Darby: Your Honor, may we read what the manufacturing cost of the Grand Rapids Trust Company, Receiver was?

A. Yes, I am going to do that now. Here is the survey of costs third quarter 1923, manufacturing and marketing costs per thousand feet of flooring produced during July, August and September, 1923. The same set of question and answers set opposite each question.

Mr. Fowler: What is the date?

A. The date of their report is—our blank is dated October 5, 1923.

Mr. Newman: Whose report is that?

A. Grand Rapids Trust Company, Receiver for William Horner. Their total cost figured at 37.34, less net profit from wood and other by-products for one thousand feet of flooring produced 2.53; actual manufacturing and marketing costs during July, August and September 34.81; quantity of flooring was nearly 3 million. Their waste was about 18%, so we did not use that in our calculation in arriving at the arithmetic average.

Mr. Darby: Was any explanation given you as to those costs?

A. I spoke to Mr. Klesner; he said he would try to look it up when he arrived home. It may be explained in their letter transmitting it.

Mr. Darby: They did not explain why their costs were high?

A. No, I spoke to Mr. Klesner about it. This same method has been pursued at different times and we have a number of those calculations going way back to 1913, and of course, we can repeat them and repeat them, but the Government, I think, has a record of all these things; they have a record of every survey of costs that we could find in our office, going back to 1913, 1914, 1915, but you haven't any very recently; I think the last one I gave to Mr. Frank some time in May or June, 1922.

Mr. Newman: Who is Mr. Frank?

A. A special agent of the Department of Justice." (Vol. I, pp. 107-108.)[49]

Mr. Keehn asked one of counsel for the defendants

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[49]Mr. Klesner explained that the high costs of The Grand Rapids Trust Co., as Receiver, were due to their setting up a reserve in order to cover interest on large claims against the estate and receivership expenses. He also testified that Mr. Keehn "told me that our costs were too high, and that he could not use it because it would throw the average costs too far out of line." (Vol. I, p. 333.)

whether he might read into the record the individual figures of reporting members, for the reason that no information received by him as Secretary from members is divulged to other members except in the regular reports. (Vol. I, p. 173.) So far as costs are concerned, only the *average* is given to members.

Let us now consider the elements contained in the reports of Manufacturing and Marketing Costs, a specimen of which appears in the margin on page 252, *supra*. There can be no question as to the propriety of including items 1, 2, 3, 6, 7; and we assume that the Government will not object to the defendants' deducting from the total manufacturing and marketing costs the value of the wood and by-products.

According to Mr. Hurley and Mr. Nicholson (cited as and authority by Professor Marshall) insurance and taxes are proper elements of cost. And inasmuch as the manufacturing and marketing costs are determined quarterly, no fairer division could be made than to take one-fourth of the annual amount expended for insurance and taxes. Depreciation is also proper; and the annual depreciation allowed by the Federal Government for the purpose of arriving at income taxes is at least *prima facie* fair and reasonable. The Government put in no evidence to the contrary.

That item 5 is proper—or at least does not exceed what would be proper to include for items which have not been included, the following discussion in Professor F. M. Taylor's[50] *Principles of Economics* (8th edition, 1923), abundantly proves:

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[50]Professor Taylor is Professor of Economics in the University of Michigan.

"Cost and Supply Prices.

The most obvious, as also the most important, fact about the normal supply schedules of producible goods is that the *supply prices* of such a schedule, that is, *the prices on which depends the forthcoming supply,* are fixed by *costs of production,* including, of course, suitable remuneration for such contributions as are made by the entrepreneur himself. If a certain price will insure to the entrepreneur that he will get back the money he has put into a product and in addition will get a reasonable return for his own direct contributions, he will surely be ready to furnish the product at that price. Doubtless he would be glad to get a higher price; and, under some conditions, he may be able to do so. But that fact has no relation to our present problem, which is concerned solely with the normal supply schedule—the series of mutually dependent supplies and prices. What price will be necessary to secure the forthcoming of a given supply? or what volume of supply will follow the appearance of a given price?—these are the questions of immediate interest. And the general answer is that the price which will be necessary to bring forth a given supply is that *price which equals the greatest cost of producing said supply, supposing differences of cost to exist;* and the volume of supply which will follow the appearance of a given price is that volume which will have as its greatest cost an amount equal to said given price.

Test of a Cost.—It follows from the relation between cost and supply prices above brought out that *one method of testing whether or not a given element is a cost is to see whether or not it appears in the supply price. Supposing competition to be free, does the producer insist on getting a price higher than would otherwise be necessary just because the element under consideration has to be supplied? If the answer is 'yes,' that element is certainly a cost; if the answer is 'no,' that element is not a cost.*

Money Costs: Explicit and Implicit.—The largest constituent in entrepreneur's cost is usually direct *money* cost—the money outlay for factors of differ-

ent sorts which he *buys on the open market*, for example, raw materials, fuel, machinery, labor, the use of capital, etc. A closely allied constitutent consists of the *money value* of such of the above purchasable factors as *the entrepreneur* himself furnishes. Thus, the *individual* entrepreneur commonly supplies labor services of much importance which he might purchase on the open market. Again, in almost all cases he is obliged to put in some capital of his own. Further, he may use his own land, instead of renting from some one else. Now, for his labor services, he will naturally try to get as good wages as he would have to pay others for the same services. Similarly, on the capital which he put it, he will of course insist on getting the usual interest. So, for the use of his land, he will expect as large a return as the rent which he would have to pay another landlord. Accordingly, in estimating what the product costs him, he will make allowances for all these items. They will, therefore, constitute a part of the cost of production,—quasi-money costs, we might call them, or *implicit money costs*, as contrasted with his direct money outlay which we may call *explicit money* costs.

Cost of Enterpreneur's Contribution.—We have just remarked on two constituents of entrepreneur's cost, explicit and implicit money costs. There is still a third which must not be ignored. In addition to the various contributions often made by the entrepreneur which he might buy from others,—*implicit* or quasi-money costs,—there is another, *one corresponding to his distinctive function as entrepreneur*. Some person natural or legal must undertake the responsibility of deciding, willing, that production shall go forward, else of course there will be no production. This distinctive function of the entrepreneur is, therefore, a factor in production.

But the fact that the distinctive contribution of the entrepreneur is a necessary factor in production is not sufficient to make it an element in cost. In

order to be such an element, it must also be an *economic* factor, a factor having an economic character, having value. But the question whether this factor has an economic character is not so easily determined as in the case of the other factors which have been considered. Just because the services of labor, of capital, and of land are purchasable on the open market, we have no difficulty deciding whether or not they have value, for that is evidenced by the prices at which they are bought and sold. The distinctive function of the entrepreneur, on the contrary, cannot thus be bought and sold. The assumption of final responsibility and a certain residue of management cannot be separated from the ownership of the business, hence cannot be delegated to anyone else, cannot be hired from anyone else, therefore cannot be bought and sold, so cannot have a price to prove its economic character. It follows that we must look elsewhere for the value element needed to show that the function of the entrepreneur is an *economic* factor. That 'elsewhere' is the price at which the entrepreneur stands ready to supply the commodity in question—his supply price. If said supply price should contain something in excess of the costs hitherto enumerated, the function of the entrepreneur would be an economic factor. Finally, the presence in the supply price of this 'something in excess' would prove that profit, the remuneration of the entrepreneur, is an element in cost.

Meaning of Profit.—But at this point it becomes quite important to avoid a possible misunderstanding as to the meaning of this word profit. Profit is the implicit price of *those services of the entrepreneur which are peculiarly his own, distinctive of his office.* We do not have a profit, in the strict sense, just because we have a return in excess of the money *outlay,* the *explicit* money cost. Such an excess would very likely be necessary to cover the wages due the entrepreneur as a laborer or to cover the interest due him as having supplied a portion of the capital. The excess in return which spells profit must go *beyond the implicit,* as well as the explicit,

money cost. Thus, a small merchant investing $2,000 and clearing $1,600 a year from the business might be thought of as getting 80 per cent on his investment; when in fact $1,300 out of the $1,600 was the wages of his labor as manager, salesman, etc., while $120 was interest on his $2,000 at 6 per cent; *so that his true profit was only* $180 *or* 9 *per cent.*

Profit a Part of Cost.—That this peculiar contribution of the entrepreneur, or the profit representing that contribution, is at the present time a true cost of production can scarcely be doubted, and is seldom denied by economists.[51] Generally speaking, marginal entrepreneurs, those who will drop out if price falls, include in their supply price something in excess of explicit and implicit money costs. During the late war, most governments, when making contracts for supplies and when taxing business, assumed that, as a matter of course, producers must be allowed to make from ten to fifteen per cent gross profit or five to ten per cent *net* profit—profit in excess of interest. It seems to follow that, in the opinion of practical men, true profit commonly is, and in fact must be, an element in cost.

Interpretation of Profit.—We have seen that profit forms a necessary element in the cost of production: the supply price of a commodity—the price necessary to bring out the marginal units of supply—must be great enough to include a profit to the entrepreneur as well as to cover the other items which have been enumerated. This topic, profit, must not, however, be passed without a further word of explanation as to how the word is to be interpreted. There has been from the first, and continues to be, considerable confusion in economic writing in respect to the proper *method of computing profit.* Even business practice is not wholly uniform, though

[51] "Some economists hold that profit would not continue to exist as a cost under a static set of conditions. Some even hold that this element is not a part of cost at present. For comments on some arguments in support of this opinion, see Note 4 in the Appendix."

the interpretation which will here be given is probably the generally accepted one. Profit proper should be computed on the basis of *the capital invested*, not on the basis of *the outlay*. Thus, let us suppose that $50,000 is invested in a given business; that this business yields an annual output of 100,000 units; that the cost per unit—profit not included—is $4; and that the rate of profit proper required is 8 per cent. Under these conditions, the producer does not say: 'Since each unit of product costs me $4, and since 8 per cent of this is $.32, I will supply the commodity in question for $4.32'; instead, he says: 'Since I have in the business an investment of $50,000, since 8 per cent on this is $4,000, and since the other costs equal $4 per unit, I will supply the commodity at $4 plus $4,000 divided by 100,000 units, that is, for $4.04.'[52]

Rent Commonly a Part of Cost.—In the above account of entrepreneur's cost, it was more than once implied that such cost includes *rent*, that which is paid for the use of land unmodified or modified only by such improvements as are practically irremovable and indestructible. We seem to be justified in doing this, in view of the precise nature of the problem before us: What are the elements included in the cost of the individual entrepreneur? For, from this standpoint, rent must, in the great majority of cases, be looked on as a part of cost. The reason for this is that, in the great majority of cases, a given piece of land may be put to many different uses, and the individual entrepreneur will be obliged to compete against other entrepreneurs who want

[52] "This of course does not mean that producers would not be glad to get the larger profit reached by the former method of computation. If they are regulated by government and have to get the consent of government in fixing their price, they often try to induce the regulator to adopt the method of reckoning which gives the larger profit. But where competition is free, producers will in the long run offer to supply the commodity provided the price is high enough to give them *a profit on the capital actually invested*."

> that land for other purposes, just as he would be obliged to compete against them for labor services or capital services. That is, rent would participate *in determining the entrepreneur's supply price* just as truly as wages or interest." (pp. 312-318.)

We have seen that rough lumber requires 9 to 18 months for the air-drying process. This ties up a great deal of capital and ordinarily would require bank loans. That 6% (especially for the Middle West since 1900,—particularly since 1914) is a proper interest rate, see 2 Taussig's *Principles of Economics*, (2nd edition revised, 1920), p. 26.

Flooring has to be carried in stock in large quantities. The demand for it is largely seasonal. (Vol. II, p. 260.) This also necessitates the tying up of a large amount of capital and the borrowing of money. Certainly, most producers would "insist on getting a higher price than would otherwise be necessary just because the element under consideration has to be supplied."

In *Accounts, Their Construction and Interpretation*, by William Morse Cole, Associate Professor of Accounting in Harvard University (Revised and Enlarged Edition, 1915), page 301, it is said:

> "Though the main elements of selling cost are obvious, some are likely to be forgotten without special attention. First, almost all large establishments are obliged in the dull seasons to accumulate stock ready for the demand of the active seasons. We have, therefore, interest, insurance, depreciation and taxes, to figure on this accumulated stock. This is not exactly manufacturing cost, for the manufacturing division cannot always make goods at the variable rate of the demands of the seasons. It must produce them when it can. It is, however, the task of the selling division to keep goods moving as rapidly as possible, and to find such in-

ducements as may be worth while to get them out of the warehouse in the dull season. The most effective stimulus to the selling division for keeping the warehouse clear is to debit this division with the cost of accumulating the stored stock. Though this may sometimes seem a hardship, it is unavoidable; for charging to manufacturing would to some extent nullify the careful cost-keeping, especially in the matter of comparative costs. Some overlapping of function is bound to occur between the manufacturing and the selling division, and that is just why the need exists for a general manager, whose expenses are divided between the two divisions. It is the manager's task to determine how far it is cheaper for the manufacturing division to accommodate itself to the varying demands of the seasons, and how far the task of accommodation shall be laid on the selling division. Whatever cost of this sort is incurred, however, seems properly to belong to the selling division."

Interest on value of plant is also a proper element.

In 15 *Journal of Accountancy*, page 330, Mr. Edward L. Suffern quotes Mr. A. Hamilton Church, as follows:

"Wherever capital is made use of, whether in the power plant, in the erection of buildings, or in the purchase of costly special machinery, the use of such capital has to be paid for, somehow and somewhere. It is only rational that it should be paid for by just those processes (and therefore those jobs) which involve its use. To exclude interest charge from cost of these jobs is to ignore one of the most important matters that we should know, namely—how far this use of capital is economically justified."

The writer of the article (Mr. Suffern), then proceeds as follows:

"The citing of some examples may tend to throw additional light on this most interesting subject.

Take, for example, a textile plant. This plant

comprises a yarn mill, a weaving mill, and a knitting mill. The yarn mill manufactures the yarn for both the other mills. As there are many mills manufacturing yarn exclusively, this company is in position either to buy yarn or manufacture it itself.

The prime question of importance in reference to the yarn mill is whether or not it is profitable to maintain this mill considering the capital tied up. The capital invested in this particular mill, we will say, amounts to $200,000.00. If the yarn were bought instead of manufactured, this $200,000.00 could be invested in other departments of the business, or invested to draw interest for the company, or distributed to the stockholders, thereby allowing them to invest the proportion they receive at interest.

It is the writer's opinion, considering that the total investment is used in manufacturing, that it is necessary to charge the interest of the investment to the cost of production. No true comparison can be made between the cost of the yarn manufactured and the purchase price of yarn, unless the interest is charged as stated."

See also *Cost Accounting, Theory and Practice,* by J. Lee Nicholson, C. P. A., Instructor in Cost Accounting at Columbia University, pages 33 *et seq.*

So is *rent,* which is not included in the costs returned by the defendant members. Neither is there *any* profit.

The Government put in no evidence whatsoever that any of the items mentioned in Exhibit 25 were improper, neither did it even attempt to prove that they contained any *profit* whatsoever. The *undisputed evidence* was to the contrary. (Vol. I, pp. 107, 151.)

The evidence is undisputed that the defendant members also kept their own costs; that by comparing such

costs with the average cost, they were able to reduce the former; and that the activities of the defendant Association and its predecessors had reduced the cost of producing and distributing maple, beech and birch flooring.

The defendant Oval Wood Dish Corporation began to manufacture flooring in June, 1921, and joined the defendant Association in August, 1921. (Vol. I, p. 286.) Mr. Hodges, of that company, testified as follows:

"Q. How about the exchange of manufacturing experience, when you come in contact with these other manufacturers, have you found that helpful?

A. Very helpful, especially valuable on the start; we had no experience in manufacturing maple flooring whatever and we were able to get some very valuable information.

Q. How about these test runs and the average costs reports, have you found them helpful?

A. Very helpful.

The Court: Just in what way?

A. Well the average cost reports are made up in detail showing what each operation costs all the way through. *We kept all our own cost figures and we were able to check them with these, and if we found an item of cost that was abnormally large we were able to check it up and look into it and find out where the trouble was and correct it. We had no experience and some of our costs were abnormally high at the start.*

Mr. Darby: Q. Do you believe that the activities of the association have reduced the cost of manufacture or raised it?

A. Reduced the cost considerably.

Q. They pay a great deal of attention to the cost of manufacture?

A. Yes, sir." (Vol. I, p. 295.)

See Vol. II, p. 789, for the testimony of Mr. George W. Keehn who introduced in evidence a statement that had been taken from the files of the Oval Wood Dish Corporation. This statement shows that the cost of that company for the first quarter of 1922 had been compared in the ordinary course of business with the *average costs*. Within three months the Oval Wood Dish Corporation was able to reduce its own manufacturing and marketing costs $3.60 per thousand feet or $0.37 below the *average* costs, whereas, at the start the costs of said company were $3.23 per thousand feet more than the *average* costs. (Defendants' Exhibit LL, Vol. IV, fol. pp. 5467-5470.)

Mr. T. M. Ralston (who was formerly sales manager for William Horner, but at the time of the trial was sales manager for the Indiana Flooring Co., a non-member), testified as follows:

> "Q. By the way, what was your opinion of the value of those test runs and the data furnished with respect to average manufacturing costs?
>
> A. They were very valuable to us from a standpoint of keeping our own costs in shape and of knowing how our costs compared with those of the other plants. At Reed City we didn't have any accurate cost; at Newberry we had a very thorough one and we were naturally very interested in knowing what the other manufacturers, it cost them to manufacture their stock, and in that way trying to check up and seeing that we were making them as cheap as possible." (Vol. I, p. 328.)

Mr. Walter L. De Witt testified:

> "We keep a very close survey of our costs, and we always try to sell at a price that will get us a profit. This is not always possible." (Vol. I, p. 237.)

And again:

"I personally have derived benefits from the exchange of information with respect to manufacturing costs from different members of the Association. This has helped me to reduce my own costs and enabled some other members to reduce their costs of manufacturing maple flooring.

Mr. Darby: I read a letter from the Kneeland-Bigelow Company under date of August 13, 1923, addressed to the Holt Lumber Company, Oconto, Wisconsin (Defendant's Exhibit U-16):

'We will appreciate it very much if you will advise us what your cost for racking, bundling and tying your hardwood flooring is. Ours for last week was $2.80 and we think this entirely too much, and will certainly appreciate any accurate information on the subject you can give us.

Thanking you in advance for your reply, we are.'

That is the Kneeland-Bigelow Company of Bay City, Michigan, a member of this Association.

The answer of the Holt Hardwood Company dated August ..... and [fol. 455] the date has been punched out—addressed to Charles A. Bigelow, Bay City, Michigan (Defendants' Exhibit U-17): 'Dear Sir: Your letter of the 13th to the Holt Lumber Company was referred to us for reply as we and not the Holt Lumber Company manufacture the flooring. For the period from January 1st to July 1st, 1923, it cost us 97.3 cents per M ft. to rack, bundle, and tie our hardwood flooring.'

The Holt Hardwood Company has no financial or other interest in the Holt Lumber Company, but they turned over the letter to us.

The matter of costs of manufacturing and marketing flooring has been given a great deal of attention by the Association. They send out the average results of test runs every so often and manufacturing costs are discussed quite frequently at Association meetings." (Vol. I, p. 252.)

See also, Vol. I, pp. 200, 213, 260, 397, 431-2.

The defendant, Mr. J. L. Colby, testified on cross-examination as follows:

"Q. You never helped make out one of these cost sheets, did you?

A. Not for a number of years.

Q. You are controlled in your market price considerably by the cost of production, aren't you?

A. Well sometimes that is a factor, of course we always aim to take it into consideration, but for certain items of flooring you can't always say that you are going to get the full cost or more, sometimes you have to sell it for less than that.

Q. *In estimating your cost of production you always use that estimate made by the Association, don't you?*

A. In estimating our cost?

Q. Yes.

A. *No, sir.*

Q. *What do you use?*

A. *We use what we think in our own minds is our own cost.*

Q. Don't you report to the Association your cost of production?

A. No, sir, we have not for a number of years.

Q. You are asked every month, aren't you? Two or three months?

A. We are asked every quarter I believe.

Q. Did you never answer it?

A. Well, I wouldn't say we never answered them but we never gave them the information, that is, we haven't for a number of years.

Q. Why don't you give them your information?

A. *Well, because we have a peculiar condition in that our flooring factory is under the same roof with some of our other business and at least quar-*

terly it is a little bit hard for us to segregate the individual items that are applicable to flooring separately and we don't want to give the Association anything excepting what would be an actual cost. Now if it were yearly instead of quarterly we probably would be in better position to give those costs.

I should say offhand that our cost is probably a little higher than the average cost reported by the Association. Costs are somewhat higher around Cadillac." (Vol. I, p. 219.)

The members making the reports necessarily ascertained their own costs. All members were urged to send in reports. Members checked their own costs against average costs, and some of them were thereby enabled to reduce their own costs. None of them used the average costs for any other purpose.

See also pages 116-120 *supra* for testimony of nonmembers that their prices were usually higher than the prices of members.

See also testimony of manufacturers who testified that they were forced to quit manufacturing maple, beech and birch flooring, because they could not make a profit. (Pages 54-60, *supra.*)

See also the testimony of Mr. Goodman, who manufactured his rough maple lumber, yet testified that he could not manufacture flooring at a profit. (Pages 59-60 *supra.*)

See 54-60, *supra,* and Vol. I, p. 137, for testimony of producers who when unable to manufacture at a profit, bought flooring from the defendants.

See 54-60, *supra,* for the undisputed testimony that the prices of defendants have always been fair and reasonable.

And yet the Government would have this court believe that the defendants' interest in the matter of manufacturing and marketing costs was a subterfuge and a fraud in order to fix prices, eliminate competition and mulct the public by including in their costs "large profits."

COST SURVEYS COMMITTEE.[53]

Mr. James E. Dewey testified as follows:

"I am Chairman of the Cost Survey Committee and have been since it was organized in 1922. The document you hand me marked Defendant's Exhibit 'Z' is a letter that I wrote to Mr. Keehn giving information regarding sales of rough lumber of which I had knowledge, or rather the document is a copy of a letter that I wrote to Mr. Keehn. The copy was taken from my file. I wrote the letter as part of my duties as Chairman of the Cost Survey Committee.

Mr. Darby: I would like to read it to the court.

'June 2, 1922

George W. Keehn, Secretary Maple Flooring Manufacturers Association, Chicago, Illinois:

'I believe it would be advisable to have a short meeting of my committee previous to the general meeting on June 21st, and therefore wish that you would send out notice to the members accordingly. We should have some information regarding the market price on lumber up to that date, and it might be well to appeal to the members of the Association

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[53] The present Association has never had a Market Conditions Committee. That committee used to make reports on market conditions, and recommendations as to prices to be charged. Mr. George W. Keehn testified as follows:

"The Market Conditions Committee went out of existence in the Summer or Fall of 1921. That Committee and its operations did not extend into the new Association." (Vol. I, p. 173.)

again, although our last effort did not avail much. The following sales are reported for week ending May 27th:

	No. 1 C	No. 2 C	No. 3 C A
1,000,000 ft. 4/4 f. o. b. cars Boyne City	$45.00	30.00	22.00
435,000 ft. 4/4 f. o. b. cars Grayling	45.00	26.00	.....

I had information as to those sales at the time I wrote the letter. The Cost Survey Committee have done very little as a matter of fact. Practically all they do is to gather information regarding the cost of rough lumber and transmit it to Mr. Keehn. Mr. Keehn also receives the results of test runs from members as well as the marketing and manufacturing costs. He tabulates these data and shows us the result of such tabulation. In other words, he gives us the average result of those test runs and the manufacturing and marketing costs. From such data and the price of rough lumber he arrives at the cost of manufacturing and marketing flooring. The Cost Survey Committee has held not more than three separate meetings since its organization. We have had disputes from time to time. *I think Mr. Dregge once objected to the cost as it was arrived at, claiming that it was too low. Dregge's company is located at Grand Rapids where labor and other costs and plant investment are high and his cost was much higher than the average cost quoted by Mr. Keehn. In arriving at the average we did not consider Mr. Dregge's costs because he was operating under peculiar conditions at Grand Rapids. His higher cost was not representative of the cost of mills in smaller communities or mills that are closer to the supply of lumber or timber.*

The Cost Survey Committee does not make any report about market conditions, nor does it make recommendations of any kind. It has never done so. The only report that has ever been made is the report regarding the prices of rough lumber. Our Committee never sees the reports that are made to Mr. Keehn by different members concerning test runs. Those reports are held confidential by Mr.

Keehn. Mr. Keehn merely reports what is the average result of those test runs." (Vol. I, pp. 395-6.)

See also, Vol. I, pp. 399-401, 104-5.

That the Cost Surveys Committee has never expressed any opinion as to the value of flooring, or made or attempted to make any recommendations with respect to the prices to be charged for flooring, or expressed an opinion as to market conditions, or attempted to forecast future conditions, see Vol. I, pp. 297, 171-2, 126.

TEST RUNS AND AVERAGE COSTS.

The test runs are succinctly described by Mr. James E. Dewey as follows:

> "Our Company has made test runs from time to time. We usually take two full kilns of rough lumber—about 80,000 feet, after making a careful inspection of the lumber as to grade. We separate the rough lumber from all the other rough lumber that goes through the mill. We clean up everything ahead of it—clean out the racks of finished product so that our floors are clean of all flooring and all rough stock that has previously gone into or come out of the mill. We then put the 80,000 feet of rough lumber through the mill and keep an accurate labor cost on it and then make a tally of the stock that is produced that goes into the warehouse. We ascertain the percentage of waste from the difference between the tally of the rough lumber and the tally of the finished product. We tally each face and grade of flooring separately in order to know just what is produced. It is considerable trouble to make one of those test runs and it cuts down our production a little because of the time and pains involved in making one. The test runs are very accurate." (Vol. I, pp. 396-7.)

That all members were urged to make test runs in order that a representative result might be obtained, see Vol. IV, pp. 451, 468, 471, 493-495, 502-3.

GOVERNMENT'S EXHIBIT No. 63-G

Average Cost Based Upon Composite Result of Five Test Runs.

These test runs were made as follows: 1 in January and February 1922, 1 in December 1922, and 3 in January 1923.

Rough Lumber Used

579 M ft. No. 1 Common	53%
305 " " No. 2 Common	28 "
28 " " No. 3 Common A	3 "
181 " " No. 3 Common	16 "
1093 M ft.	100 "

Present Average Cost of Rough Flooring Lumber FOB Cars Flooring Mills

53% No. 1 Common	@ $64	$33.92
28 " No. 2 Common	" 44	12.32
3 " No. 3 Com. A	" 32	.96
16 " No. 3 Common	" 24	3.84
100%		
1000 ft. Lumber Costs		51.04
760 " Flooring Costs		51.04
1000 " Flooring Costs		67.16
Manufacturing and Marketing Cost First Quarter 1923—Average		17.85
Average Cost FOB Flooring Plant of 1000 ft. of Flooring Sold		85.01

Flooring Product

Clear	316 M ft.	38%
No. 1	366 " "	44 "
Factory	129 " "	15 "
Other Product	21 " "	3 "
	832 M ft.	100%
Waste	261 " "	24 "
Lumber Used	1093 M ft.	

Approximate Relative Average Costs of Flooring Product FOB Cars at Flooring Mills

Clear:				
13/16 x 1½"	1.9%	@ $97		$ 1.84
2 "	1.4%		97	1.36
2¼"	27.4%		102	27.95
3¼"	3.2%		87	2.78
4 "	1.6%		87	1.39
Jtd. 3½"	.5%		92	.46
3/8" All Faces	2. %		97	1.34
	38 %			37.12
No. 1:				
13/16 x 1½"	1.4%	@ $82		1.15
2 "	1.7%		87	1.48
2¼"	33.2%		92	30.54
3¼"	4.6%		82	3.77
4 "	1.2%		82	.98
Jtd. 3½"	.7%		87	.61
3/8" All Faces	1.2%		47	.56
	44 %			39.09
Factory:				
13/16 x 1½"	.6%		$32	.19
2 "	.6%		42	.25
2¼"	11.1%		47	5.22
3¼"	2.3%		52	1.20
4 "	.7%		52	.36
Jtd. 3½"	.2%		57	.11
	15.5%			7.33
Other Prod.	2.5%		60	1.50
Totals	100 %			85.04

Flooring Product—Grades and Faces

Grades	13/16 x 1½"	2"	2½"	3¼"	4"	Jtd. 3½"	3/8" all faces	Totals
Clear	1.9%	1.4%	27.4%	3.2%	1.6%	.5%	2. %	38. %
No. 1	1.4%	1.7%	33.2%	4.6%	1.2%	.7%	1.2	44. %
Fcty	.6%	.6%	11.1%	2.3%	.7%	.2%	.....	15.5%
Other Product	.....	.....	.....	.....	.....	.....	.....	2.5%
Totals	3.9%	3.7%	71.7%	10.1%	3.5%	1.4%	3.2%	100 %

July 19, 1923.

We set forth on the attached sheet a copy of Government's Exhibit 63-G, Vol. IV, pp. 504-6. This document is explained by Mr. George W. Keehn on pages 105-107 of Vol. I.

Test runs were made by five different members whose separate reports showed the quantity of each grade of rough lumber used, the waste in converting the rough lumber into flooring, and the number of feet of each grade and size of flooring produced. All these reports were consolidated by Mr. George W. Keehn.

Inasmuch as the members making the test runs merely reported the data above mentioned, viz., the grades and quantities of rough lumber used, the waste, and an itemized statement of the flooring produced, *the time of making the test runs is unimportant.*

In order to arrive at the average cost, Mr. Keehn first reduced the "Rough Lumber Used" to a percentage basis for the different grades. He then took the "Present Average Cost of Rough Lumber f. o. b. cars Flooring Mills," (as reported by the Cost Surveys Committee) and the percentages of the grades of rough lumber used in the test runs, and ascertained the value on July 19, 1923, of 1000 feet of rough lumber containing the percentages of the grades used in the test runs.

Inasmuch as the waste in working up the rough lumber amounted to 261,000 feet, or 24 per cent—see upper right-hand column,—1000 feet of the rough lumber which cost $51.04 produced only 760 feet of flooring. 1000 feet of flooring, therefore, cost $67.16, exclusive of manufacturing and marketing costs.

The average manufacturing and marketing costs for the first quarter of 1923—determined as heretofore ex-

plained—were $17.85 per thousand feet. Thus, the average cost per thousand feet f. o. b. cars flooring mills of the 832,000 feet of flooring produced was $85.01.

Referring to the last group of figures on the sheet below, the Court will observe that the percentages of the different sizes and grades are set forth. These grades differ both *quantitatively and qualitatively.* They are used for different purposes and the demand for them fluctuates. (Pages 41-42, 75, *supra.*) The same is true with respect to the different widths or thicknesses even of any one grade. ***And they were all produced at the same time, and the average manufacturing and marketing cost f. o. b. cars, flooring mills of each thousand feet of each grade, width and thickness is*** $85.01.

We have here a condition which is analogous to, and for all practical purposes *identical* with, what economists call *Joint-Cost Products.* In Taylor's *Principles of Economics* (8th edition), pages 344-6, appears the following very illuminating discussion of Joint-Cost Products:

> "In studying not a few producible goods, we strike a complication due to the fact that *several different commodities emerge from the same productive process.* Thus, the dairyman simultaneously and by productive efforts, a large share of which are inseparable, brings into existence milk, butter, cheese, beef, and hides. The refining of petroleum yields not only common illuminating oil, kerosene, but also vaseline, gasoline, and naphtha. Again, the coal tar resulting from the distillation of coal for the making of gas gives us a whole line of by-products, including various drugs, perfumes, and a large number of dyes. Now, in cases like these it is impossible, save in very small measure, to isolate the share in the cost of production which is properly chargeable to each of the several products. This being true, we

surely cannot apply to these goods, without qualification, the principle laid down for other producible goods.

The special theory needed here was set forth by Mill. It is that *the price of each of the individual products must be such as to equalize supply and demand for that product; while the money value of the whole group of products must equal their cost of production.* In consistency with the modern analysis which goes behind demand to significance or utility, we should change the first part of this formula to read 'the price of each of the individual products must tend to be that price which expresses the marginal significance of the quantity of that particular product which is put upon the market.' The second part of the formula can remain unchanged.

The argument in support of this principle is as follows: First, the price of each member of the group of products must be such as to express its marginal significance, because, under the conditions given, the quantity of each of the products is virtually fixed, and hence it comes under the laws of fixed-supply goods. This, of course, does not mean that the supply of each commodity is literally unchanging; but that its changes do not take place in response to conditions which affect that commodity itself only, but rather in response to conditions which affect all the commodities of the group. When, therefore, the price of any one of them is in process of determination, the supply of that one is virtually fixed; and hence the principle governing its price is the one which governs the price of fixed-supply goods. But the principle in question makes the price of these goods depend upon marginal significance; and so marginal significance governs the case now before us.

It is no less certain that the prices of all the members of the group must be such that the sum total of their money values will equal their joint cost of production. This result is bound to be brought about through processes already thoroughly familiar. If at any point the sum total of the group prices

should rise above this total cost of the group products, capital will move into the industry, supply all along the line would increase, marginal significance would fall, and so prices would fall. Conversely, if the total costs were not covered by the total values, capital would withdraw from the industry, the supply of the several commodities would fall off, their marginal significance would rise, and so prices would rise. Doubtless this readjustment would be much more complicated and hence much slower than in the case of isolated individual products, but in the long run it would inevitably come about.

Principle. *The price of each member of a group of joint-cost products tends to be that price which expresses the marginal significance or utility of the quantity of that particular product which is put upon the market, provided that the sum of the money values of all products of the group tends to equal their joint cost of production."*

It is manifestly impossible to accurately determine just how much less it cost to produce and distribute 13/16" x 2¼" Factory maple flooring than the 13/16" x 2¼" Clear flooring, yet the latter will always sell for a great deal more than the former. And in approximating the *"relative average costs"* of the different grades, widths and thicknesses, the Secretary resorts to methods analogous to those stated by Professor Taylor. He thus estimates that the 38 per cent of the Clear grade flooring costs $37.12 per thousand feet; the 44 per cent No. 1 grade, $39.09 per thousand feet, and 15.5 per cent Factory grade, $7.33 per thousand feet, which, plus $1.50 for the 2.5 per cent of other product, makes the total "approximate relative average cost" of all grades, widths and thicknesses of flooring $85.04 f. o. b. cars flooring mills. Some of it must be sold for more than $85.01 per thousand feet, some of it must be sold for less. *Each member must determine that for himself.*

It might be argued *a priori* that the use of the dollar figures in order to arrive at the cost of the different grades, widths, etc., might be used by all the defendants for the prices of their products. As we shall presently see, any such argument would not be supported by the facts.

The relative values of the different grades, widths, thicknesses, etc., fluctuate, of course, but they have been pretty well established by usage and custom during the thirty or more years that maple, beech and birch floorings have been on the market. Custom and usage, as modified by supply and demand, determine the differentials, but all of them respond to the cost of rough lumber. For instance, Mr. George W. Keehn testified as follows:

> "Now, we come to November 10, 1923, with exactly the same information, and according to the best information obtainable through the Committee on Costs, there appears to have been a decline in the average cost of rough flooring lumber of $7.00 per thousand. So this is made on the basis of 57, 37, 27 and 20 dollars, and all these relative costs of the flooring product were horizontally reduced $8.00 a thousand. In other words, on July the 19th, this flooring product cost $85.00. On account of the decline in the market value or cost of the rough lumber it comes down to $77.00, so that makes a difference of $8.00, while the decline in the lumber is $7.00. On account of the waste in the flooring it amounts to $8.00 on the other." (Vol. I, p. 107.)

Furthermore, it is not accurate to say that it costs no more to produce 1000 *feet of Clear grade flooring than it costs to produce the same quantity of Factory grade.* As a reference to the Grading Rules (Vol. IV, fol. pp. 5331-5336) will show, the defects are much more closely trimmed out of the Clear grade than they are in the No. 1, or Factory grades; and they are also trimmed out

much more closely in the No. 1 grade than they are in the Factory. Hence *more labor and machine work* are required in order to produce the better grades. It is also obvious that the *best* portions of *each* grade of *rough lumber* go to make up the *better grades of flooring* and that the proportion of shorter lengths varies inversely as the excellence of the grades. (See Grading Rules.) Hence, while the cost of the several joint-cost products cannot be absolutely determined, it can be said that it costs more to produce the better grades of flooring than it does to produce the inferior grades.

If any portion of the figures are considered objectionable, it would be easy to enjoin their use.

Only the *combined* results are distributed to members by the Secretary—as shown by Gov. Ex. 63-G.

> "With respect to the average cost as disclosed by test runs made by different members, only the *total* is shown. The individual figures of the different members are not. In other words, only the average is shown, and not the individual results of each member." (Vol. I, p. 176.)

Subsection f of Section 3 of Article XIV—5 per cent allowance for contingencies and unforeseen hazards—was annulled, and was never thereafter taken into account in arriving at average costs. (Vol. IV, pp. 811-814; Vol. I, pp. 151-2.)

That the lumber business is an essentially hazardous one, and that an allowance of 5% to cover such hazards was very reasonable, see Vol. I, pp. 151-2, 229, 92, 97; Vol. II, pp. 791-2.

Before comparing the average costs with the prices for flooring it is necessary to examine into certain other practices of the defendant Association.

D.

FREIGHT RATE BOOKS.

The allegations concerning the books above mentioned are set forth and analyzed on pages 17-19, *supra*.

We have already seen that the allegation that

> "the defendants agreed to adopt and have concertedly adopted Cadillac, Michigan, as an arbitrary freight basing point from which they charge freight, regardless of the point from which each may actually ship flooring."

is not true. (Pages 97-103, *supra*.)

We have also seen that the proof does not support the allegations of the petition with respect to uniform commissions, terms of sale, cash discounts, etc. (Pages 104-112, *supra*.)

FREIGHT RATES.

Mr. L. L. Barth, of the Edward Hines Lumber Co., Chicago, testified:

> "I think that we buy about 95 per cent of our flooring f. o. b. cars Chicago. This enables us to know in advance what the flooring is going to cost us here, and we prefer that the manufacturers accept the risks incident to transportation." (Vol. I, p. 412.)

Similar testimony was given by many other witnesses. All lumber, including flooring, is almost universally sold delivered. Purchasers of flooring usually will not buy it on any other basis. (Vol. I, p. 445; Vol. II, pp. 459, 465, 536, 561, 565, 573, 579, 585, 593, 623.)

Mr. George W. Keehn testified:

> "In a vast majority of cases lumber products and maple flooring are sold at delivered prices, because the buyer insists upon knowing the cost of the flooring, we will say in this instance, delivered at destination. Therefore, the flooring manufacturers will quote him the delivered price on the flooring, and when this purchaser receives the flooring he deducts from the invoice for the flooring which is sold to him at the delivered price, the *actual* freight paid from the *point of origin* to destination of the shipment. Then he remits the balance to the manufacturer. In other words, if a lumber dealer at Nashville, Tennessee, buys a carload of flooring and it is shipped from Saginaw, Michigan, that lumber dealer deducts the actual freight that he pays to the railroad company on this car of flooring from Saginaw, Michigan, to Nashville, Tennessee, and remits the balance to the shipper. I think that about 90 or 95 per cent of the flooring produced is sold at delivered prices. The actual freight is paid by the customer from points of origin to point of destination, the customer deducting the freight paid by him from the invoice price of the flooring." (Vol. I, p. 174.)

However, *the defendants have no objection to selling flooring f. o. b. cars flooring mills. The evidence is undisputed that they quote and sell on an f. o. b. mill basis whenever purchasers so request.* (Vol. II, pp. 456, 450, 451, 453; Vol. I, pp. 209, 235, 243, 250, 268-273.)

Most of the members of the defendant Association are located in small towns in Michigan and Wisconsin. It happens that the *average* freight rates from all these producing points in Michigan and Wisconsin to the principal centers of consumption in the United States are approximately the same as the average freight rate from Cadillac, Michigan, to the aforesaid centers of consumption. (Vol. I, pp. 112, 115-7.)

Appendices R and S are copies of Government's Exhibit 36-A, (Vol. I, p. 117, Additional Exhibits, fol. pp. 907-908) and Defendants' Exhibit EE, (Vol. II, p. 779; Vol. IV, fol. p. 5437), and show the freight rates from the said Association mill points to the principal centers of consumption, together with the averages. These diagrams were sent to the members in order that each might be informed as to the differences between the freight rates from several producing points and the *average* or Cadillac rate. (Vol. III, p. 329.)

The Court will observe that in many instances the freight rates from points where members are located are identical with the freight rates from Cadillac, that in others they are slightly less and that in still others they are slightly more. It should perhaps be stated that the freight rates shown in said exhibits are per 100 pounds. 13/16″ x 1½″, 2″ or 2¼″ flooring weighs 2,000 pounds per thousand feet; 13/16″ x 3¼″, 2,250 pounds per thousand feet. (Vol. IV, fol. pp. 5322-25.) ⅜″ x 1½″, 2″ or 2¼″ weighs 1000 pounds per thousand feet. (Vol. IV, fol. pp. 5327-8.) See also Vol. I, p. 155. Appendix A shows the location of the cities and towns where members have mills. There are three mills at Cadillac, Michigan.

For many years the defendant Association has had compiled by traffic experts the freight rates from Cadillac, Mich., to some five or six thousand cities and towns in the United States. In the compilation fractions were disregarded, and letters were used instead of figures. The freight rate books contained the key A=1, B=2, etc. (Vol. I, pp. 111-116, 126; Vol. IV, fol. pp. 5288-5325.)

The necessity for the distribution of freight rate books, and the use made of them by members (so far as

freight rates are concerned) are well stated by the defendant, Mr. Percy S. McLurg, of Phillips, Wisconsin. After stating that in all instances, the purchaser deducted the actual freight paid to the carrier, Mr. McLurg testified as follows:

"In shipping to points where we are not familiar with the freight rates, we use the rate books issued by the Association. Phillips is a very small town and it is very difficult to get freight rates from the railroad agent there. In our regular territory we know what the rates are, but in shipping east or west, we use the rate book in order to ascertain the freight rates. It is imposible to get those tariffs from the railroad agent at Phillips, which is a town of 2,200 inhabitants located on the Soo Line. It would sometimes take a week to get a freight rate from the railroad agent. In shipping to points not in our regular territory, we use the freight rate in the book issued by the Association in order to compute the freight, so that we can quote a delivered price, but the buyer deducts the actual freight from Phillips, which he pays to the carrier.

Sometimes there is a difference between the rate from Phillips and the rate mentioned in the book I know that there might be *slight* differences between the rates quoted in the rate book containing the average rate of freight and the actual freight from Phillips. If we want business, we have to quote on that rate in order to compete with the mills that are located where the rate applies from. It is a matter of competition. *We have an advantage over the Cadillac freight rate to Minneapolis. That is why we market our stuff in that territory. Our rate into Minneapolis is* 11½ *cents and the Cadillac rate is* 27 *cents. We take advantage of our geographical situation. If we ship east, we have to absorb the difference between our rate and the Cadillac rate, or else get a higher price for our flooring. The only time we ship east is when we can't sell in our nearby territory.*" (Vol. I, p. 228.)

Mr. H. H. Shepeck, of the I. Stephenson Co., Trustees, Wells, Mich., testified as follows:

"Our Company is located at Wells, Michigan and *owns* the Escanaba & Lake Superior Railroad, which connects with the Soo Line at North Escanaba and with the Chicago, Milwaukee & St. Paul Railroad at Channing, Michigan. *Our railroad has very full and complete* tariffs and in every case we determine what our flooring should net us f. o. b. mill and then add the *actual* freight to destination before making quotations. We use the freight rate book issued by the Association very little. *If we ship birch flooring to the east, we look in the freight rate book issued by the Association in order to ascertain what the Cadillac rate is to the east for the reason that if we want to move birch flooring, it is necessary to cut the price. On birch flooring shipped to the east, we figure what our price at the mill and what the actual freight is and then cut the price from* $3.00 *to* $7.00 *because we know that other manufacturers can ship into the east more advantageously than we can because of lower freight rates.*" (Vol. I, pp. 259-260.)

Mr. Frank M. Hodges, of Tupper Lake, New York, testified as follows:

"We sell most of our flooring in Boston, New York, Philadelphia and other points in the same territory. We sell our flooring there because they are the broad basic markets of the east. There is a lot of flooring used there, and we also sell our rough lumber there very largely, and of course, it is easier to sell our flooring in the same market in which we sell the rough lumber.

Flooring is shipped into these markets from practically every producing territory in the country. They even ship large quantities of fir flooring from the Pacific Coast by way of the Panama Canal. Oak flooring comes from all points in the south. Maple flooring comes in there from West Virginia, Tennessee, Michigan, Wisconsin, New York, the New

England States, Canada and Pennsylvania, although there are not many mills in Pennsylvania. Hard pine flooring also comes in there in direct competition with hardwood flooring.

We could ascertain the cost of our flooring f. o. b. mill and then add the freight rates to New York and figure on that basis for our flooring, but if we did we wouldn't get any business. Manufacturers can't do that if they want to get into those markets with flooring because the freight rates from any one section won't control the prices. There are so many points from which flooring is coming in there. The manufacturer must get all the information he can as to what prices are being made in those markets, not only on maple flooring or beech or birch, but on oak, pine and every other kind that comes in competition with the flooring he desires to sell. The manufacturer must sell his flooring in New York at what it will bring there if he wants to get into that market. He must begin there to figure and work back to the flooring mill and find out whether he can get into those markets rather than begin at the mill and work the other way." (Vol. I, p. 288.)

Mr. Walter L. De Witt, of Oconto, Wis., testified:

"Oconto is a town of 5,500 inhabitants located on the Chicago & Northwestern and the Chicago, Milwaukee & St. Paul Railroads. We used the freight rate books that were issued by the Associations almost entirely for securing the rate of freight in making our delivered prices. *It happens that Oconto and Cadillac take practically the same rate of freight to all parts of the country with the exception of the west, and we have inquiries coming in every day from all over the United States. If we had to ask the local agent for a freight rate, in a good many instances the point would not be listed in the tariff he had on file, which would result in a delay of anywhere from two days to a week before the freight rate could be obtained. We would have to hold up our quotation to our customer who demands a delivered price in nearly every instance. Consequently, the order would probably be placed*

elsewhere before we were able to quote a delivered price.

The average freight rate from Cadillac to thirty representative markets in the United States on flooring is 44.7 cts. and the average from Oconto is 42.9 cts. *One cent's difference in freight per thousand feet on* 13-16 x 2¼ *maple flooring would be* 20 *cts. Such a difference would not have any material effect upon the delivered price of flooring in Boston, New York, Philadelphia or any other of these thirty representative markets because it is too small to take into consideration.*

I have found that these freight rate books are a great assistance to me in the conduct of our business. In the absence of the freight rate books we would have to secure the rates from the local agent, or through a traffic association *or install a traffic department of our own.*" (Vol. I, p. 235.)

Mr. James E. Dewey, of Bay City, Mich., testified:

"The largest portion of our flooring is sold in the East and Middle West *because the freight rates in that territory are an advantage to us over other manufacturers.* We have the shortest line into the East of any of the manufacturers [in Michigan or Wisconsin]." (Vol. I, p. 393.)

Mr. William H. Greene, of Manistee, Mich., testified as follows:

"We use the freight rate book gotten out by the Association exclusively as a lumber tariff. *The freight rates from Manistee are practically identical to all points in the United States with those from Cadillac.* There may be a few points where there is perhaps a difference of one or two cents per hundred weight, but I do not recall any point where the difference in freight rate between Manistee and Cadillac would exceed 50 cents per thousand on 13/16 maple flooring. *That difference would not ordinarily affect the delivered price of maple flooring.* The average freight rate on carload lots of maple flooring from 17 producing points in Michigan and

Wisconsin to 30 representative markets in the United States from *Cadillac* is *44.7 cents* and the average rate from *Manistee* is *45 cents. That difference would not affect the delivered price of flooring at all.* Manistee has about 9,000 inhabitants and is located on the Pere Marquette and the Manistee & Northeastern. The Manistee & Northeastern is a short line running from Manistee to Traverse City, connecting with the Pennsylvania there and connecting with the Michigan Central at Grayling. Up to a comparatively short time ago we had been more or less handicapped with respect to being able to obtain reliable information as to freight rates and for that reason we found that the rate book published by the Association was very valuable. It also served as a check against the rates quoted by our railroad offices, in which errors often occur. I understand the Association rate book is compiled by traffic experts and we have found it very reliable. *We sell our flooring generally throughout the United States. The morning's mail may contain all the way from 10 to 20 inquiries from Maine to California and as far south as Louisiana.*

Q. I wish you would state what your experience was there in Manistee in attempting to get freight rates from the local agents.

A. We were considerably handicapped when we first went into the business there, back in 1907, by having no railroad office with complete sets of tariffs and files at that time. While Manistee has always been recognized as a lumber manufacturing center, the lumber produced has been hardwoods, hemlock, pine and products of that kind, which were marketed very largely in the State of Michigan, Illinois, Ohio, Indiana, Eastern Pennsylvania, some in the Western part of New York; and the railroad offices in our town were very well equipped with freight tariffs so far as that particular market was concerned. When we went into the maple flooring business, necessitating our shipping our product to *all* markets, like the western markets, intermediate points in the west, we could not get that information, *and very often we lost out on the business as the result of having*

to ask for those rates of our railroad connections, and by the time the rate was quoted me very often it happened the other fellow had the business on his books.

We do not make a separate charge for freight as distinguished from the flooring when we make a delivered price on flooring. The purchaser pays the freight to the railroad company. He pays the actual freight and submits the freight bill to us, deducting the amount of the expense bill from the invoice." (Vol. I, pp. 383-4.)

See also, Vol. I, pp. 322-3.

The Government offered no proof that any different practices obtained. It was undisputed that the purchaser deducted the *actual* freight paid by him to the carrier. (Pages 101-103, *supra.*)

It also appears that there was no *common practice* with respect to freight rates. *No member could take advantage of his geographical position if all members were using the Cadillac freight rate.*

The differences between the Cadillac (or *average*) freight rate and the actual freight were either non-existent or negligible, or else the member used the Cadillac rate merely for the purpose of *estimating* the approximate freight charges in order to quote a delivered price.

No separate charge was made for freight as distinguished from flooring. (Pages 101-103, *supra.*) Some members merely used the freight rate books in some cases in order to arrive at a delivered price, and to more effectively compete with other manufacturers, both members and nonmembers.

The diagrams or charts heretofore mentioned (Gov. Ex. 36-A and Defts.' Ex. EE) gave each member the

freight rates from all other Michigan and Wisconsin (member) mills to the principal centers of consumption, so that in fixing delivered prices, each member knew what the freight charge would be from other producing points. Unquestionably, an allowance was made for such differences as actually existed in order to arrive at a delivered price.

As Mr. Hodges said, the manufacturer cannot begin at his mill, fix a price on his flooring, and then add the amount of the freight. He must begin at the other end—*the market he wishes to get into*—and fix a delivered price in view of competitive conditions that obtain there. *Mills farther away from such markets must absorb the differences that exist between freight charges from their mills and the freight charges from mills more advantageously located.* (See pages 153-4, where Michigan and Wisconsin mills were quoting lower delivered prices in the East than was the Oval Wood Dish Corporation of Tupper Lake, New York.) For instance, at a given time wheat will fetch not more than a certain price in Chicago, regardless of the point from which it is shipped. And the wheat grower in Washington who sells in the Chicago market does not net so much for his wheat as the wheat grower in Iowa, or Minnesota, or the Dakotas. The *consumer* does not always pay *all* the freight. Or if he does, there is great inequality of participation among producers in the delivered prices paid by the consumer.

If all the defendants had ever used the freight rate from Cadillac, Michigan, there would not exist the great differences in delivered prices made in the same centers of consumption. (See Defts. Ex. FF to FF-9, Vol. IV, fol. 5438-5447.)

Large corporations maintain expensive traffic departments. Small manufacturers are unable to do this. And, manifestly, the defendant Association was forced to distribute information as to freight rates in a form that would be of the greatest benefit to the greatest number. The expense of having traffic experts compile freight rates from 22 producing points to six or seven thousand cities and towns in the United States would have been prohibitive.

By comparing the quotations and sales made by the different members (pages 121-43, *supra*), *it will be found that the lowest delivered prices were often quoted by a member from a point having the highest freight rate. The delivered prices always varied, and neither the average costs nor the freight rates offer any explanation of the prices quoted or obtained.*

Furthermore, the Government's allegations with respect to freight rates were merely by way of *inducement*. The freight rate book, and all that was therein contained, were merely factors which resulted in the alleged—but non-existent—uniformity of net delivered prices.

AVERAGE COSTS.

Included in the Freight Rate Books are the *average costs*, arrived at by the methods described on pages 274-280, *supra*. They were printed on loose-leaf sheets for insertion in the freight rate books. (Vol. I, pp. 155, 173; Vol. IV, fol. p. 5326.)

DELIVERED COST CHARTS.

There were *formerly* included in the freight rate books Delivered Cost Charts. These charts merely added the *average* or Cadillac freight per thousand feet (to the cities and towns listed in the freight rate books) and the average costs. (Vol. I, pp. 118, 153-6.)

To a lawyer sitting in his office this seems entirely superfluous. If one knows his own f. o. b. mill manufacturing and marketing costs per M. feet, and the *average* manufacturing and marketing costs and the *average* freight rate per cwt. and market conditions, he ought to be able to readily fix a delivered price per M. feet of flooring to customers in San Francisco, New York City, or any other city in the United States. But this would involve the making of calculations, with opportunities for error. Hence the *delivered average costs per M. feet* of flooring were carefully figured out by skilled persons and put into the hands of the members. Having in mind the differences that existed between the average costs and his own, the average freight and his own, and his warehouse conditions, his financial needs, building conditions, information obtained from his representatives or traveling salesmen as to competitive conditions in a particular market, the offers made by buyers, his past relations with the person who wanted to buy, and many other facts and circumstances, the member could fix a delivered price at a given point by naming a figure which would be the resultant of all these factors. The use of such charts would merely furnish a rough approximation or starting-point for calculations, if one desired to start there and work either forward or backward. *There was no*

common practice. The Government offered no proof on the subject. Each member was free to do as he pleased. And what he pleased to do, can only be inferred from the great range of prices, which has already been shown, *and the relation that existed between the average costs and the prices received,* which we shall show later.

The Delivered Cost Charts do not differ essentially from interest tables and other devices which banks put into the hands of their employes in order to minimize chances of error. In view of the astonishing results obtained by means of intelligence tests during the late war with subjects obtained by a selective process, and the varying degrees of intelligence—and stupidity!—that exist among minor employes in small towns, the use of the Delivered Cost Charts was justified. The mere combination of average costs and average freight (which already appeared separately in the freight rate books) could not reasonably put these useful and lawful books into the *Index Expurgatorius* of the law.

The Delivered Cost Charts were eliminated, and are not used now. (Vol. I, pp. 118, 153-6.)

DIFFERENTIALS.

Until July, 1923, the freight rate books issued by the present Association contained so-called "Differentials." (Vol. IV, fol. pp. 5249-5252.) They were merely the *average costs* of the different grades, sizes and woods, determined as described on pages 274-280, *supra. These data are no longer distributed or included in the freight rate books, except as hereinafter stated.* (Vol. I, pp. 152-3, 155, 201.)

Mr. George W. Keehn testified as follows:

"**The Court:** Let me ask you a question: Have there been any considerable changes in these differentials, so-called, * * * over a period say of two or three years?

A. There may have been changes in the differentials from time to time depending upon the market cost of the raw material, etc. * * *

The Court: For instance, the first differential in this sheet before me is the average cost of beech, 13/16ths dressed and matched, all faces?

A. Yes.

The Court: And clear, that is clear beech, $10 less than maple?

A. Yes.

The Court: Has that been the differential substantially?

A. Not at all times. It depends upon the supply and demand of these different floorings, to what a man's stock conditions are, and the cost of it too. Beech lumber ordinarily costs in the market less than maple lumber and consequently the cost of the beech flooring would not be as much as the cost of the maple flooring.

The Court: I understand, but has the difference been substantially the same over a considerable period of time?

A. I would say yes in a general way.

The Court: And the same would be true as to birch?

A. Sometimes birch flooring brings more than maple, sometimes it sells for less than maple, that depends upon the supply and demand and the stock conditions of the members selling the product. A good many of them don't manufacture beech flooring and a good many of them don't manufacture birch flooring and some manufacture only maple flooring.

The Court: The next that I find is the Average Cost of wide faces. Has there been any substantial change in the differences between prices of the 2¼—which I understand to be standard?

A. Yes.

The Court: And the wider?

A. That might vary from time to time for the same reasons.

The Court: Has it?

A. I think it has.

The Court: Substantially varied?

A. I can look that up and make a comparative statement of the costs during a period of time of those different things.

The Court: The next item is the average cost of thick flooring, as I understand it, the standard is 13/16th?

A. 13/16ths.

The Court: Has there been any change, substantial change, in the differences between the price of 13/16ths flooring and say 17/16ths?

A. *There would be differences back and forth, the 13/16th inch flooring is manufactured from four quarter maple lumber and the inch and 16th maple flooring is manufactured from five quarter thick maple lumber.*

The Court: The difference is caused then by the extra material which is used?

A. *The market cost of the five quarter lumber is generally considerably higher than the four quarter lumber.* On some markets it might be ten dollars, on others eight dollars, on others five dollars, of course that cost would all be regulated by supply and demand. Some of them manufacture thick flooring, many of them don't manufacture it at all. The cost would vary you know with the different conditions. The principal cost I would say—

The Court: That difference would be almost a matter of computation, wouldn't it?

A. A matter of computation, yes, sir. I would say the principal difference would be caused by the difference in the market value of five quarter maple lumber and four quarter maple lumber rough stock. The same thing would apply to those special grades of white clear maple and red clear beech and red clear birch.

The Court: Are jointed floorings as a rule higher in price than dressed and matched?

A. Sometimes it is and sometimes it is not. I think sometimes it brings about the same price and sometimes it brings more." (Vol. I, pp. 153-5.)

The defendant, Mr. William L. Saunders, of Cadillac, Mich.. testified as follows:

"Q. I notice that the Association has distributed from time to time some freight rate books and average costs were in there, and sometimes delivered values, etc. Have you used the figures in there as a price list at any time?

A. Not at all, never.

Q. What did you use the book for, so far as the average cost there, or the delivered values, were concerned?

A. We used that book as a rate book, both for maple flooring and for lumber, because it is more accurately compiled than the freight rates we can get from the depots in the small towns in which we are located.

Q. That is at Cadillac?

A. At Cadillac.

Q. I think I recall that in some of these books there were some data there with respect to differentials or spreads between the different faces, or between the different widths, or between Maple, Beech and Birch, etc. Did you ever follow that as mandatory or binding upon you, that you should charge

those prices; or, if you did not, state how you did use the data that was in those books.

A. *That data was of very little benefit to any of us, particularly us, that is, in our business. Beech flooring has most always been on a lower value than maple.*

Q. *Why?*

A. *Because the rough lumber sells from ten to fifteen dollars less a thousand than the Maple lumber.*

The demand for beech is very limited and is restricted to certain markets. It is more pronounced when there is a scarcity of maple. *In the practical conduct of the flooring business it is impossible to observe any fixed price relations between the different widths or between the different grades or faces or thicknesses. For instance, if we have a long season of demand for 2¼" face, we will naturally run timber that is best adapted for 2¼" face. Later on, however, we must clean up our tag widths and when we get a surplus of these odd widths and various stuff of that kind, we attempt to sell it to the best advantage on the market. The demands for the different widths or faces or thicknesses or grades fluctuate from time to time and never move in harmony. Sometimes there will be a very big demand for factory flooring, at other times for clear, and at other times for No. 1, and inasmuch as all of them are produced at one time, it is necessary to reduce prices on some of them at times to move surplus stocks. That is one reason why no fixed price relation can be observed. The present Maple Flooring Manufacturers Association, which was organized in the early part of 1922, has never taken any formal action with respect to spreads, although there have appeared some data in the freight rate books since 1922."* (Vol. I, pp. 200-1.)

The defendant, Mr. Walter L. De Witt, testified thus:

"Concerning the data in said freight rate books with reference to spreads or differentials between the different grades, sometimes we followed them

and sometimes we didn't, according to whether that spread represented the actual difference in value and the difference in the cost of material. In the conduct of the flooring business, it is not practicable to maintain any fixed price relation between the different woods or between the different grades or between the different thicknesses and faces. That is all governed by supply and demand and the cost of the rough material from which the article is made and the cost of producing it. The demand for each grade or thickness is not always constant, but it is continually fluctuating. Theoretically, the value of inch and 16th flooring is supposed to be greater than 13/16ths, but at times we sell them at exactly the same price. Sometimes the inch and 16th is sold lower than the 13/16ths, at times higher. Just at the present time we are selling inch and 16th by 2¼ factory at a lower price than we are 13/16ths by 2¼ factory on account of the supply and demand. The inch and 16th is theoretically more valuable than the 13/16ths because the inch and a quarter lumber from which the inch and 16th flooring is made is nearly always higher priced than the one inch lumber from which the 13/16ths is made. We get a little more feetage through the machine from the inch and 16th and the actual machine work is a little less, but the cost of the rough lumber is almost always considerably more.

The present Association has no rule with respect to maintenance of differentials or spreads between the different grades, woods, faces or thicknesses of flooring. I consider that I am at all times free to fix any price I please on my flooring." (Vol. I, p. 237.)

For illustrations of Mr. De Witt's testimony, see quotations made by him. (Vol. I, pp. 245, 249, 250, 268, 269, 271.)

As Mr. Klesner testified:

"The matter of spreads depends largely upon demand and stock conditions. For instance, one manufacturer might be very long on No. 1, and we might

be short. Hence the price will vary. Stock conditions are constantly changing.'' (Vol. I, p. 335.)

See also Vol. I, pp. 262-3, 217. For illustrations, see Vol. I, pp. 353, 360, 375, and the quotations set forth or mentioned on pages 121-143, *supra.*

Of course, the matter of spreads is also governed by the diversities mentioned on pages 66-75, *supra.*

So far as the present defendant Association is concerned, the differentials contained in freight rate books have always been merely the *average costs,* determined as described on pages 274-280, *supra.*

WHAT THE FREIGHT RATE BOOKS NOW CONTAIN.

Mr. George W. Keehn testified as follows:

"The differentials and the terms of sales, which were formerly on colored sheets in the freight rate books, are no longer contained in such books and are no longer sent to members in any form. The delivered cost charts have been entirely eliminated from the freight rate book.

The freight rate book now issued by the association contains the freight rates from Cadillac, Michigan, to points all over the country and the average cost chart of 13/16″ maple flooring, F. O. B. cars at flooring mill, according to compilations of average costs that are made from time to time. The freight rate book also contains average cost of ⅜″ beech or maple, F. O. B. cars flooring mills, and the average cost of freight, which is a table showing what the cost of freight would be on 13/16″, and also on ⅜″ flooring on certain rates of freight and on certain weights.

For example, 13/16″, 1½″ x 2″ and 2¼″ face weighs about 2,000 pounds and the rate of 20 cents would indicate that the cost of the freight would be $4.00

a thousand. The 13/16" x 3¼" weighs 2,250 pounds and the cost of freight on that would be $4.50 a thousand. ¾" flooring weighs 1,000 pounds so that the cost of that on a 20 cent rate would be $2.00. This table appears in the back of the book.

The grading rules also may appear from time to time in these or different books. The purpose of the table or chart, with respect to ascertaining the cost of freight, was in order to enable a member to find out what the cost of freight would be on any given rate of freight from point of shipment to point of destination. That is a mere matter of computation and could be left out.

The average cost which appears in the rate book is the average cost of flooring about which I have heretofore testified. This average cost is based upon test runs. For example, our present average cost of maple flooring, F. O. B. cars at the flooring mills, are based upon five test runs which were made by different members of this association since its organization. These average costs are determined from time to time whenever there are changes in the cost of rough maple lumber, F. O. B. cars at flooring mills, and also whenever there are changes in the average manufacturing and marketing costs. We might issue one every two or three months or every three or four months, or oftener if there are violent fluctuations in the cost of rough maple lumber. I have here a rate book which will illustrate just what we are doing today.

(Said rate book marked Ex. F and the data that had been eliminated from said book marked Ex. F-1, and said exhibits were received in evidence.) (Vol. I, pp. 155-6.)

For the exhibits above mentioned, see Vol. IV, fol. pp. 5162-5336.

Before the organization of the present Association the recommended prices, concessions, additions, etc., were contained in the Freight Rate Books. As we have already seen, even then members did as they pleased.

(Pages 196-206, *supra.*) No such recommendations have ever been made by the present Association. (Pages 273-4, 310-313.)

It will be very interesting to ascertain the relation that has existed between the average costs and the prices obtained. However, inasmuch as the prices obtained necessitate an explanation of the statistics compiled and distributed by the present Association, let us first describe the statistics. If the statistics are as potent for evil as the Government has alleged, then the prices obtained should show the trail of the serpent.

E.

THE STATISTICAL REPORTS.

Neither this nor any other court has ever held that the collection and distribution of statistical information by either an association or any other group of business men is unlawful *per se.* This court has merely held that *certain agreements* for the collection and distribution of statistical information by *certain groups, and what was done pursuant thereto,* unreasonably restrained interstate trade and commerce.

Plans for the collection and distribution of business statistics may *vary indefinitely;* the *effect* of such plans may be either noxious or beneficial to society. It all depends upon *circumstances.*

Edmund Burke, the great philosophical statesman, has well said:

> "But I cannot stand forward, and give praise or blame to *anything* which relates to human actions, and human concerns, as it stands, *stripped of every relation, in all the nakedness and solitude of meta-*

> *physical abstraction. Circumstances* (which with *some* gentlemen pass for nothing) give in reality to *every* political principle its *distinguishing colour and discriminating effect.* The *circumstances* are what render *every* civil and political scheme *beneficial* or *noxious* to *mankind.*" (*Reflections on The Revolution in France.*)

Now, whether a plan for the collection and distribution of business statistics is noxious, innocuous, or beneficial—unlawful or lawful—can be legitimately determined by considering, not only the plan itself, but the condition of the group that adopted it; the relations that exist between the various members of the group; what they manufacture; the distribution and control of the raw material; the presence or absence of competing manufacturers; whether the commodities manufactured by the group are necessaries of life; the number of substitutes there are for such commodities; how such commodities are marketed, to whom they are sold, and the relation of such group to buyers; whether the statistics are available to the general public, and if so upon what terms; what buyers say about the members of the group; and if such a plan has been in operation, the *effect* of such plan upon prices, and the relation between the prices obtained by the different members of said group.

Why? Because the plan is a part of reality. It is related in time and space, not only to specific commodities and a small group of manufacturers, but to all other commodities and individuals—indeed, to the rest of reality in all its ramifications. In its operation the plan reacts to and upon all other economic phenomena. And it can be neither sanctioned nor condemned *apart from its relations*—or, in the phrase of Burke, as it stands "in all the nakedness and solitude of metaphysical abstraction."

We should like to reproduce here the 'environment' of the defendants' plan and then set forth the plan itself, so that the Court might envisage the plan in its most important relations, and thus see it as it really is. However, upon second thoughts we have decided to set forth the plan at once, with the request that the Court keep an open mind until the argument, when the plan, its relations and effect will be discussed.

MONTHLY SALES REPORTS.

(To Secretary.)

Article XV of the present Articles of Association is set forth in the margin.[84]

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[84]SECTION 1. In order that the relations of supply and demand and the statistical conditions existing from time to time in the Maple flooring industry may be known, the following statistical monthly reports shall be made to the Secretary by each member of the Association on or before the 5th day of each month:

(a) Report of Stocks on Hand of Maple, Beech and Birch Flooring at the end of the previous month.

(b) Report of Unfilled Orders on Hand for Maple, Beech and Birch Flooring at the end of the previous month.

(c) Report of the amount in feet of Shipments made during the previous month of all kinds of Maple, Beech and Birch Flooring for use within the United States, except Maple, Beech and Birch Flooring purchased from other members of this Association.

(d) Report of Production of Maple, Beech and Birch Flooring during the previous month.

(e) Report of New Orders Booked for Maple, Beech and Birch Flooring during the previous month.

(f) Report of Average Prices Realized F. O. B. flooring plant, after deducting freight, for 13/16" x 2¼" face Clear, No. 1 and Factory

The forms of the reports made by members pursuant to subsections (a), Stocks on hand; and (b), Unfilled orders—of Article XV are shown by Government's Exhibits 46, 46-A, and 46-B, Vol. III, fol. pp. 2854-6. (Vol. I, p. 123.) It will be observed that each of these reports goes into detail as to the quantity of each wood grade and size.

The form of report made pursuant to subsection (c), Shipments, is shown by Gov. Ex. 48, Vol. III, fol. p. 2858. (Vol. I, p. 124.) This report merely gives a statement (by days) of the *total* amount of feet of maple flooring, the total amount of feet of beech flooring, the total amount of birch flooring shipped during the previous month, without other details.

The form of reports made pursuant to subsection (d), Production, is shown by Gov. Ex. 47, Vol. III, fol. p. 2857.

Maple Flooring, standard grades and lengths, sold during the previous month.

SECTION 2. In addition to the foregoing monthly reports, each member of the Association shall send to the Secretary promptly at the end of each week a report of all sales made during that week of Maple, Beech and Birch Flooring. These weekly sales reports shall state the quantity, kind and grade of flooring sold, the delivered price sold at, the average freight rate to destination of shipment, and the commissions paid, if any.

SECTION 3. All the foregoing statistical reports shall be made upon blank forms furnished by the Association and shall relate wholly and entirely to past and completed transactions. Said reports shall be mailed by the members to the Secretary, who shall report the same to the members. Said statistics shall be filed by the Association with the Department of Commerce, Washington, D. C., and shall also be made known to the public, in such form and manner as the Department of Commerce may approve. (Vol. III, p. 70.)

(Vol. I, pp. 123-4.) This report merely gives the quantity of feet of flooring of *each grade of each wood* produced during the previous month without further detail.

The form of reports made pursuant to subsection (e), New Orders Booked, is shown by Gov. Ex. 47, Vol. III, fol. p. 2857. (Vol. I, pp. 123-4.) This report gives merely the total amount of feet of new orders booked during the previous month for maple flooring, for beech flooring and for birch flooring and the aggregate of the three totals, without further detail.

The form of the reports made by members pursuant to subsection (f) is shown by Gov. Ex. 45, Vol. III, fol. p. 2853. Concerning these reports, Mr. George W. Keehn testified as follows:

"A member also makes a monthly report of average prices realized f. o. b. flooring plant after deducting freight for 13/16" x 2¼" face, clear No. 1 and factory maple flooring, standard grades and lengths (fol. 220) sold by us during the month of.....
That provides for the number of feet, delivered price sold at, the amount extended, and the freight to destination. Applying to the clear grade, the No. 1 grade and the factory grade, those are added up showing the gross amount, then less *freight from our flooring plant* to destination so much, then the net amount, then the net per 1,000 feet of each grade, clear, No. 1, and factory. That report is sent in to us by the different members of the Association but all of them don't make the report at all times.

Q. Does that report show each particular sale?

A. No, it just shows—it might show each particular sale, or it might be an aggregate of the sales. The report that we send out to the members doesn't show the details.

Each particular sale is reported in the weekly reports and it may not be reported in the monthly report because this report only applies to the standard grades and lengths, while the other product is not reported. This only refers to the 13/16 x 2¼" face

maple flooring and does not apply to the beech and birch and the other stuff.

Q. Why is it limited to that particular variety?

A. That is the major part of the product. I imagine it represents about 70% of the maple product and the other would be so voluminous it would be almost impossible to compile the stuff in a practical way.

(The monthly report Blank form marked Government Exhibit 45 and received in evidence.)" (Vol. I, pp. 122-3.) See also page 44, *supra*, of this brief.

Of course, neither the destination of any shipment, nor the name of any purchaser is given.

It should also be observed that in the reports above mentioned the *actual* freight, and *not* the amount of freight computed by using the *average* (or Cadillac) rate of freight, is used by the members in arriving at the net amounts received and the averages. (Vol. IV, pp. 572-3, fol. p. 4587.)

All the foregoing monthly reports made by the members to the Secretary pursuant to Section 1 of Article XV *are received by him between the 5th and the 10th of the succeeding month.* (Vol. I, pp. 123-4.) Before going into the matter of what the Secretary does with reports made to him by members, let us take up Section 2 of Article XV.

WEEKLY SALES REPORTS.

(To Secretary.)

The form of reports made by members pursuant to Section 2 of Article XV—weekly sales reports—is shown by Gov. Ex. 44, Vol. III, fol. p. 2852. (Vol. I, p. 122-3.) It will be observed that each member reports every sale of flooring made by him during the previous week, with

the following details: date, quantity, thickness and face, grade, wood, delivered price, *average* freight rate to destination, and rate of commissions paid, if any.

Neither the name of any purchaser, nor the destination of any shipment is shown. (Vol. I, pp. 123, 127, 155-8.)

Only the *average* (or Cadillac) *rates* of freight on the several shipments are given in the *Weekly* Sales Reports to the Secretary. (Vol. I, pp. 123, 127.) And it is impossible to tell even the section of the country to which any of the shipments moved, for the obvious reason that there are points East, North, South and West having the same rates of freight from Cadillac.

The weekly reports above-mentioned are received by the Secretary at Chicago on the following Tuesday or Wednesday. (Vol. I, p. 121.)

REPORTS MADE BY SECRETARY TO MEMBERS.

The reports made by the members to the Secretary are compiled, and *only the aggregates are distributed to the members.* What each member's report (to the Secretary) shows is known only to such member and the Secretary. Access to such reports cannot be had, and the information therein contained is not available to others in any form, except in the regular reports made by the Secretary. (Vol. I, pp. 158, 163, 173, 176, 390, 399.)

WEEKLY SALES REPORTS MADE BY SECRETARY.

The data contained in the weekly sales reports made by the members are tabulated by the Secretary, who makes a weekly sales report. This report is always sent to the members who furnished the data for it—some-

times to all members. (Vol. I, p. 125.) Numerous sales of small lots are lumped in the Secretary's Weekly Sales Reports without showing the prices. (Vol. I, p. 125.) Such reports also include "a summary of what the average prices realized were during that week." (Vol. I, p. 125.)

All this work is done by the Secretary's office force. (Vol. I, p. 125.)

Prior to and including July 19, 1923, the Weekly Sales Reports made by the Secretary disclosed by whom the different sales had been made. This was done by inserting the *numbers* of the Association members (pages 144-5, *supra*) opposite items or groups of items appearing in the Secretary's Weekly Sales Reports. (Vol. I, pp. 156-158.) That practice was abandoned pursuant to a resolution of date July 19, 1923. The resolution is set forth in the margin.[55] In a communication addressed to members, dated August 2, 1923, it is stated:

> "The Association membership numbers which identify the individual members of the Association have been eliminated from all our reports issued since July 19 and are to be eliminated from all reports issued hereafter by the Association so that the information which is consolidated and transmitted to the members from time to time will not disclose to any member or members any of the particulars or intimate details of any other member's business respecting his Stock on Hand, Unfilled Orders, Shipments, Production and New Orders Booked or which

[55] RESOLVED, That in order to meet the special objections of the Department of Justice, the Association's Counsel in conjunction with the Secretary be and are hereby authorized and directed to make such changes and modifications as they may decide upon in the compilation and distribution of statistical data to the membership of the Association. (Vol. IV, p. 812.)

will identify the average prices he realizes or identify as his prices the prices at which he sells any Maple, Beech or Birch Flooring." (Vol. IV, pp. 813-4.)

Both the letter and the spirit of the resolution and the communication have been faithfully followed in the making of subsequent reports. (Vol. I, pp. 156-9, 162-3, 230-1, 390, 399, 123, 125-6, 127, 130, 204.)

Copies of the Secretary's Weekly Sales Report for the week ended July 14, 1923, and for the week ended July 27, 1923, are shown in Vol. III, pp. 390-7, and pp. 398-403, respectively. See also Defts'. Ex. G (Vol. IV, fol. pp. 5337-9) and Defts'. Ex. G-1 (Vol. IV, fol. pp. 5340-2.)

MONTHLY REPORT MADE BY THE SECRETARY.

The monthly reports received from members are combined into *one* report by the Secretary, who makes only one monthly report to members of the defendant Association. (Vol. I, p. 128-132.) See Gov. Ex. 50, Vol. III, fol. pp. 2861-9, which is explained by Mr. George W. Keehn on pages 128-132 of Vol. I. See also Defendants' Exhibits H, H-1 and H-2, Vol. IV, fol. pp. 5343, 5353, and 5362, respectively, and Vol. I, pp. 158-163, where said exhibits are also explained by Mr. George W. Keehn.

Inasmuch as the Secretary's monthly report is merely a combination of the monthly reports received by him from members, it is unnecessary to go into further detail.

There are no identifying numbers used in such report. (Pages 308-9, *supra.*)

The report is not received by members until sometime after the 15th and before the 22nd of the succeeding month. (Vol. IV, fol. pp. 5352, 5361, 5370.)

QUARTERLY REPORTS.

These reports are merely combinations of some or all the data contained in the preceding monthly reports. (Vol. I, pp. 130-1, 160-2.)

THE REPORTS ARE PURELY STATISTICAL, AND ARE UNACCOMPANIED BY ANY ANALYSIS, COMMENT OR RECOMMENDATION WHATSOEVER.

While Mr. George W. Keehn was on the stand the following proceedings were had:

"**The Court:** * * * In other words, your system is not as complete as it used to be?

A. It doesn't show who has any surplus stocks; it doesn't reveal the identity of any manufacturer as to who has surplus stocks.

Mr. Johnston:

Q. In other words, Mr. Keehn, if a member is to ascertain the facts with respect to stocks on hand, prices realized, or other data, individually as to any member, he must obtain that by going directly to the member himself—it is not disclosed by the Association?

A. That is correct.

Q. Whether that member is willing to disclose those facts to the other member is a matter which rests with him entirely?

A. *That is a personal matter between themselves entirely.*

Q. But there is no understanding or agreement in the Association between the members as members of the Association, that such data will be interchanged upon request by any member?

A. *No, sir; we do not exchange any individual data in any form or manner between different members of the Association, or among any of the mem-*

bers of the Association. Whatever information any member may know about individual stock conditions of the other members, the only way he can obtain it is by correspondence direct with the member. *All reports are now sent out without any comments, analysis or interpretation of any kind. We consulted our attorneys about these different matters some time after the Supreme Court handed down this decision in the so-called Memphis case and they advised us as to how the activities of the Association should be conducted and we have strictly followed their advice in every respect. The statements are now sent out simply as statistical data and without comment, analysis or interpretation for each member to analyze and interpret for himself and draw his own conclusions.* A copy of the opinion of our attorney is attached to the minutes of the meeting, January 12, 1922.

(Said minutes marked Defendant's Ex. I and received in evidence.) [Vol. IV, p. 818; Vol. III, pp. 146-152.]

Q. Now, referring to the first paragraph of that conclusion in Mr. Newman's opinion of January 11, 1922, since the organization of the present Association, that of January 1, 1922, have you as Secretary of the Association or has the Association sent out to its members recommendations or forecasts as to the market prices or market conditions?

A. Not as to market prices, but sometimes as to the results of the month's business, as is shown by what the Government calls 'Forecasts.' We explained that in our previous testimony, where certain data is collected regarding stocks, production, new business for twenty days in the month, and then the estimate is made as to what the business may be, the remaining ten days of the month, and that is compared with the totals of the preceding month. But, there have been no individual figures given. That appears in the minutes of the various meetings.

Q. What are those entitled?

A. It is an estimate of how the business for one

month may compare with the business of the preceding month, based upon the data furnished by the members who may report it. If you will pardon me, you will find July 19th, 1923, and that will tell the story.

Q. That is what we want exactly.

A. That is in a previous exhibit; you have that exhibit already in.

Q. That is the one already in?

A. Yes.

The Court: There have been several of those exhibits. As I remember the testimony, it was this. For instance, if a meeting of the Association was to be held on the 25th day of November and the notice was sent out on the 18th day of November, the data accumulated from the reports of members up to the 18th or 15th, whatever the date might be, would be given, and the statement would be made that the indications are that if production holds up during the balance of the month, the month of November will compare with the month of October, or the month of November of last year in the following manner:

A. Not as to last year; just for the preceding month.

The Court: That may be.

Q. That is the matter that you refer to.

A. Yes, sir.

Q. Now since the organization of the present Association has anything else been sent out to the members of this Association?

A. According to my recollection, we make no comments or interpretations, or forecasts regarding the future in the industry, except as outlined here, what we term classification, etc. The reports speak for themselves. I don't know whether you consider the tabulations of statistics according to grades and faces, a classification or not.

Q. Of course the statistics those are the classification?

A. The statistics themselves speak for themselves.

Q. What I am referring to particularly, is, any interpretation matter going along with or at about the same time with the statistics, either weekly or monthly statistics go out?

A. No, sir.

Q. In which you say to the members 'these show so and so' and 'indicate so and so for the future,' anything of that character?

A. No, sir.

Q. Under the present Association?

A. Under the present Association.

The allotment plans previously mentioned related solely to shipments and had nothing whatever to do with production. The classification of statistics contained in Mr. Newman's letter of January 11th, 1922, embraces all the statistics that we sent out." (Vol. I, pp. 163-5.)

For previous testimony as to monthly forecasts, see Vol. I, pp. 124, 163-4.

THERE ARE NO FINES OR PENALTIES FOR FAILURE TO MAKE REPORTS, AND NO AUDITS OF THE BOOKS OF MEMBERS ARE MADE.

That there are no fines or penalties, see Vol. I, pp. 121, 161, 389.

That no audits have been made since the organization of the present Association, see Vol. II, p. 861.

THE STATISTICS COLLECTED BY THE ASSOCIATION HAVE BEEN GIVEN THE WIDEST PUBLICITY, AND ARE ACCESSIBLE TO WHOEVER MAY ASK FOR THEM. AT THE HEARING, THE DEFENDANT ASSOCIATION OFFERED TO PAY FOR THE PUBLICATION OF ALL REPORTS BY ANY TRADE NEWSPAPER THE COURT MIGHT DESIGNATE.

That the statistics above mentioned are regularly sent to the Department of Commerce and to the Federal Reserve Bank at Chicago, see Vol. I, pp. 165-67; 167-69.

TRADE PAPERS.

Mr. George W. Keehn also testified:

"Q. Now in addition to the Bureau of the Census and the Federal Reserve Bank to what other source has your data been going and since what time?

A. After we returned from Washington we took this matter up at the meeting of the Association, and they instructed me to follow the advice of our attorneys and give to the lumber trade papers such data as might be useful to the public and might be desired by the public, and we took as the foundation of the data which we gave to the lumber trade papers, the statistical data which the Department of Commerce, Bureau of the Census, elected to use, feeling that inasmuch as the Department of Commerce, Bureau of the Census, is functioning for the benefit of the public, that whatever it thought was adequate for the public to have, should be satisfactory; so we simply followed that outline, except that we have gone further and we give them, the lumber trade papers, reports of average prices realized each week, beginning on May 18th, 1922. We wrote a letter to the various lumber trade papers, and here is a sample of the letter:

'American Lumberman, Manhattan Building, Chicago, Illinois.

The Maple Flooring Manufacturers Association gathers the following statistics relating to basic conditions in the industry:

1. Total stocks on hand at the end of each month.

2. Total unfilled orders at the end of each month.

3. Total shipments during each month.

4. Total production during each month.

5. Total new orders booked during each month.

6. Average prices realized F. O. B. cars at Michigan and Wisconsin flooring mills during each month for 13-16 x 2¼" Face Clear, No. 1, and Factory Maple Flooring.

These statistics are portrayed in the form of a barometer, and are filed with Department of Commerce, Bureau of the Census, Washington, D. C., and believing that you may wish to publish them for the information of the public, we shall be glad to send them to you regularly about the middle of the month. We are enclosing the barometer for the month of April, 1922. Yours very truly, Maple Flooring Manufacturers Association, George W. Keehn, Secretary.'

Q. To what other trade papers did you send that communication?

A. Here is a mailing list of this statistical data.

Q. Yes, read it.

'Department of Commerce, Bureau of the Census, Washington, D. C. Federal Reserve Bank of Chicago. Statistical Department, Chicago. American Lumberman, Manhattan Building, Chicago.

They recently requested data regarding the Maple Flooring Industry and we sent it to them. They said they would like to have the information a little in advance of when they might need it for publishing in the lumber trade papers, as a survey of current

business. We mail it out, however, all at the same time to everybody.

'Lumber,' St. Louis, Missouri;

Chicago Journal of Commerce, Chicago;

Hardwood Record, Chicago;

Lumber World Review, Chicago;

Lumber and Veneer Consumer, Chicago;

Southern Lumberman, Nashville, Tenn.;

National Lumber Manufacturers Association, Washington;

S. W. Strauss and Company, Chicago.'

We also send them weekly reports in this form: Maple Flooring Manufacturers Association. Maple Flooring Wholesale prices. Sales by Michigan-Wisconsin Flooring Mills 13/16 x 2¼" maple flooring, average values F. O. B. cars flooring mills during the week ended so and so.

We give clear, Number 1 and Factory, and that is published in the lumber trade papers, the Chicago Journal of Commerce and others. We also send them from time to time quarterly reports showing statistical conditions, and semi-annual reports.

We send only a summary of the weekly reports to the publications above mentioned. We have never refused to furnish any data requested by the trade papers or any one else. The trade papers published the statistics we sent them. The trade papers above mentioned are generally recognized trade publications, having a very wide circulation, and I presume they are taken by every one in the lumber trade and by buyers of lumber products. About 90 or 95 per cent of all the flooring produced by members of the Association is sold through retail and wholesale lumber dealers who take the trade journals above mentioned." (Vol. I, pp. 169-171.)

OFFER TO PAY FOR PUBLICATION.

Mr. George W. Keehn also testified as follows:

"Q. *I will ask you now whether there is the slightest objection on your part or the members of this Association to the widest distribution of all of the data sent to members, to any source that is willing to receive it?*

A. *No objections whatever.*

Q. *Are you and have you been perfectly willing that the trade papers should publish every statistical report, weekly, monthly, quarterly, semi-annually, or annually or whatever it may be that your association puts out?*

A. *We are willing to have them do so.*

Q. You have furnished them with everything that they would publish, they were willing to publish as news?

A. *We furnish them the same material that the Department of Commerce, Bureau of the Census elected to publish in the survey of current business and we have told them about this other statistical data but none of them have ever asked for it. We frequently send them quarterly reports and things like that—every week now and have been for some time, the average prices realized.*

Q. From the sales from the weekly sales reports?

A. From the weekly sales report.

Q. Have you and have you had any objection to the full publication of everything which your office sends out to the members in these weekly or monthly publications or in any other source that will provide distribution of that data?

A. We have no objection so far as I know either on my part or on the part of any of the members of the Association, we have had this up several times at Association meetings. They have always told me

to give the Lumber Trade Papers whatever information they wanted, to give the Department of Commerce, Bureau of the Census whatever information they wanted. We have certainly filed volumes of this stuff with the Federal Trade Commission and the Department of Justice at different times.

Q. *I am talking now particularly of the distribution of these statistics through publications which will reach the public generally or at least that portion of the public which subscribes to and reads the trade papers.*

A. *Yes, we would be willing to do that. As far as that is concerned, if it should be thought that more of our statistical data should be published we would be willing to have it published in any trade paper which the Court might select, like the American Lumberman, and we would pay for it as an advertisement if the publication is not willing to accept it as news items.*

Q. In other words, the publications are not interested in a great deal of this data?

A. It is too voluminous, it is too inconsequential. For instance, see how much space it would take to publish our weekly sales reports and all of these statistical reports, it would take about as many pages of the American Lumberman, as our reports consist of, ten or twelve pages sometimes.

Q. But they do publish and have been for some time publishing or averaging those?

A. They publish the Barometer and they publish the stock conditions from time to time. You will find that in the American Lumberman and other papers and they also publish the prices which we send them not only in the lumber-trade papers, *we also send them to the Chicago Journal of Commerce which is a financial paper published in Chicago.*" (Vol. II, pp. 787-8.)

ASSOCIATION MEMBERS DEAL ALMOST EXCLUSIVELY WITH WHOLESALE AND RETAIL LUMBER DEALERS, WHO ARE EXPERT AND WELL-INFORMED BUYERS AND IN CONSTANT CONTACT WITH BOTH MEMBERS AND NONMEMBERS. THEY ALSO TAKE THE TRADE PAPERS THAT PUBLISH THE STATISTICS FURNISHED BY THE ASSOCIATION AND MUCH OTHER INFORMATION CONCERNING PRICES AND MARKET CONDITIONS.

Besides the testimony of Mr. George W. Keehn on page 316, *supra*, see the testimony of Mr. Hodges on pages 45-46, *supra*. Likewise, the correspondence on pages 148-157, *supra*, and the testimony on pages 121-143, *supra*.

Dealers in flooring circularize both members and nonmembers, work one against the other, offer to buy at certain figures, and are in contact with contractors and consumers. They are in a better relative position than are manufacturers, who cannot circularize dealers in order to find out what they will pay for flooring, and who have no direct contact with contractors and consumers.

The foregoing facts and the publication of Association statistics by numerous trade papers, demonstrate that Association members have no advantage over wholesale and retail lumber dealers.

THE STATISTICS ARE ONLY ONE OF MANY SOURCES OF INFORMATION POSSESSED BY MEMBERS.

Members are in daily contact with buyers, who are "continually * * * telling us what other manufacturers are getting for their product." (Vol. I, p. 211); the members also get information from customers as to competition of other woods. "Hardly a day goes by that we don't get information from our trade as to what we have got to do to meet competition." (Vol. I, pp. 211-2.)

Mr. Hodges testified that he had representatives in Boston, New York and Philadelphia—where he markets most of his flooring—who kept him informed as to prices and market conditions there by means of the telephone and correspondence. (Vol. I, p. 291.) See also the correspondence between Mr. Hodges and others set forth on pages 153-155, *supra*.

Mr. Klesner testified that representatives informed him of prices, of competition, and that he allowed them a leeway of $2.00 per thousand feet in order to meet competition. (Vol. I, p. 335.)

See pages 148-153, *supra*, for specimens of correspondence between the defendant West Michigan Flooring Co. and others. Mr. Greene of that company testified that he was "continually hearing from wholesalers, representatives and other persons with respect to market conditions." (Vol. I, p. 383.) Mr. Greene also testified that he subscribed for the Babson statistical service in an endeavor to anticipate general business conditions, but "I don't know as I get very far with it." (Vol. I, pp. 385-6.)

Mr. James E. Dewey testified as follows:

> "I testified before that we had special representatives all over the United States. We keep in very close touch with them concerning market conditions in their respective territories. We send out a weekly statement giving our stock conditions, orders on hand, surplus items, and usually accompany the same with a letter. Our representatives answer the letter and usually give some idea of what the conditions are in their markets. We hear from our representatives regularly about once a week. *In a great many instances they advise us what flooring is being offered at by other concerns, so far as they are able to ascertain, and of course if our prices are high they usually notify us. The price lists we send*

out are ironclad. In some instances we make concessions on certain items in this weekly statement. In others our representatives notify us that our price on a certain item would be high and we would advise them to meet competition. The concessions that we give from our price lists would be on surplus items that we desire to move so as to keep our stock well balanced. Changes in our price lists or the sending out of new price lists depend upon market conditions. Price lists are sent out practically once a month, but at no fixed times. Market changes determine when they are sent out." (Vol. I, pp. 394-5.)

See pages 135-143, *supra*, for copies of letters that passed between Mr. Dewey and Mr. Phisterer of Philadelphia.

Mr. Dewey also testified that he took "the Babson Service, Brookmeier's [Brookmire's] and Whaley & Eaton's" as well as several trade papers. (Vol. I, p. 397.)

Mr. McLurg kept in touch with competitive conditions through his travelling salesmen. (Vol. I, p. 229.)

Mr. Shepeck testified:

"A. We have four representatives in the State of Wisconsin, and we have a man at Minneapolis, and a man at Chicago, and we get information from them all the time. We also keep very close track of building reports, as to the amount of building that is going on.

Q. Is that through the Dodge Service?

A. Yes, sir; Dodge Service and the Improved Bulletin of Minneapolis, we use that a great deal.

Q. And Lumber and Trade papers?

A. Yes, sir; and newspaper information." (Vol. I, p. 260.)

He also testified that he had the information as to what the prices of competitors were before he received the Weekly Sales Reports from Mr. George W. Keehn. For proof of this assertion, see pages 155-157, *supra*, where copies of the letters are set forth.

Mr. Ralston testified that Horner had personal representatives in all the large centers; that he was in daily contact with them, and that by that means and by visiting all such centers at least once or twice a year he was kept informed as to market conditions, especially as to prices. (Vol. I, pp. 319, 324, 326.)

USE MADE OF STATISTICS BY MEMBERS AND IMPORTANCE ATTACHED TO THEM.

Mr. James E. Dewey testified as follows:

"I analyze the statistics that are furnished us from time to time by the Secretary of the Association so as to get as intelligent an idea as possible of the conditions of the industry. These statistics throw a great deal of light on that subject. I use the statistics in the same way as I use other information regarding general conditions. I prefer light rather than darkness so far as business conditions and the conditions of the industry are concerned. We also take the Babson Service, Brookmeier's [Brookmire's] and Whaley & Eaton's, as well as several of the trade journals. We find that all of them are helpful. *We do not regard the statistics sent out by the Association as conclusive. We consider them, of course, but our own conditions are after all the controlling factor.*

The most important thing to me in the weekly sales reports issued by the Secretary is the quantity that is moved, that is, *the quantity of the different sizes and grades, and the total quantity. That is the important thing. I never considered that the prices shown in the weekly sales report were important because they are from a week to four weeks old;* that

is, *they are based on quotations from a week to four weeks old, and I get information with respect to prices from my own connections before I get it from the weekly sales reports. We get information with respect to prices from different parts of the country from our representatives by letter or telegram.*

The weekly sales reports are based on quotations from a week to four weeks old. For instance, if a quotation were made yesterday to a prospective buyer on the Pacific Coast, it may be two weeks before an order is received, if at all. Then the report of that would not go in until the following Monday. The members of the Association would not get it until the last of that week, so that the sale contained in the report would be based upon a quotation made practically four weeks before.

The reports would be of much *greater value if they covered all manufacturers in the United States.* I have no definite knowledge, but I should say that the members of the present defendant Association manufacture beween 50 and 60% of the total production of maple, beech and birch flooring in the United States.

Q. In the practical conduct of your business, would the mere fact that in one of these weekly sales reports there were certain sales made by some manufacturer, a member of the Association, at prices higher than you had been getting, necessarily and of itself result in your raising your prices?

A. From one manufacturer?

Q. Yes.

A. No, that would not affect me at all.

Q. But say there were several sales?

A. Well, as a rule those prices fluctuate, so that there are as many above me as below me.

Q. I beg your pardon.

A. I say, as a rule the prices fluctuate so that there are as many above me as there are below me.

You are talking about an ideal situation that would not exist.

Q. That does not exist in practical business?

A. It would not exist, no.

In determining what prices we shall charge, *our condition would govern almost entirely. I mean my stock conditions, my orders on hand.* We have a very large output, practically fourteen million feet a year and we have difficulty in keeping that sold. *It is of a great deal more importance to me to have my plant produce to full capacity at all times than it is to raise my prices every time it is possible to do so. We would lose a great deal more money if our plant were compelled to curtail its output than we would by failing to get the top of the market at all times.*

Q. *Has it been your observation that merely because during one week some manufacturers get higher prices, than you do, that that means permanently higher prices, or would conditions fluctuate?*

A. *They fluctuate, of course.*

Q. One week they might be higher and one week lower, and it would be sometime before it could be determined whether the market would be at a higher or a lower level, would it not?

A. As I say, we usually have that information long before it is reflected in those weekly reports.

The weekly sales reports received from the Secretary do not give any identifying numbers of the members making the sales. The fact that a sale is made on a BD or any other rate would not give me any information as to who made the sale or where the shipment went to. We have no means of knowing or finding out who made the sale or where the shipment went to. The Secretary of the Association does not divulge any information as to who makes the sales or where the shipment went to. We cannot tell where the shipment went to because the rate stated in the report might apply to points in any direction.

There are many different points with the same rate or with the same average rate of freight." (Vol. I, pp. 397-9.)

And again:

"In determining our prices on flooring, the first consideration is our costs and then we are governed entirely by market conditions, supply and demand—competition. We fix our prices according to our own discretion without regard to any rules or data furnished by the Association. When we can't sell above cost or at cost, we naturally curtail our operations. We purchase about 50% of our rough lumber from outside sources and naturally if conditions are such that prices for flooring are below cost, we no longer purchase rough lumber from others but run just enough to use up rough lumber of our own production. We have had to do this at various times. Our own situation determines this entirely. We have acted alone in this matter. I know of no agreement with any other person, firm or corporation whereby our production was to be curtailed or limited." (Vol. I, p. 395.)

Mr. J. L. Colby, sales manager for the defendant Cummer-Diggins Co., testified he and the general manager who looked after production always had a conference before making any general change in that company's prices for flooring. (Vol. I, p. 210.) Also that the factors they considered—and the order of their importance—were *first*, "the amount of stock that we have on hand unsold in our warehouse of each particular item of flooring"; *second*, ability to produce certain sizes and grades during the next few months; *third*, the amount of orders coming in, and the attitude of buyers towards existing prices; *fourth*, miscellaneous information concerning market conditions, including the statistical reports distributed by the defendant Association. (Vol. I, pp. 210-212.) See also Vol. I, pp. 215-6.

Mr. Colby also testified as follows:

"I don't want to give any one the impression that we don't pay any attention to the statistics distributed by the Association. I do want to state that the statistics are *not* the *primary* consideration with us. *If they fit in with what we think is the market and with what we think and what we know is our individual stock condition and our own situation with regard to customers, then we give them consideration.* The Cummer-Diggins Company and the partnership that preceded it have been in business for a great many years. They have many customers who have been with them for a great many years and who look to them for their principal source of supply. As a matter of fact, our production of different grades differs from the production of other manufacturers, I think we manufacture more of certain widths. For instance, we manufacture more three and a quarter inch flooring than many other manufacturers do. *We are more concerned with our own supply and ability to produce and with the demand of our own customers than with the supply of some other manufacturer, because we are in such position we can at any time turn this lumber or a large part of the lumber into the market and sell it instead of manufacturing it into flooring.* At times we can make more money by selling the rough lumber than we can by manufacturing it into flooring." (Vol. I, pp. 221-2.)

Mr. Percy S. McLurg testified as follows:

"In determining at what price we shall sell our flooring, we keep in touch with the market principally through our travelling salesman. We also take into consideration the statistics that we get from the Flooring Association and also watch the price reports. The matter of price is governed a great deal by our stock on hand. In the territory that we work there is a big demand for 1½" flooring. The Michigan manufacturers don't have that trade. We are usually oversold on the narrow face, whereas the Michigan manufactures are usually long on it. We have to take that into consideration in making our prices. We very often have to buy narrow face

flooring from other manufacturers in order to take care of our trade. I do not consider that my discretion is in any wise limited in the matter of determining what prices I shall charge for our products. I am not now a party to any understanding or agreement with respect to maintaining any prices for maple, beech or birch flooring and I have never been a party to any such understanding or agreement since the organization of the present defendant Association." (Vol. I, p. 227.)

Mr. McLurg also testified that in fixing prices he relied more on the reports received from his travelling salesmen than he did upon the statistics, for the reason that "we have so much outside competition." (Vol. I, pp. 230-1.) Also:

"In the sale of flooring, we come in competition with the manufacturers in the Northern Peninsula of Michigan and Wisconsin, both members of the Association and nonmembers. The nonmembers in that territory are R. Connor Company, Marshfield, Wisconsin, Robbins Flooring Company, Rhinelander, Wisconsin, and Sawyer-Goodman Company, Marinette, Wisconsin. The R. Connor Company is about 86 miles from Phillips, Wisconsin, and is one of our strongest competitors because it is in the same line of trade that we are. It manufactures lumber in large quantities and sells maple flooring to the small retailer, just as we do. The R. Connor Company also own considerable stumpage." (Vol. I, p. 227.)

Mr. Greene testified that in fixing his prices he considered the statistics and the information obtained as to market conditions from his correspondents. Also:

"A. They are valuable to me, as I just stated, the weekly sales report, the weekly sales report of completed transactions, I use them as one factor in arriving at the prices that I should ask for my product, or try to obtain for it, *and the stock conditions reports are particularly interesting and valuable to me in enabling me to determine or outline a policy of manufacture somewhat in advance of actual oper-*

ation as to the quality of flooring that I shall aim to produce in the largest quantity to take care of the particular trade at the time when that trade demands that particular kind of flooring.

Q. Illustrate what you mean by that.

A. It is generally understood in the manufacture of maple flooring, that in the process of manufacture all three of the grades, Clear, No. 1 and Factory are produced at the same time. *It is also true, however, that a manufacturer can manipulate his rough lumber by putting through certain qualities of rough lumber into his plant to produce the largest percentage of any one grade at any given time.*

Q. What will produce the largest percentage of Clear and No. 1?

A. Well the quality that would run largely to No. 1 common and No. 2 common, particularly No. 1 common.

Q. What will produce the largest percentage of Factory?

A. I would put in my plant 3-A and possibly straight and 3-A and B combined. *I am producing that at the present time. I realize from analyzing those statistics and from other sources of information that there is a great demand for factory flooring right now, and I fully realize most of the manufacturers are loaded up with orders on it, and I am putting through my plant stock No. 3-A and B which I know will produce from experience anywhere from forty to sixty percent of my total grade will represent factory.* On the other hand, if I put through certain stock which I have purchased from the Louis Sands Lumber Company, which is Michigan southern maple, very high grade, running about seventy percent No. 1 Common, thirty percent No. 2, I know that particular lot of lumber when manufactured into flooring, would produce not to exceed fifteen to eighteen factory, the balance 82, 85 No. 1, Clear, therefore I avoid as much as possible the accumulation in my warehouse of Clear and No. 1 during the time this demand for factory is on. *That is one of*

the principal benefits that I receive from those stock reports, stock conditions or stocks on hand, unfilled orders and so forth, and I consider that very valuable to me, for the reason that as a manufacturer who purchases his rough lumber on the open market it is necessary for me to purchase rather large quantities at the present time, in advance of information, and sometimes I am able to manipulate this stock from time to time to suit the market conditions and may be able to turn it over quickly and get away from the congestion in the warehouse.

The Court: Do you not regard that part of the report which deals with unfilled orders of considerable importance?

A. Unfilled orders; all those statistics are taken into consideration, your Honor.

Q. The unfilled orders—what feature in the report gives you an idea of what is short and so you can manipulate your rough lumber and manufacture the grade particularly in the greatest demand, that is the unfilled orders?

A. I know from looking over this report the amount of stock on hand, the amount of business booked against them, I know what unit they had oversold or undersold as the case may be.

Q. What do you do in case it is over sold or under sold?

A. I try to produce the over-sold and produce less that is under-sold.

Q. And that in your opinion is the most valuable of the statistics so far as you yourself are concerned?

A. *That is the most valuable to me so far as I am concerned, yes, sir.*" (Vol. I, pp. 386-7.)

Mr. Greene also testified that he did not receive the Weekly Sales Reports from the Secretary until Thursday of the following week, and that the price information contained therein was stale by then. (Vol. I, p. 389.)

For similar testimony by Mr. DeWitt, see Vol. I, pp. 238-9. Mr. DeWitt also testified:

"A. Well one of the big advantages is the statistical reports that we get; it enables us to find out what the market is doing, and as I testified before on that, then we can put the proper grade of lumber into our mills to produce the grade of flooring that is demanded by the market, and it is not only an advantage to the manufacturers, but it is also an advantage to the consumer. *If we did not do that there would be times when there would be a great shortage of some particular kind of flooring, naturally the price of that would be high and the consumer would suffer, but from the fact that we have that information it gives us a chance to keep our stock pretty well balanced with the requirements of the market;* also that same report gives us the prices being obtained by other members of the association, although that information is generally about two weeks old when we get it, it is valuable to us." (Vol. I, p. 252.)

Mr. Shepeck testified as follows:

"The statistics issued by the Association are a big benefit to us. The information that we gather from these statistics as to stocks on hand, production, new orders booked, also the weekly sales reports, are of considerable benefit to us. They enable us to form an opinion as to what the conditions are and assist us in intelligently handling our flooring business.

Q. How do you handle your flooring business, whether you consider present prices or future prices, or both?

A. We are concerned with both.

We try to figure out what conditions are going to be for thirty or sixty days ahead, because flooring prices in our experience, have fluctuated very fast and to a very large amount, and we have gone through some years when we felt we should get so much money for our stock and we would hold it instead of cutting two dollars, and inside of thirty days we would cut ten, and we are trying not to have that recur if we can. We had that happen

thirty days ago, to give an example, with factory flooring; we were asking, I think, $51.00 at Wells for factory flooring and were piling it up. We went out and took two or three big orders one day from one of the members of the Association at $6.00, I think, under that price. We felt that inside of thirty or sixty days factory flooring would be selling for $40.00, and we would rather cut five or six dollars then, than to cut ten or fifteen dollars in thirty days, based on the sales report. We took one large order from California at a cut of $4.50 from that price, but that did not make us feel bad because we were satisfied with the price obtained.

Q. Because you thought the future condition would make the price of flooring lower still?

A. Yes, sir.

Q. Those statistics set forth in the weekly reports and other reports made by the Secretary do enable you then to form an opinion based upon a certain amount of facts which are gathered as to what future conditions may be?

A. Yes, sir.

Q. And it gives you a good idea of what present conditions are?

A. *The volume of the sales is really more interesting to us, I think, than the prices.*

Q. *Why is that so?*

A. *The information we get from the sales reports as to prices is a little too old to do us much good; we generally have it beforehand.*" (Vol. I, p. 264.)

Mr. Hodges, of Tupper Lake, New York, testified as follows:

"I think the statistics that are furnished our Company by the Secretary of the Maple Flooring Manufacturers Association are very valuable.

A. The weekly reports are valuable as showing a trend of the market, whether the prices are going

up or going down, and another valuable feature is the amount of sales, that enable us to know approximately how much of each grade for instance has been sold within a certain time.

Q. Do you regard the prices there more or less important than the statistics with regard to volume?

A. I think the statistics in respect to volume are fully as valuable as the price statistics, because oftentimes it does not matter to me what somebody in Michigan is getting in prices; if I know my competitor who lives eleven miles from me is getting two dollars less than my figures show, that would influence me more than what I might see in the sales reports.

The Court: And in that same connection I take it that the competition which you meet from your locality, and when I say locality I mean that part of the country, is more potent than the competition which you meet from Wisconsin or Michigan.

A. Yes, sir, because—

The Court: That is because of the freight rates, isn't it, and the difference?

A. Yes, and because those people are—their customers in many instances are my customers. They live in the same territory and they ship to the same points.

Q. Well how old are these statistics when they are received by you.

A. Well usually about ten days or two weeks.

Q. And I believe you say you kept in constant touch with respect to prices, etc., in Boston, New York and Philadelphia, by means of correspondence and telephone?

A. We have representatives in all those markets that keep us informed constantly by phone and letters.

Q. You say they are about two weeks old when you get them?

A. Ten days to two weeks. They are sent in for instance Saturday and Mr. Keehn compiled them and they are sent out along the middle of the week something or in there; usually about ten days or two weeks after the transactions." (Vol. I, p. 291.)

Also:

"A. Well we are in daily correspondence with the big jobbers down there and we get information from them and very often as to what others are quoting. If our prices are too high they don't hesitate to tell us so, and tell us why we can't get the business, and whenever I go down there why I go to see them and talk these matters over with them, and they usually show their cards on the table and tell me what prices I have got to meet in order to get certain business. That is the way I go at it usually." (Vol. I, p. 289.)

With respect to the matter of prices Mr. Hodges gave an answer, which cannot fail to impress anyone on account of the ability and frankness which it evidences:

"Q. Now do you regard the information contained in these reports sent out by the Secretary of the Association as of major importance or as controlling in what you shall do with respect to your own prices or production?

A. No, sir.

Q. What do you regard them as?

A. Well I think the most potent factor is the condition of my stock at the time.

Q. Do you regard the statistical information as one factor, if you don't regard it as of controlling importance? I would assume then you would regard it is one of many factors.

A. Yes, sir.

Q. In looking over those sales reports what would you take into consideration, *what else would you take into consideration in determining what your own prices would be?*

A. *Well, in the first place I think I would take into consideration the economic situation, that is, the general trend of the market, whether it was up or down, and then I would take into consideration my own particular stock conditions. If I had a surplus of some one item and wanted it moved, why I would be apt to make a lower price, particularly if I saw that some one else was making a lower price on that same item. On the other hand, if the general trend of the market was upwards and I had no accumulation of that stock and I saw somebody was getting more money than I was, it may tend to influence me to raise my prices.*

I would also consider my own budget at that time, our plan of operation of the flooring department, whether we were running nights and days or days only or expected to shut down for repairs or anything like that. I would also consider the labor conditions at our plant and our plan of operations for our logging department, political conditions, etc. The mere fact that someone else was charging higher prices or lower prices than I had been would not automatically cause me to lower or increase my prices. I would consider my own stock and the other conditions above mentioned. The fact that someone else was charging higher or lower prices than I was would be considered as one factor and would be given consideration by me." (Vol. I, pp. 292-3.)

Mr. Ralston testified that the statistics were not so valuable as they might be, *for the reason that there were so many nonmember manufacturers.* (Vol. I, p. 324.) With respect to the *prices* shown in the Weekly Sales Reports he testified he did not think they were *"of much value, and I never considered them; in fact, some weeks I never even bothered to look them over or check them up."* (Vol. I, p. 324.) Also that the figures with respect to production, stocks on hand, etc., were more important, because he had the information as to prices from his representatives before he received the Weekly Sales Reports. (Vol. I, pp. 326-7.)

He also testified as follows:

"Q. State whether or not in the conduct of the flooring business, quotations may be made, especially to distant points and the order will not be accepted, or a contract come definitely into existence until maybe a month or two or three weeks after that.

A. That is very often the case. We make a price that goes to, perhaps, a contractor that is just bidding on a job, putting in his figures, and it may be a month, before it is closed. You may say that you will hold that price open for thirty days or such time as he knows he is awarded the contract?

Q. You say that is quite usual?

A. It is so far as we are concerned. I know it has happened a great many times, with us. I can't say as to others.

Q. So if a sale were reported as being made, we will say on December second, it might reflect prices thirty days or six weeks before?

A. Absolutely, in many cases I think it would.

Q. In that respect, the statistics were not so good as they might be?

A. No." (Vol. I, p. 326.)

For the other factors Mr. Ralston took into consideration when making his prices, see Vol. I, p. 327.

As to how members fixed prices; that there was no agreement as to prices, that they never regarded any data distributed by the present Association as in any wise limiting their discretion; that they ran their respective businesses just as they pleased, etc., etc., see Vol. I, pp. 198-201, 211-2, 213, 222, 227, 229, 230-1, 237-8, 243-4, 238, 259, 263-4, 268-285, 288, 290, 292, 303-318, 322, 326-7, 335, 385, 388-9, 389.

And the testimony of *buyers* that individual stock conditions of members control in the making of prices (page 73, *supra*) corroborates the testimony of members.

IX.

A comparison of the prices obtained by members with the Average Costs (prepared by the present Association) and with the Tables of Values (issued by the Association immediately preceding) conclusively demonstrates not only that the Government's charge that there was a uniformity of prices is not true, but that neither the Average Costs nor the Tables of Values were used by members, either as minimum prices, or as a basis for determining individual prices.

It will be recalled that the Government charged that both before and after the organization of the present Association on March 29, 1922, the defendants by means of surveys of costs determined minimum prices or so-called "average costs" and recommended that the defendant corporations should not sell flooring at prices below said minimum prices or below the so-called "average costs." That the defendants accepted and acted upon said recommendations "and have concertedly established and maintained as the basis of their individual selling prices, the minimum prices or so-called average costs"; that by issuing the freight rate books, which contained average costs, delivered cost charts, freight rates, etc., and charging freight from Cadillac, Michigan, regardless of the point from which flooring was shipped, *and by maintaining uniform rules with respect to commissions*, terms of sale, etc., the defendants "have always maintained, and they still maintain, a practical uniformity between themselves" of "*net delivered* prices" and "net f. o. b. selling prices." (Vol. I, pp. 6-7.)

During the hearing of the cause a great many of the Weekly Sales Reports issued by the defendant Association, and its predecessors, were introduced in evidence

by the Government. On the last day of the hearing the Government also introduced in evidence a series of compilations which purported to be based upon said Weekly Sales Reports for the years 1920-1922 inclusive and the first six months of 1923. (Gov. Ex. 79, Vol. IV, pp. 583-796; Vol. II, pp. 847-859.)

The Government's witness, Mr. Lewis, testified that he and others had gone over all (with a few exceptions) the Weekly Sales Reports above mentioned and had compiled therefrom three statements which contained all reported sales of 13/16" x 2¼" Clear, No. 1 and Factory maple flooring.

The witness testified that the Weekly Sales Reports showed the date of the several sales, the quantity, the size, grade and wood—maple, beech or birch—the delivered price, *average* rate of freight, and the commissions, if any. He stated that he had computed the amount of freight by using the *average* freight rate; and that by deducting from each delivered price the amount of freight and *the commissions*, if any, he had thereby arrived at the *"Net Factory Price."* (See Vol. III, pp. 372, 390 for specimens of Weekly Sales Reports, and Vol. IV, p. 583, for specimen page of Mr. Lewis' compilations.) Having thus arrived at the *"Net Factory Prices,"* Mr. Lewis began a series of comparisons of the Average Costs with the *net factory prices* for the 13/16" x 2¼" Clear, No. 1 and Factory maple flooring (or 70 per cent of the flooring output of Association members), but he was able to complete the comparisons for the 13/16" x 2¼" Clear grade only, or but 35 per cent of the output. (See page 44, *supra.*)

But in making the comparisons, for the purpose of arriving at the percentages of flooring which were sold

below, at or *above* the average cost, respectively, Mr. Lewis did not use the *"Net Factory Prices."* He deducted the *average* freight from the delivered prices, but *did not deduct the commissions.* (Vol. II, p. 851.) In other words, after deducting both the average freight and the commissions in order to arrive at the "Net Factory Prices," he added to the "Net Factory Prices" the commissions for the purpose of obtaining "Net Factory Prices" to compare with the Average Costs! These comparisons will be found on pages 583, 586, 589, 591, 593, 595, 597, 599, 601, 603, 605, 607, 609, 612, 614, 617, *et seq.*, Vol. IV. They purport to be based upon the data immediately following each of the pages above mentioned.

At the hearing there was much loose talk by counsel (including counsel for defendants) and the Court as to whether the commissions should or should not be deducted. (Vol. II, pp. 850-859.)

Of the data above mentioned only those which deal with Weekly Sales Reports dated November 19, 1921, to June 30, 1923, inclusive, have been printed.

Before discussing the data, we must first determine whether in arriving at the "Net Factory Prices" the commissions allowed (as well as the average freight) shall or shall not be deducted from the delivered prices.

During the hearing the following colloquy occurred:

> **"Mr. Thompson:** In other words, it seemed to us the theory was that the commission was practically absorbed as a part of the selling expense.
>
> **The Court:** I don't know that it makes very much difference except in this: that in any event it is against the Government. This method of computation [failure to deduct the commissions] is against the Government.

Mr. Johnston: On one theory, but in their favor on another. It is against them on the theory of the Minimum Price, but it is in their favor on the theory of variation, because the prices show greater variation if you take off the commissions.

Mr. Fowler: *We are not insisting on uniformity.*

Mr. Johnston: Well, you couldn't on those figures.

The Court: Let us proceed." (Vol. II, p. 857.)

The District Court was of the opinion that the commissions should be deducted. Also that if the minimum price plans permitted members to allow a commission not exceeding $2.00 per M. feet the correct minimum price was really $2.00 less than the formal minimum price.

However, the compilations and the comparisons appearing in the printed record begin with *the week ended November 19, 1921.* And long before that date both the minimum price plan and the minimum price basis had been formally annulled. The latter was abandoned on *February 4,* 1921, immediately after receipt of Mr. Nebeker's opinion that it was unlawful. (Vol. IV, pp. 799-807; Vol. I, pp. 148-9.) The last minimum price plan passed out of existence on February 12, *1920.* (Vol. IV, p. 529; Vol. I, pp. 144-6.) Hence in determining whether the commissions should be deducted in order to arrive at the "Net Factory Prices," as well as in determining with what such prices shall be compared, neither the minimum price plan nor the minimum price basis can be logically considered.

Naturally the Articles of Association in force during the latter part of 1921, and the subsequent articles should be examined.

The Articles of Association in force during 1921 were those dated July 1, 1919, which were to have continued in force until July 1, 1922, but which were abandoned and discontinued on December 31, 1921. (Vol. I, pp. 143-146; Vol. III, pp. 37-44.)

The Articles of July 1, 1919, throw no light on the inquiry. Recourse must therefore be had to the evidence as to the practices that obtained during the latter part of 1921.

As shown on page 109, *supra,* there appeared in one of the Freight Rate Books during 1921 a statement that a commission not exceeding $2.00 per M. feet might be allowed. But that statement is dated *January 6, 1921.* (Vol. III, fol. p. 695.) And the Minimum Price Basis is also dated *January 6, 1921.* (Vol. III, p. 92.) And the statement in the freight rate book is a copy of a part of Article VI of the Minimum Price Basis. (Vol. III, p. 94.) Manifestly, when the Minimum Price Basis was annulled on February 4, 1921 (page 339, *supra*), the foregoing rule with respect to commissions was annulled.

Furthermore, the undisputed evidence shows that commissions always varied, and that each member did as he pleased in selling his flooring. (Pages 109-112, *supra.*)

It therefore seems to us that for the year 1921 what Mr. Lewis calls "Average Cost" should be compared with the delivered prices, less average freight, less commissions allowed.

In other words, the "net factory prices," or what the *seller received,* should be compared with the so-called "Average Cost."

The same method should be followed in making comparisons for the period beginning January 1, 1922, and ending March 29, 1922, (the date of the organization of the present Association) inasmuch as statistical activities were continued during that period.

As heretofore explained, the present Association has never had any rules or issued any data with respect to commissions. (Pages 109-112, *supra.*) The Surveys of Costs of the present Association differ from the Surveys of Costs made by previous Associations.

The elements contained in the present average costs have been justified item by item on pages 244-280, *supra.* As there pointed out the Government offered no proof that the test runs were not honestly and fairly conducted, or that the prices of the rough lumber were not accurate, or that the average manufacturing and marketing costs were not accurately ascertained. The defendants' proof as to the accuracy of all these data was undisputed.

Other than the mere fact such data were distributed to the members, there is no proof whatsoever that there were any recommendations as to prices during the existence of the present Association. The proof is undisputed that each member is free to do just as he pleases. Besides advertising and protecting and guaranteeing the quality of the flooring sold by members, the present Association's work is purely statistical.

It therefore follows that the *average costs* of the present Association must be accepted as accurate; and that the average costs must be compared with the "Net Factory Prices," which must be ascertained by deducting from the delivered prices, both the average freight and the commissions.

(Although the purchaser always deducted the *actual* freight, the average freight was deducted by Mr. Lewis; and while that does not always agree with the actual freight, the difference is not material for purposes of comparison.)

As heretofore pointed out, the Government's theory is that the average costs, the *average freight* and the *uniform* rules as to *commissions* resulted in a practical uniformity of both "f. o. b. selling prices" and "*net delivered prices.*" In other words, the average costs were minimum prices, and *both* the average freight and uniform *commissions* were *factors which resulted in the uniformity of* "f. o. b. selling prices" and "net delivered prices." If the *average* freight is deducted from the delivered prices of the various members to points throughout the United States why shouldn't the commissions be deducted?

What practical difference is there between a sale at $100.00 per M feet, no commission, and a sale at $102.00 per M feet, subject to a commission of $2.00 per M feet? And of course, where two members sell at $100.00 per M feet, the one that allowed a commission received that much less than the one who allowed none.

Moreover, as we have seen, there was no uniform practice followed by any member, much less by all members, with respect to the allowance of commissions. Net prices were frequently quoted; and the commissions, when allowed, ranged from $1.00 to $4.00 per M feet. The allowance of commissions is merely a means of meeting competition or reducing one's price. (Vol. II, p. 538.) In order to reduce to a common basis for purposes of comparison, the delivered prices made by different members in numerous markets, both the freight and such

commissions as were allowed must, of course, be deducted. Only by the use of such a method can the "Net Factory Prices" of all members be ascertained.

It should also be pointed out that there cannot be a uniformity of "net delivered prices" and a uniformity of "net f. o. b. selling prices," so far as flooring sold delivered at point of destination is concerned. This, for the reason that the freight rates from the different mills vary. It is possible to have a uniformity of prices f. o. b. cars mills, or a uniformity of delivered prices in a given market or in markets taking a common freight rate.

The Government charges that there was a practical uniformity of "*net* delivered prices." It is certain that such prices cannot be ascertained by deducting either the actual or the average freight from the delivered prices. When the freight is deducted, the result is (or may be) the price, *not at point of delivery* or destination, but f. o. b. cars, mills! It *cannot* be the *delivered* price, whether net or otherwise.

Mr. Thompson, of counsel for the Government, stated in open court that in the statements compiled by Mr. Lewis only the sales f. o. b. cars at destination were taken from the Weekly Sales Reports. (Vol. II, p. 858.) Reference to the compilations will show that Mr. Thompson was mistaken. Retail mill sales of small quantities are included. Of course, these sales are usually made at much higher prices than sales of larger quantities.

Although numerous errors occur in the comparisons made by Mr. Lewis, we have compiled his figures just as they are, and have also prepared an accurate compilation of the supporting data identified by Mr. Lewis

and introduced by the Government. In our statement the average freight and the commissions have been deducted from the delivered prices. *Both the figures of Mr. Lewis and our own figures are combined in one statement for purposes of comparison.* (Appendix T.)

By referring to the Appendix the Court will observe that on November 17, 1921, what Mr. Lewis calls the "Average Cost" of 13/16" x 2¼" Clear maple flooring was $90.00 f. o. b. cars flooring mills, or what was then called "Cadillac, Michigan, Basis." The average cost of such flooring had been $90.00 since September 22, 1921. (See Gov. Ex. 28-N, Vol. III, p. 315.)

For the week ended Nov. 19, 1921, the Government's own figures show that there were 66 sales (or 94.2 per cent of the total quantity of feet sold during that week) at *less* than $90.00; 5 sales (or 5.1 per cent) at $90.00; and 2 sales (or 0.7 per cent) for more than $90.00. The corrected figures show 68 sales (or 97.3 per cent) below $90.00; 3 sales (or 2.1 per cent) at, and 2 sales (or 0.6 per cent) for more than $90.00. Also that the prices ranged from $80.00 to $96.50 per thousand feet.

The range for the next week was from $78.50 to $103.25; for the next, from $71.25 to $96.50; for the next from $79.50 to $103.25; for the next from $80.00 to $99.00, although the average cost was still $90.00. The percentages of the total quantity of feet sold below $90.00 for the weeks last above mentioned were 93.3, 75.6, 95.5 and 81.4 respectively. The percentages at $90.00 were 2.8, 2.3, 0.4 and 12.6, respectively, whereas the percentages above $90.00 were 3.9, 22.1, 4.1 and 6, respectively.

We set forth in the margin a summary of our figures.[56]

It should also be observed that Mr. Lewis continued to compare the sales made by members after the organization of the present Association on March 29, 1922, with the so-called "Average Cost" ($90.00) of November 17, 1921.

The first *average costs* calculated by the present Association were dated May 31, 1922. (Gov. Ex. 52-II, Vol. IV, pp. 461-2.) The average cost of 13/16" x 2¼"

[56]

SUMMARY.

	Compared with Average Cost	Percentage of Total Number of Sales	Percentage of Total Feet	Weekly Average Percentage of Feet
1921 (5 weeks)	Below	81.3	89.0	88.6
	At	5.9	2.9	4.1
	Above	12.8	8.1	7.3
		100%	100%	100%
1922 (51 weeks)	Below	64.9	73.9	72.9
	At	10.4	6.6	6.2
	Above	24.7	19.5	20.9
		100%	100%	100%
1923 (26 weeks)	Below	63.9	70.6	61.9
	At	8.9	6.8	7.3
	Above	27.2	22.6	30.8
		100%	100%	100%
Total Averages (82 weeks)	Below	65.6	73.8	70.4
	At	9.7	6.4	6.4
	Above	24.7	19.8	23.2
		100%	100%	100%

Clear maple flooring "f. o. b. cars at Flooring Mill" was also $90.00, on May 31, 1922. (Vol. III, pp. 881-2.)

Mr. Lewis was very unfair in compiling his figures for the weeks ended September 30, October 7, October 14, October 21, and October 28, 1922, in that he compared the prices during those weeks with the *average costs* obtained on *October 25, 1922,* or $95.00, instead of $90.00. The market had been steadily advancing, and

by using $95.00 Mr. Lewis was able to show a greater number of sales *at* the (nonexistent) average cost of $95.00, and thus support to some extent the utterly discredited theory of the Government that the *average cost* was a minimum price, or a recommended price, and not a *bona fide* attempt to arrive at the *average cost* of manufacturing and marketing such flooring. In compiling our figures for the weeks above mentioned, we also used $95.00 just as Mr. Lewis did.

It should also be observed that the average costs follow the market, and that the prices do not follow the average costs. This corroborates Mr. George W. Keehn's testimony that calculations with respect to average costs (based upon test runs) are made from time to time after changes either in the prices of rough lumber or in manufacturing and marketing costs. (Page 300, *supra*, and Vol. I, p. 110, fol. 196.)

The prices shown in this appendix should also be compared with defendants' Grant Keehn's Exhibit 24, Appendix Q, which compares the index of the prices of The Product with the indices of Unfilled Orders and Stocks on Hand. In doing this the Court should also bear in mind the evidence that the demand for the 13/16" x 2¼" Clear maple flooring is usually much greater than the demand for other grades or sizes of maple flooring. Also that ordinarily the variation in the prices for 13/16" x 2¼" Clear maple flooring is not so great as the variation in the prices for other grades and sizes.

In order that the Court might have additional data, we caused the Clerk to print from certain Weekly Sales Reports all the data in said reports with respect to sales of some other grades and sizes. (See stipulation, Vol. V, pp. 975-977.) The additional matter is contained in the Additional Exhibits, pages 1-48. (Certain minor errors appear in the Additional Exhibits.

Such errors do not affect any of our Appendices, for the reason that they are based on the original exhibits in the Clerk's office.)

In Appendix U we have deducted the freight and commissions, and have compared the "Net Factory Prices" with the average costs. For instance, page 1 of Appendix U shows (among other things) all the sales of 13/16" x 2¼" Factory maple flooring made during the week ended March 4, 1922. If Mr. Lewis's theory be adopted, the Average Cost of such flooring was then $25.00 per M. feet f. o. b. cars flooring mill. During the week in question, the prices ranged from $16.25 to $37.50. Nineteen sales, (91 per cent of the total quantity of feet) were at prices less than $25.00; 1 sale (or 5 per cent of the total quantity of feet) was at $25.00; and only 4 sales (or 4 per cent of the total quantity of feet) were at prices exceeding $25.00.

As heretofore pointed out, the costs of members located at Chicago, Grand Rapids and St. Paul are higher than the costs of other members—higher than the average costs—and the prices obtained by members located in the cities above mentioned are usually the highest.

Appendix V contains the figures for all the other weekly sales reports that appear in the printed record.

We set forth on the attached sheet the final figures shown on page 3 of Appendix W. (pp. 62, 64.) In Appendix W we have worked out in detail along the lines indicated on the attached sheet the figures contained in Appendices U and V.

All these figures conclusively demonstrate the utter absurdity of the Government's contention (1) that there was always uniformity of prices; (2) that the average costs of the present Association are recommended or

minimum prices; (3) that the members make prices based upon the average costs, irrespective of their individual costs.

In the District Court's opinion there appears the following assertion;

> "Thus, by the simple process of adding together the 'average cost' of the product, so ascertained and furnished, and the customary percentage of the net profits, each member of the Association, taught by long experience and example, is enabled to, and undoubtedly is expected to, convert the present somewhat vague and concealed price plan into the old definite but obnoxious minimum Price Plan." (Vol. I, pp. 56-7.)

There is not a word of proof in the entire record that any member ever used such a method in determining his prices, or that any member was expected to do so.

And again.

> "While the evidence shows that, at all times, there has been *some* spread in the prices demanded and obtained by the different members of this Association, it also shows that both quoted and accepted prices have *rarely* been below those fixed in the earlier 'Minimum Price' plans and *suggested* in the later 'average cost' plan." (p. 59.)

Only by giving *some* the current slang meaning would the first part of the court's statement above quoted accord with the facts shown by the record. And appendices T, U and V conclusively disprove the latter part of such statement.

As to the price-spreads in other lines of industry, see Vol. II, pp. 539-556, 557-560.

The undisputed proof was that the profits of representative members were very modest. (Vol. II, pp. 785-787.) See in this connection, *Principles of Economics* (Taussig) Vol. II, pp. 439-440.

X.

The present Articles of Association do not even attempt to regulate production, sales, prices or to otherwise limit the discretion of members in the manufacture or sale of flooring. Except the agreement to manufacture flooring of standard quality and to report past transactions each member is left wholly free to conduct his business as he pleases. There is no proof of any other agreement, express or implied, among said members.

In view of the undisputed proof that the PRICES of the members of the present Association for maple, beech and birch flooring

(a) have always been FAIR AND REASONABLE,

(b) were generally lower than the prices of nonmembers, although the flooring manufactured by members is superior to that manufactured by nonmembers,

(c) were never uniform, and were often below the costs of production of both members and nonmembers,

and that the flooring manufactured by members is in all respects satisfactory to the public, it necessarily follows that neither the contract nor the conduct of the defendants has UNREASONABLY restrained interstate trade or commerce.

Since the organization of the present Association on March 29, 1922, the defendants have not done anything except what was authorized by the Articles of Association which were dated back to January 1, 1922. There is no proof whatsoever of any agreement, combination or conspiracy by or among the defendants subsequent to March 29, 1922, other than the articles above mentioned and what was done pursuant thereto.

Aside from the usual provisions for the conduct of the Association, the articles provide for merely the standardization of flooring, the maintenance of an inspection service and the collection and distribution of statistics.

Except the agreement to manufacture flooring of standard quality, each member was left absolutely free to conduct his own business as he pleased. There was no division of territory; there was no restriction placed on production, neither was the discretion of any member fettered in any way whatsoever with respect to when, where, how, to whom or at what price he should sell his flooring. The parties to such agreement were to conduct their respective businesses as they pleased, and to report past transactions. In other words:

1. The present Articles of Association do not *expressly* limit production, fetter competition or otherwise directly interfere with the discretion of the parties thereto in the manufacture or sale among the several states and territories of maple, beech or birch flooring. (Neither is there any proof of any other such agreement since the organization of the present Association.)

The other essential facts may be stated thus:

2. The undisputed proof showed:

(a) That the prices of the members of the present Association for maple, beech and birch flooring were and always had been *fair and reasonable.* (Pages 54-61, *supra.*)

(b) That such prices were generally lower than the prices of nonmember manufacturers. (Pages 116-143, *supra.*)

(c) That the prices of the members of the present Association had an unusual range, and were very often below the costs of production of both members and nonmembers. (Pages 116-143, *supra.*)

(d) That each member in the exercise of his sole discretion and in view of his own stock conditions and financial needs determined for himself at what prices he would sell his flooring. (Pages 335, 72-3, 322-334, *supra.*)

(e) That the flooring manufactured by the members was superior to that of nonmembers, and was in all respects satisfactory to the public. (Pages 47-54, *supra.*)

(f) That the inspection service was honestly and efficiently conducted. (Pages 47-54, 188, *supra.*)

In view of the *nature of the said agreement,* and the absence of any proof of concert of action with respect to prices, how can it be reasonably said that there has been an *unreasonable* restraint of interstate trade or commerce when the undisputed proof shows that the *prices* of the members of the present Association for maple, beech and birch flooring have always been *fair and reasonable?*

An entirely different question might be presented by an express agreement as to prices, even though such prices were fair and reasonable. We do not care to discuss such a question.

But both historically and logically, there can be no doubt that *in the absence of an agreement as to prices or of an agreement which limits the discretion of the parties thereto with respect to production or sale,* there can be no *unreasonable* restraint of trade or commerce if the prices of such parties are *fair and reasonable.*

In other words, our contention is that the agreement (including in such term the conduct of the members of the present Association) in this case is not unlawful *per se,* and that the proof shows that the execution of such agreement has not injured the public. That if such agreement had not been in operation, speculation or *a priori* reasoning as to its *probable* effect upon interstate trade and commerce would be proper. But where it has been in operation for more than two years, the *results* are the only proper criteria by which it can

be tested. And that given such agreement and uncontroverted proof that the prices of the defendants have at all times been *fair and reasonable*, the assertion that there has been an *unreasonable* restraint of interstate trade and commerce is manifestly untenable.

ENGLISH STATUTES.

In

2 Holdsworth's History of English Law (3d ed.), pp. 459 *et seq.*,

it is said:

> "The Statutes of Labourers bear witness to far-reaching economic and social changes. These changes might perhaps have proceeded more silently and have left fewer marks upon the Statute Book had it not been for the Black Death (1349), which swept off nearly half the population. The commutation of the labour services of the villein for money rents, and the new practice of cultivating the demesne farm by hired labour, received a sudden check. Landlords could get neither tenants nor labour, and masters could not get artificers. Labourers of all kinds found themselves in a position to exact what wages they pleased. At the same time the rise of this class of free labourers presented for the first time in its modern shape the problem of the pauper—the man who cannot or will not maintain himself by his work.
>
> The statutes of Labourers were passed to deal with this new situation. They applied to hired servants—not to tenants who held land and occupied themselves thereon. *It is to these laws, as developed by subsequent legislation, that we must look not only for the beginnings of the law as to master and servant, but also for the origins of ideas which in later days gave birth to the Poor Laws and the Combination Laws.* The principles which underlay them were mainly four: (1) All persons coming within the statutes and able to work, must do so. (2) They

must work at a *reasonable* rate. Later statutes recognized that this reasonable rate could not be absolutely fixed, but must vary with the price of the necessaries of life. *But both the wages of labour and the price of necessaries must be fixed at a reasonable rate.* (3) A refusal to work for this *reasonable* wage by those who were able to do so was a criminal offence. It was also an offence to give more wages than those fixed by law; and proceedings, which, like the writ of trespass, partook both of a criminal and of a civil character, could be taken against a servant who left his master's service and against a person who enticed him away. (4) Only the impotent poor were allowed to solicit alms.

The statutes themselves were numerous and detailed. They enumerated many different kinds of labour, and many different kinds of workmen — shoemakers, carpenters, tilers, masons, carriers, and, by later statutes, even chaplains."

The number of such statutes cited by Cunningham in his *Growth of English Industry and Commerce* will astonish most persons. The dominant idea running through all of them is the protection of the public weal by requiring laborers to work for a *reasonable* wage, and *a very large number of craftsmen, purveyors and others to sell* their *goods* or services at *reasonable* prices.

Such statutes and similar regulations by the gilds persisted till the close of the 18th Century[57] In Volume 1 (Part II) of Ashley's *Introduction to English Economic History and Theory,* pp. 168-9, it is said:

"A tree is known by its fruits; and by its fruits the Gild System may well be judged. Within it grew up a wide middle-class of opulent traders and comfortable craftsmen; and it was the appearance of this class by the side of, and, in a sense, between,

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[57]Unwin's, *The Gilds and Companies of London.*

Cunningham's *Growth of English Industry and Commerce.*

the lords of the soil and the tillers of the soil that led to the transformation of feudal society into the society of modern times. This middle class, it has become a commonplace to say, has been the peculiar representative and introducer of modern ideas; but such a class had no existence when the gilds first arose; and although it is conceivable that under a strong government it might have arisen without the support and the restrictions of the gilds, still it is to be remembered that as a matter of fact strong government did not exist, and that it was under the Gild System that the 'bourgeoisie' actually came into being. *Then, again, it is the merit of the Gild System that it did for a time, and in a large measure, succeed in reconciling the interests of consumers and producers. The tendency of modern competition is to sacrifice the producers; to assume that so long as articles are produced cheaply, it hardly matters what the remuneration of the workmen may be; but the gild legislation kept steadily before itself the ideal of combining good quality and a price that was fair to the consumer, with a fitting remuneration to the workman.* The method by which this was attempted could not be permanent; it broke down owing to material forces as well as to change of opinion. *But it was something that such an ideal should be aimed at; and the endeavour to view the processes of production and sale in their relation to general social well-being conveys a perpetual lesson to modern economists.*"

An ancient analogue of the statutes providing for reasonable prices is the "just price" doctrine of *Corpus Juris Canonici*[58]. The Physiocrats also believed in a *bon prix*. And in modern times there are the statutes in both England and the United States that provide for the fixation and enforcement of minimum wages[59], and of *just and reasonable* rates by common carriers and others.

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[58] Ashley's *Introduction to English Economic History and Theory*, pp. 126-137.

[59] Marshall's *Readings in Industrial Society*, p. 592.
Ashley's *Economic Organization of England*, pp. 168 *et seq.*

ENGLISH DECISIONS.

In

Darcy v. *Allein* (The Case of Monopolies), 11 Co. Rep. 84 b,

it was urged that there were "three inseparable incidents to every monopoly," viz: Inferior goods at *increased* prices and displacement of labor. (P. 87a.)

The idea of *reasonableness* of prices is everywhere present in the English cases. Even *express agreements* as to prices are upheld if the prices are *reasonable.*

27 Halsbury's *Laws of England,* 527-9, it is said:

> "Where an agreement, taken together with all its surrounding circumstances, including agreements made between the parties to it and third persons, discloses an attempt on a very large scale to obtain the control of a market, and particularly of a market in one of the necessaries of life, *and to keep up prices at an artificial figure, by means of restrictions which are more stringent than is reasonably necessary for the protection of a particular or local trade, to the obvious detriment of the public,* such an agreement will not be enforced. *A fortiori* is this the case when there is anything in the methods adopted which tends to mislead the public.
>
> Such a contract is merely unenforceable: it is not unlawful in any criminal sense, nor does it give any cause of action to a third person injured by its operations. The court takes cognizance of its illegality though it is not pleaded.
>
> *It is, however, no monopoly if the control, being lawfully and fairly obtained, is limited to particular persons or places; and an agreement among traders to prevent competition among themselves and even to keep up prices is not necessarily invalid, if it is carried out by provisions reasonably necessary for the purpose and not detrimental to the public.*"

In

Attorney-General v. *Adelaide Steamship Co.* (1913), 109 L. T. R. 258,

it was said:

"The chief evil thought to be entailed by a monopoly, whether in its strict or popular sense, was *the rise in prices* which such monopoly might entail. *The idea that the public are injuriously affected by high prices has played no inconsiderable part in our legal history. It led, no doubt, to the enactment of most, if not all, of the penal statutes repealed by 12 Geo. 3, c. 71. It also lay at the root of the common law offence of Ingrossing, which, according to Hawkins' Pleas of the Crown (Vol. 1, book 1, c. 29, sect. 9), consisted in buying up large quantities of wares with intent to resell at unreasonable prices. It influenced the courts in their attitude towards contracts in restraint of trade.* Although, therefore, the whole subject may some day have to be reconsidered, there is at present ground for assuming that a contract in restraint of trade, though reasonable in the interests of the parties, may be unreasonable in the interests of the public if calculated to produce that state of things which is referred to by Lindley and Bowen, L. J. J. as a pernicious monopoly—that is to say, a monopoly calculated *to enhance prices to an unreasonable extent.* In this connection it should be noticed that the Act of 7 & 8 Vict. c. 24, which abolished the common law offence of engrossing, does not apply to the States of the Commonwealth, and that monopolies in the popular sense of the word are more likely to arise, and if they do arise, are more likely to lead to prices being *unreasonably* enhanced in countries where a protective tariff prevails than in countries where there is no such tariff. *It is, however, in their Lordships' opinion, clear that the onus of showing that any contract is calculated to produce a monopoly, or enhance prices to an unreasonable extent, will lie on the party alleging it, and that if once the court is satisfied that the restraint is reasonable as between the parties this onus will be no light one.*"

See

F. Cade & Sons v. *Daly & Co.*, 1 I. R. 306,

where a manufacturing association had agreed upon a scale of prices for beer, stout, etc., within a radius of sixteen miles from the post office Cork, with two exceptions. The agreement was to run from year to year, terminable upon a month's notice before expiration of each current year. The contract was upheld. The court said:

"In point of fact, when the facts of that case are closely examined, the judgment delivered in the Court of Appeal affirms what I have always thought was the law, namely, *that a covenant between persons interested in a particular trade for the purpose of keeping the trade as far as possible among themselves, and perhaps incidentally of keeping up the prices, or, as I would prefer to put it, not cutting down the prices to a low level, is perfectly legitimate, provided that the parties to the covenant do no more than is necessary or reasonable to effect the object they have in view.* * * *.

This is a covenant of cooperation for what may be a brief period between a few local bottlers, operating within a distance of sixteen miles from the General Post Office in the City of Cork, subject to this important exception, that the towns of Midleton and Queenstown are excluded from the ambit of the covenant. To my mind, when the sphere of operations is 'cabined, cribbed, confined' within such limits of time and space, when there is no prohibition, and can be no prohibition, against outsiders coming in and competing against any one or all of the persons named as parties to the covenant, *the public, at all events, cannot suffer wrong.* The public can suffer no injustice, and, in the ordinary sense of the word, cannot be detrimentally affected. The arrangement seems in reality to have been found necessary by a few local bottlers to prevent some of their number obtaining an undue advantage during a short period by selling at unduly low prices. No one was compelled to execute the deed. But, as be-

tween the firms or individual traders who executed it, the deed prevented 'cutting.' A reputation for low prices once gained by a firm or individual trader sometimes lingers for a long time after normal trade prices have been adopted.

Having regard to all the facts and circumstances of this case, I am prepared to hold out merely that this contract is not *per se* unlawful, but that it is a legitimate and fair arrangement to which a Court of Equity can give effect without infringing upon the principles by which the court is fettered by authority. The prices, no doubt, are prices which impose the maximum prices as the minimum limit. That was stated in evidence, and not contradicted. In other words, the maximum prices which the signatories to the deed were in the habit of getting are the minimum prices set forth in the schedule to the deed. *But the evidence in the case satisfies me that all parties concerned, bottlers and their customers, considered the scheduled prices reasonably fair. How does this circumstance affect or injure the public?* Outsiders are absolutely free to compete, and if the scheduled prices are too high, the publicans can buy elsewhere. I do not think, then, that the prices can render this contract objectionable."

DECISIONS BY THIS COURT (AND OTHERS).

In

United States v. *Trans-Missouri Freight Association*, 166 U. S. 290,

an association composed of eighteen railroad corporations had agreed upon *rates* for all competitive traffic west of the Mississippi River. A majority of the court held that the contract was *reasonable*, but that the Sherman Act prohibited every contract in restrain of trade, whether reasonable or not. Mr. Justice White, with whom concurred Justices Field, Gray and Shiras, argued that inasmuch as the contract was *reasonable* it was not obnoxious to the Sherman Act.

The views of Mr. Justice White were subsequently adopted by this court in the Standard Oil case; and it is now the settled rule of this court that only contracts which *unreasonably* restrain interstate trade or commerce are obnoxious to the Sherman Act.

In the following cases *injury to the public* by means of charging *excessive prices* was emphasized:

United States v. *U. S. Steel Corporation*, 251 U. S. 417.

Montague & Company v. *Lowry*, 193 U. S. 38.

American Column & Lumber Co. v. *United States*, 257 U. S. 377.

Board of Trade of City of Chicago v. *United States*, 246 U. S. 231.

Standard Fashion Co. v. *Magrane-Houston Co.*, 258 U. S. 346.

United States v. *United States Steel Corporation*, 223 Fed. 55.

United States v. *E. I. Du Pont De Nemours & Co.*, 188 Fed. 127.

Manchester & Lawrence R. Co. v. *Concord R. Co. (N. H.)*, 9 L. R. A. 689.

As we have heretofore shown, the Articles of Association do not undertake to fix or regulate prices, limit production or in any wise restrict members as to when, where or to whom they shall sell their flooring. Each member is left absolutely free to determine his own prices, output, terms, customers, etc. There is no proof of any concerted action by members of the present Association with respect to production or prices. Contrary to the allegations of the petition, the undisputed proof showed great and unusual variation of prices. And in view of the undisputed proof that the prices of mem-

bers have always been *fair and reasonable,* how can it be reasonably said that there has been an *unreasonable* restraint of interstate trade or commerce?

This doctrine does not involve any price-fixing by courts.

The proof merely shows that there has been no violation of the Sherman Act. The petition should, therefore, have been dismissed. It is time enough to take action when there is an agreement or conduct which results in an *unreasonable restraint of interstate trade or commerce.*

Even if there had been proof of a much closer approximation of prices obtained by members to the Average Costs, the result would not be different. We may safely assume that (within limits) flooring can be produced more cheaply on a large scale than it can on a small scale. It is a commonplace of economics that given *a perfect competitive market* "the price of diminishing-cost goods tends to equal their cost to producers working on the largest scale justified by the existing conditions of demand."[60] As stated by Ashley: "It has been the doctrine of orthodox English economists that *normal value,* or price (*i. e.,* value expressed in terms of one particular commodity, gold, when the value of the latter itself does not fluctuate), is, in the case of the vast majority of articles, determined by cost of production." The proof was that the Average Costs were honestly

[60] Taylor's *Principles of Economics,* pp. 242-253, 347. Of course in economic theory the term *cost of production* includes ordinary profit upon the capital employed. (Ashley's *Economic History and Theory* (Part I), p. 139.) It is also true that a perfect competitive market never exists.

and accurately ascertained; also that the elements contained therein were proper. The prices of different members varied—*some above, a few at, and the great majority of them below the Average Costs.* Is it strange that there was some relation between the Average Costs and the prices?

To say that the Average Costs were minimum prices, or that there was any agreement, express or implied, that the Average Costs should be maintained, is, of course, to utter nonsense.

XI.

In addition to the undisputed proof that the prices obtained by members of the present Association had always substantially varied; that the prices of such members were fair and reasonable, and that although the flooring manufactured by such members was superior to that manufactured by nonmembers, the prices of members were generally lower than those of nonmembers, there was the following undisputed proof:

(a) by the Government's witnesses, including both competitors and buyers, that competition among the defendants themselves, as well as between the defendants and nonmembers, was strong, active and vigorous;

(b) by dealers, large and small, in the principal centers of consumption, that there was and always had been vigorous competition among the defendants;

(c) by dealers that the defendants were unusually fair, considerate and honorable in their dealings with purchasers of maple, beech and birch flooring;

(d) by economists and statisticians that prices of the said members had fluctuated in accordance with the laws of supply and demand.

No witnesses were produced by the Government to testify to fixation or uniformity of prices, unfair practices or restraint of trade.

In view of the foregoing facts, the Government's petition (under the decision of this court in the Steel Corporation Case) should have been dismissed.

For the evidence in support of the first paragraph of Point XI, see pages 116-143, 54-61, 47-54, *supra;* for that in support of (a), see pages 116-143, *supra;* for that in support of (b), see pages 121-143, *supra;* for that in support of (c), see pages 62-64, *supra;* for that in support of (d), see pages 207-229, *supra.*

In

United States v. *United States Steel Corporation*, 251 U. S. 417, 447-9,

the court said:

"From this digression we return to the consideration of the conduct of the Corporation towards its *competitors*. Besides the circumstances which we have mentioned there are others of probative strength. *The company's officers and, as well, its competitors and customers, testified that its competition was genuine, direct and vigorous, and was reflected in prices and production. No practical witness was produced by the Government in opposition.* Its contention is based on the size and asserted dominance of the Corporation — alleged power for evil, *not the exertion of the power in evil.* Or as counsel put it, 'a combination may be illegal because of its purpose; it may be illegal because it acquires a dominating power, not as a result of normal growth and development, but as a result of a combination of competitors.' Such composition and its resulting power constitute, in the view of the Government, the offence against the law, *and yet it is admitted 'no competitor came forward and said he had to accept the Steel Corporation's prices.'* But this absence of complaint counsel urge against the Corporation. Competitors, it is said, followed the Corporation's prices because they made money by the imitation. Indeed the imitation is urged as an evidence of the Corporation's power. 'Universal imitation,' counsel assert, is 'an evidence of power.' In this concord of action, the contention is, there is the sinister dominance of the Corporation—'its extensive control of the industry is such that the others (independent companies) follow.' Counsel, however, admit that there was 'occasionally' some competition, but reject the suggestion that it extended practically to a war between the Corporation and the independents. *Counsel say, 'They (the Corporation is made a plural) called a few—they called 200 witnesses out of some forty thousand customers, and they expect with that customer evidence to overcome the whole train of price movement shown since the Corporation was formed.'*

And 'movement of prices' counsel explained 'as shown by the published prices * * * they were the ones that the competitors were maintaining all during the interval.'

It would seem that '200 witnesses' would be fairly representative. Besides the balance of the 'forty thousand customers' was open to the Government to draw upon. Not having done so, is it not permissible to infer that none would testify to the existence of the influence that the Government asserts? At any rate, *not one was called,* but instead the opinion of an editor of a trade journal is adduced, and that of an author and teacher of economics whose philosophical deductions had, perhaps, fortification from experience as Deputy Commissioner of Corporations and as an employee in the Bureau of Corporations. *His deduction was that when prices are constant through a definite period an artificial influence is indicated; if they vary during such a period it is a consequence of competitive conditions.* It has become an aphorism that there is danger of deception in generalities, and in a case of this importance we should have something surer for judgment than speculation, something more than a deduction equivocal of itself even though the facts it rests on or asserts were not contradicted. If the phenomena of production and prices were as easily resolved as the witness implied, much discussion and much literature have been wasted, and some of the problems that are now distracting the world would be given composing solution. Of course competition affects prices but it is only one among other influences and does not more than they, register itself in definite and legible effect.

We magnify the testimony by its consideration. Against it competitors, dealers and customers of the Corporation testify in multitude that no adventitious interference was employed to either fix or maintain prices and that they were constant or varied according to natural conditions. Can this testimony be minimized or dismissed by inferring that, as intimated, it is an evidence of power not of weakness; and power exerted not only to suppress com-

petition but to compel testimony, is the necessary inference, shading into perjury to deny its exertion? The situation is indeed singular, and we may wonder at it, wonder that the despotism of the Corporation, so baneful to the world in the representation of the Government, did not produce protesting victims.''

And again on page 451:

"The Corporation was formed in 1901, no act of aggression upon its competitors is charged against it, it confederated with them at times in offence against the law, but *abandoned that before this suit was brought, and since 1911 no act in violation of law can be established against it except its existence be such an act.* This is urged, as we have seen, and that the interest of the public is involved, and that such interest is paramount to corporation or competitors. Granted—*though it is difficult to see how there can be restraint of trade when there is no restraint of competitors in the trade nor complaints by customers*—how can it be worked out of the situation and through what proposition of law? Of course it calls for nothing other than a right application of the law and to repeat what we have said above, *shall we declare the law to be that size is an offence even though it minds its own business because what it does is imitated?* The Corporation is undoubtedly of impressive size and it takes an effort of resolution not to be affected by it or to exaggerate its influence. *But we must adhere to the law and the law does not make mere size an offence or the existence of unexerted power an offence. It, we repeat, requires overt acts and trusts to its prohibition of them and its power to repress or punish them. It does not compel competition nor require all that is possible.''*

It is true that there is considerable evidence in the record which shows attempts to fix prices in the years that preceded the organization of the present Association. But the diversities set forth on pages 66-75, *supra,* and other factors rendered all such attempts

futile just as similar attempts in other lines of industry had been futile.[61] *There was no abandonment of independent ownership and control of their several businesses; there was no direct control over output, nor monopoly of raw material; there were too many non-member manufacturers, too many competing floorings, both wood and composition. It cost too little to engage in the manufacture of flooring. The industry was unprotected by patents or the tariff.* And although various plans were formulated, all of them necessarily broke down in practice, and each member did as he pleased, without the imposition of any penalties whatsoever. All that was accomplished was the improvement and the standardization of flooring.

Even all formal attempts to regulate production or prices were abandoned long prior to the filing of the Government's petition. A new Association was formed. An opinion as to what the members might lawfully do was obtained; and the undisputed proof shows that the explicit directions contained in said opinion with respect to the conduct of the Association have been carefully observed. (Pages 231-2, 273-4, 298, 308-9, 310-313, *supra.*)

The members of the present Association have no power to control prices. There is no proof that they have ever even attempted to do so. According to the rule announced in the Steel Corporation case, the petition herein should have been dismissed, especially in view of the facts stated in our Point XI.

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[61] Hobson's *The Evolution of Modern Capitalism* (new Edition), pp. 170-173.

Macrosty's *The Trust Movement in British Industry*, pp. 6-9.

Ripley's *Trusts, Pools and Corporations* (revised edition), pp. 1-77.

XII.

The following facts:

(a) fundamental differences that exist among association members;

(b) unstable basis of the maple, beech and birch flooring industry;

(c) relation that association members bear to the flooring industry as a whole;

(d) lack of control of any appreciable proportion of raw material;

(e) fragmentary character of statistics collected and distributed;

(f) publication of statistics collected;

(g) relatively superior position of lumber dealers who buy or handle from 90 to 95 per cent of the flooring manufactured by association members,

and many other facts disclosed by the record conclusively demonstrate that the collection and distribution of statistics by the association cannot injuriously affect interstate trade or commerce.

The necessity for the collection and distribution of trade statistics for the benefit of both buyers and sellers is recognized by all modern economists.

We have already seen that *all* the activities of the present Association, *including the collection and distribution of statistics,* have not restrained interstate trade or commerce. The evidence is undisputed:

1. That the prices of Association members for maple, beech and birch flooring have at all times been fair and reasonable.

2. That such prices have never been uniform; that the spread between the high and the low prices quoted or obtained for any item at a given time has been unusually large, and that ordinarily the prices of Association members for flooring are lower

than the prices of nonmembers, despite the inferiority of the flooring manufactured by the latter.

3. That the prices of Association members for maple, beech and birch flooring have fluctuated in accordance with the laws of supply and demand.

4. That in the sale of flooring there has always existed strong, active and vigorous competition, not only between members and nonmembers, but among the members of the defendant Association.

The record shows that several factors concurred in producing the foregoing results. They are:

(a) The absence of concerted action by the defendants,—their obedience to the directions contained in Mr. Newman's written opinion.

(b) The fundamental differences that exist among Association members.

(c) The unstable basis of the maple, beech and birch flooring industry.

(d) The relation that Association members bear to such industry as a whole.

(e) The nature of the statistical and other activities of the defendant Association.

(f) The publication of the statistics collected by the Association.

(g) The relatively superior position of lumber dealers who buy or handle 90 or 95 per cent of the flooring manufactured by Association members.

Most of the factors above mentioned are constant and fixed. They could be eliminated only by means of a combination or trust with a capital of some $50,000,000. They are the *circumstances* that render the statistics of the present Association innocuous from a legal point of view, and beneficial to both the general public and Association members.

FUNDAMENTAL DIFFERENCES AMONG MEMBERS.

These differences consist in (a) amount of timber owned, (b) quality of timber or rough lumber owned or available, (c) flooring capacity, (d) location of plant, which results in different labor, manufacturing and marketing costs, (e) percentage of capital invested in production of flooring, which ranges from a nominal amount to 100 per cent, and results in diversity of size, equipment, organization, business relations, financial strength, credit, needs, business methods, ability, information and reaction to business conditions, (f) kinds of flooring manufactured, all members producing maple flooring, others beech and birch also, still others beech or birch, (g) grades of rough lumber used, (h) kinds of matchers or flooring-machines used, which vary markedly in capacity, (i) thicknesses and widths of flooring produced, (j) class of trade ordinarily catered to, (k) warehouse capacity, which compels disposition of surpluses (arising from necessity of manufacturing all grades and widths at same time) wherever and at whatever prices can be obtained, (l) marketing methods, and (m) individual brands and trade-marks, which result in preferences among buyers. (Pages 66-75, *supra.*)

Furthermore, the members are merely *manufacturers.* Hobson, who certainly is no champion of the capitalist system, says:

> "Regarding *the single large corporation* as the instrument of monopoly, there is no evidence to show that these *industrial* corporations have yet developed sufficient strength even in America to limit output or to hold up prices for any considerable time except in the case of a small number of commodities. If we add to these Trusts the industrial

pools and other combines, the durable monopoly exercised through industrial combination does not affect any large number of commodities. Regarded as a solid instrument of capitalist control the industrial trust is as yet feebly developed. Local combinations in retail trade in all probability exercise a larger and more widespread influence upon the prices paid by consumers.

With a few exceptions the proved power of capitalist 'monopoly' in America is vested, *not in the industrial trusts*, but, as we shall see, in transport and financial corporations and in corporations handling local services under charters or other privileges. The aggregate influence of the disturbances of price exercised by industrial trusts is doubtless considerable, but their power to hold up prices has hitherto been weak, irregular, and short-lived, so far as the great majority of the commodities they handle are concerned. *It is very doubtful whether a combination of mere manufacturers can maintain an effective monopoly even in a national market for which they obtain tariff protection. The real strength of a manufacturing or industrial trust is commonly, if not universally, derived from non-manufacturing processes with which it is connected.*" (*The Evolution of Modern Capitalism*, pp. 190-1.)

ASSOCIATION MEMBERS HAVE NO CONTROL OF RAW MATERIAL

Maple, beech and birch timber is widely distributed. (Pages 24-25, *supra.*) The members of the present Association own substantially less than 2 per cent of the total stand of such timber in the United States; only 3.94 per cent of the stand in the Lake States, and but 0.78 per cent of the stand in the Middle Atlantic States. (Page 26, *supra.*)

In 1922 there were 2999 producers of rough maple lumber in the United States. In 1920 there were 476

such producers in the States of Michigan and Wisconsin alone. (Page 26, *supra.*)

All writers on economics, all students of monopolies and trusts emphasize the great importance of monopoly or control of raw material so far as the regulation of prices by industrial trusts or combinations are concerned.

The distinguished German economist, Hermann Levy (*Monopoly and Competition*) has said that most cartels and trusts in Germany and the United States are directly based on either monopolization or indirect control of raw materials. (Page 296.)

Also:

"A considerable number of cartels and trusts in all parts of the world are essentially dependent on the existence of mineral deposits which are easily convertible into a monopoly. In the first place, certain minerals, being found only in a single country or in one or two countries, are from the outset a monopoly to the rest of the world. In this connection may be mentioned the powerful monopolies of the potash deposits in Germany, of kaolin in Austria, nitrate in Chili, marble in Italy, petroleum, copper and borax in America, zinc in Germany, Belgium and America, and diamonds in the Transvaal. Secondly, certain areas of production, such as the coal and iron ore districts of America and Germany, hold monopolies, if not in the world's market, at least in a given national area, generally as a result of the freight charges which a foreign competitor would have to face.

The naturally narrow limits of such mineral wealth and the marked tendency of mining from the very beginning to accumulate fixed capital have created relatively early and with comparative ease close monopolist combinations or a semi-monopolist predominance of particular interest in all such areas of production." (p. 179.)

And again:

"In the United States the ore-producing country of Lake Superior belongs to the Steel Trust, which was interested in the years 1902-7 to the amount of 50-60 per cent in the deliveries from this large district, and which by agreement two years ago with the railway magnate Hill obtained power to dispose in the future of the remaining riches of the district. In Germany, Minette iron, now the most valuable iron ore, has been monopolized by the manufacturers of finished products. In Siegerland there is the Iron Syndicate in iron mining proper, while but a small portion of the large iron production of Lorraine-Luxemburg reaches the market directly, most of it being further manufactured by the large iron concerns themselves—a fact which makes any special monopoly organization such as a cartel or a syndicate for the most part superfluous. This is at least true so far as sales to outside smelters in the Minette and Saar regions is concerned, as the big sellers, who are comparatively few in number, can command a complete view of the whole market and check mischievous underbidding without any special system of regulating prices. It is only in the case of the relatively small sales to outsiders in Rhenish Westphalia that Spanish competition detracts from the power of the large mines to influence prices by their monopoly. In the United States the position is similar. The trust and a few similar enormous combines control most of the iron production, and only small quantities come on the market.

In England things are very different. * * * Again, in the case of the quarrying of stones and earths (specially sandstone, slate, limestone, chalk, clay) *monopolization is out of the question owing to home competition. The supply of these minerals is so abundant and distributed through such an extremely large number of competing districts that any monopolist movement is impossible. The trade also in many of the branches of production is extremely small and the plant comparatively undeveloped, so that in these cases even local monopolist associations would give an immediate stimulus to fresh competition.* * * *

Thus in England competition is still the ruling principle in the three most important mineral products. As we shall see later on, the same thing cannot be said of the fourth one, but its importance as compared to the sum of English minerals and of their three chief groups is insignificant.

We can therefore affirm generally: firstly, that England has no raw material in minerals possessing that monopoly in the world's market which favours the development of cartels or trusts; and secondly, that it is precisely in the most important of the existing raw mineral products that the conditions are most unfavourable for monopoly. *Monopolist combinations are consequently for practical purposes excluded from the sphere in which their success in other countries has been most marked.*" (pp. 187-190.)

And on pages 202-3:

"In the United States and in Germany, however, matters are different. Monopolies of raw materials in all kinds of industries make it impossible to start new works in any finishing manufacture. *Witness the American Paper Trust, which owes its power to the fact that, aided by high duties on wood and pulp, it has monopolized the native forests and consequently lamed fresh competition. Witness again the steel trade in America and Germany, in which the creation of new undertakings on a large scale is hindered by the monopolization of the deposits of ore, or the soda cartel in Germany, which has combined with the salt cartels in refusing to supply new works with salt.* Similar cases often occur in countries where extensive monopolies of raw materials exist side by side with finishing manufactures; but they are not to be found in England where there are only isolated monopolies of raw materials, and even these, as we shall see later on, have only a comparatively limited sphere of operation, the great mass of raw material required by English manufacturers being imported duty free and at low freight rates. It might be thought within the bounds of possibility to create a trust in English finishing man-

ufactures by the aid of a foreign raw material monopoly, and one such attempt has been made by the American Borax Trust which owns a few refineries in England. But generally speaking it has not been found possible by monopolizing raw materials to promote monopolies in remote stages of finishing manufactures otherwise exposed to competition.

There are therefore a number of circumstances which serve to explain the continued existence of competition in many English finishing trades. Two of these circumstances—*the existence of a large number of undertakings and the comparative ease with which this number may be increased*—are very marked in one English industry in particular in which the conditions of competition stand in sharp contrast to those in Germany and America. This is the tin-plate industry."

If the members of the defendant Association had a monopoly of maple, beech and birch timber, then the collection and distribution of statistics by them might be harmful, especially if such statistics were not accessible to the public. But the assertion that Association members controlling less than 2 per cent of the stand of maple, beech and birch timber in the United States could maintain prices by any means whatsoever is ridiculous, especially in view of the diversities existing among them and the facts hereinafter set forth. *United States* v. *Quaker Oats Co.* (C. C. A., 7th Cir.) 232 Fed. 499, 502; *United States* v. *Whitney,* 212 Fed. 466, 475. *A fortiori,* the collection and distribution of statistics by such a group can have but little, if any, material effect upon market conditions. And so long as the statistics are available to the general public, what possible harm can result?

The finished product is not a necessary of life; it has numerous substitutes, and is not protected at any stage by either patents controlled by defendants, or a tariff.

That there are 12 competing wood floorings and 11 competing composition floorings, see page 65, *supra.* Matchers or flooring-machines, of which there are several makes, can be freely purchased in the open market, where Association members make their purchases. (Pages 31-32, *supra.*)

In his work on *The Evolution of Modern Capitalism,* Hobson says:

"The real danger of Trusts in their control of prices appears when we consider this control in relation to the various classes of commodities which form the subjects of monopoly.

(a) *The urgency of the need which a commodity satisfies enables the monopolist to charge high prices.* Where a community is dependent for life upon some single commodity, as the Chinese on rice, the monopolist is able to obtain a high price for the whole of a supply which does not exceed what is necessary to keep alive the whole population. Thus a monopolist of corn or rice in a famine can get an exorbitant price for a considerable supply. But after the supply is large enough to enable every one to satisfy the most urgent need for sustenance, the urgency of the need satisfied by any further supply falls rapidly, for there is no comparison between the demand of famine and the demand induced by the pleasures of eating.

A monopoly of a necessity of life is therefore more dangerous than any other monopoly, because it not merely places the lives of the people at the mercy of private traders, but because it will often be the interest of such monopolists to limit supply to the satisfaction of the barest necessaries of life. * * *

As we descend in the urgency of wants supplied we find that the comforts and luxuries form a part

of the standard of life of a smaller and smaller number of persons, and satisfying intrinsically weaker needs, are more liable to be affected by a rise of price.

(b) Closely related to this consideration, and working in with it at every point, is the question of the possibility of *substituting another commodity for the one monopolized. This everywhere tempers the urgency of the need attaching to a commodity.* There are few, if any, even among the commodities on which we habitually rely for food, shelter, clothing, that we could not and would not dispense with if prices rose very high. *The incessant competition that is going on between different commodities which claim to satisfy some particular class of need cannot be got rid of by the monopoly of one of them.* This is probably the chief explanation of the low prices of the Standard Oil. *As an illuminant, oil is competing with gas, candles, and electricity, and unless the monopoly were extended laterally so as to include these and any other possible illuminants, the Trust's prices cannot be determined merely by the pressure of the need for artificial light.* Though to a modern society artificial light is probably even more important than cane sugar, a Sugar Trust may have a stronger monopoly and be able to raise prices higher than an Oil Trust, because the substitutes for cane sugar, such as molasses and beetroot, are less effective competitors than gas, candles, and electricity with oil.

The power of railway monopolies largely depends upon the degree in which their services are indispensable, and no alternative mode of transport is open. Sometimes, however, they miscalculate the extent of their power. The high railway rates in England have recently led in several quarters to a substitution of road and canal traffic in the case of goods where rapidity of conveyance was not essential. So also in other cases sea-transport has been substituted.

The stronger monopoly of American railways consists partly in the fact that distances are so great, and the sea-board or other water conveyance so re-

mote, that over a large part of the Continent the monopoly is untempered by alternative possibilities of transport.

The reverse consideration, the possibility of substituting the article of monopoly for other articles of consumption, and so securing a wider market, has quite as important an influence on prices. The possibility of substituting oil for coal in cooking and certain other operations has probably a good deal to do with the low price of oil." (pp. 231-2.)

In Marshall's *Readings in Industrial Society*, p. 894, appears the following adaptation of page 141 of Professor E. R. A. Seligman's *Principles of Economics:*

"By commodity competition is meant the competition due to the existence of social choices. *Every individual is continually debating with himself whether to purchase one commodity in preference to another. Where he is on the margin of doubt or of indifference the slightest alteration in the price will cause him to substitute something else.* The principle involved is hence called the principle of substitution. *The vendor must constantly be on the watch lest any increase of price cause the disappearance of his sales.* We substitute, however, not only one thing for another, but also one agency of production for another; in the crucible of economic wants everything is finally tested by its capacity to afford the greatest satisfaction. Not only will the consumer choose now this and now that commodity, but the employer will increase now his labor force, now his stock of machinery, so as to secure the best results. The least change in the rate of wages or of interest may lead him to substitute the one for the other. It is only by replacing the less efficient by the more efficient factor that the producer is able to induce the consumer to select one commodity in preference to another. Competition of factors of production is thus really an adjunct to commodity competition. *Competition through substitution is hence important in that it fixes a maximum limit beyond which prices cannot go.* Every economic fac-

tor, like every economic good, may be in either actual or potential competition with another."

Malcolm Keir, Professor of Economics in Dartmouth College, states that the substitution of numerous other materials for wood

> "already accounts for *nearly a fourth* of the lumber formerly cut, and since most of the change has occurred within the last 15 years, we may expect an even greater relative decline in the use of wood in the future." (*Manufacturing Industries in America*, pp. 293-4.)

We have already seen that the flooring industry is not protected by a tariff, and that Canadian manufacturers of maple, beech and birch flooring are important factors in the American market because they dump their flooring here. (Page 31, *supra.*)

All economists are agreed that regulation of commodity prices by even a trust is extremely difficult in the absence of a tariff. Levy attributes England's freedom from cartels and trusts in many industries to free trade, and gives numerous illustrations. (*Monopoly and Competition*, pp. 190-196, 307-316.)

See also Hobson's *Evolution of Modern Capitalism*, pp. 195-6.

The importance of patents, or monopoly of finishing processes at some stage, is, of course, obvious so far as price-control is concerned. (Hobson, p. 193.)

It costs only $30,000.00 to engage in the manufacture of flooring from the ground up.

One producer of rough maple lumber bought a second-hand machine at an expense of $5,000.00, exclusive of costs of installation, and engaged in the production of maple flooring. There are hundreds of these rough maple lumber producers in the States of Michigan and Wisconsin, and practically 3,000 in the United States, to say nothing of manufacturers of fir and oak flooring, who manufacture some maple flooring, and who could produce it on a large scale if the prices made it profitable to do so.

For the evidence in support of the foregoing statements, see pages 31-33, *supra.*

Two members of the present Association have only 1 flooring machine each; three members 2 machines each, and six members 3 machines each. (Page 66, *supra.*)

In Levy's *Monopoly and Competition,* it is said:

> "We have seen that the formation of monopoly depends largely on the number of existing manufacturers, and now we see why it did not result earlier, even where that was small. *It is not the absolute number of competing firms which is decisive, but rather how far they could maintain a monopoly if they combined. If a relatively small concern is economically profitable, so that a slight increase in demand or price gives a new competitor a fair chance of existence, existing makers cannot maintain a monopoly even if they can obtain it.*" (p. 303.)

See also pages 372, 374, *supra,* and the following cases:

United States v. *Quaker Oats* (C. C. A. 7th Cir.), 232 Fed. 499, 502.

United States v. *American Can Co.* 230 Fed. 859, 900.

In his *The Evolution of Modern Capitalism*, Hobson states:

> "Lastly, there is the influence of existing or *potential* competition of other producers upon monopoly prices. Where prices and profits are very high a Trust is liable to more effective competition on the part of any surviving independent firms, and likewise to the establishment of new competitors. This ability of outside capital to enter into competition will of course differ in different trades. Where the monopoly is protected by a tariff the possibility of new competition from outside is lessened. When the monopoly is connected with some natural advantage or the exclusive possession of some special convenience, as in mining or railways, direct competition of outsiders on equal terms is prohibited. *Where the combination of large capital and capable administration is indispensable to the possibility of success in a rival producer, the power of a monopoly is stronger than where a small capital can produce upon fairly equal terms and compete.* If the monopoly is linked closely with personal qualities and with special opportunities of knowledge, as in banking, it is most difficult for outside capital to compete effectively." (p. 233.)

There are also many nonmember manufacturers of maple, beech and birch flooring throughout the United States with a combined capacity much greater than that of the members of the present Association.

Competition between members and nonmembers and among the members themselves has always been active and vigorous.

For the evidence in support of the foregoing assertions, see pages 116-143, *supra*.

The defendants manufacture standardized products, which lowers manufacturing and marketing costs, and increases competition.

See pages 188-194, *supra*.

The statistics collected and distributed by the present Association are manifestly incomplete, not only with respect to the flooring industry, but with respect to the business of members.

The assertion of the District Court that the defendants' statistics cover "in minute detail every phase and feature of the Maple, Beech and Birch flooring industry as conducted by such members," (Vol. I, p. 57), is manifestly inaccurate.

No data are gathered with respect to any of the following matters:

(a) Active and idle units or machines.

(b) Employment conditions, such as number of wage earners on last pay roll by classes, average wages by classes, time employed, labor turnover, etc.

(c) Geographical distribution of shipments.

(d) Names of customers, or distribution by classes, such as brokers, contractors, wholesale or retail lumber dealers, etc.

(e) Details with respect to new orders booked, such as names of customers, or geographical origin.

(f) Details with respect to unfilled orders such as names of customers, or geographical origin.

(g) Names of members having surpluses or stocks on hand. (Only the aggregate stock on hand is shown.)

(h) Rough lumber on hand, grades, when purchased or produced, cost of production or purchase price, etc.

(i) Cancellations of contracts or orders.

(j) Prices quoted, or to whom.

The statistics do not cover the entire industry, for the reason that there are so many nonmember manufacturers.

The price data contained in the Secretary's Weekly Sales Reports are stale by the time such reports are received by the members. (Pages 322-335, *supra*.)

Knowledge of the quantity of flooring moved, of the amount of stock on hand, and of unfilled orders, enables members to produce larger percentages of the grades that are oversold. This is an advantage to the public. (Pages 327, 330, *supra*.)

There is no magic in business statistics. Like other data presented to one's consciousness they must be correctly evaluated and interpreted. What inferences will be drawn from any data depends upon *past experience and present needs*. Even if one draw correct inferences from statistics, ability to shape one's course accordingly might not exist.

As compared with the total stock of economic phenomena the fragmentary statistics distributed by the defendant Association are infinitesimal, in both number and significance. They are the smallest of straws; and who by regarding only them can prophesy whence, when or whither the economic winds may blow?

Other barometers used by bankers and business men are:

"I. Buildings and real estate: (1) including all new building and fire losses.

II. Bank clearings: (2) total bank clearings, (3) bank clearings excluding New York.

III. Business failures: (4) failures, by number, amount of liabilities, and percentages of failures to number of firms in business.

IV. Labor conditions: (5) immigration figures.

V. Money conditions; (6) money in circulation, (7) comptroller's reports, (8) loans of the banks,

(9) cash held by the banks, (10) deposits of banks, (11) surplus reserve of banks.

VI. Foreign trade; (12) imports, (13) exports, (14) balance of trade.

VII. Gold movements: (15) gold exports and imports, (16) domestic and foreign exchange and money rates.

VIII. Commodity prices: (17) production of gold, (18) commodity prices.

IX. Investment market: (19) stock exchange transactions, (20) new securities.

X. Condition of crops: (21) crop conditions and production of other commodities.

XI. Railroad earnings: (22) gross and net earnings, (23) idle-car figures, (24) miscellaneous.

XII. Social conditions: (25) political factors." (Marshall's *Readings in Industrial Society*, p. 514.—adaptation of Babson's "Barometric Indices of the Conditions of Trade.")

The defendants, like most other manufacturers, also get the trade papers, reports from salesmen, representatives, brokers, dealers, customers, etc., etc. One's own stock conditions, financial needs, and a thousand and one other factors, both objective and subjective, determine one's course. Modern business is exceedingly complex. And to attribute any decisive effect to the statistics distributed by the defendant Association is to take an exceedingly simple view of a very complex matter.

Furthermore, the statistics gathered by the defendant Association are (a) published in trade journals (which are read by the persons who purchase 90 to 95 per cent of the flooring produced by Association members), (b) sent to the Department of Commerce (which publishes monthly a Survey of Current Business), (c) forwarded

to the Federal Reserve and other banks, and (d) available at any time to anyone desiring them.

Mr. George W. Keehn offered in behalf of the defendants to pay for the publication of the statistics in any paper that the Court might direct.

The lumber dealers and brokers who buy outright or handle 90 to 95 per cent of the flooring produced by Association members are in constant contact with contractors and other consumers, as well with flooring manufacturers, both members and nonmembers. It is an easy matter for them to circularize all flooring manufacturers and *to play one against the other*. Members sell flooring almost exclusively to dealers in lumber and brokers. In Marshall's *Readings in Industrial Society*, pp. 833 *et seq.* appears the following adaptation of pages 662 *et seq.* of *Industrial Democracy* by Sidney and Beatrice Webb:

"Paradoxical as it may appear, in the highly developed commercial custom of the England of to-day *the capitalist manufacturer stands at as great a relative disadvantage to the wholesale trader* as the isolated workman does to the capitalist manufacturer. First, *we have the fact that the manufacturer stands to lose more by failing to sell his product with absolute regularity than the wholesale trader does by temporarily abstaining from buying. To the manufacturer, with his capital locked up in mills and plant, continuity of employment is all-important. To the wholesale trader, on the other hand, it is comparatively a small matter that his stocks run low for a short time. His unemployed working-capital is, at worst, gaining deposit interest at the bank, and all he foregoes is a fraction of his profits for the year. Moreover, as the wholesale trader makes his income by a tiny profit per cent on a huge turnover, any particular transaction is comparatively unimportant to him. The manufacturer, earning a relatively large percentage on a small turnover, is much more concerned about each part of it. The disparity is no less*

great with regard to that knowledge of the market which is invaluable in bargaining. The manufacturer, even if he has a resident agent at the chief commercial center, can never aspire to anything like the wide outlook over all the world, and the network of communications from retail traders and shipping agents in every town, which make up the business organization of the wholesale trader.

Thus, when the manufacturer negotiates for an order, he is, within certain undefined limits, at the mercy of the wholesale trader. He is told that the price of his product is too high to attract customers; that the shopkeepers find no demand for it; that foreign producers are daily encroaching on the neutral markets; and, finally, that there has just come an offer from a rival manufacturer to supply the same kind of article at a lower price. The manufacturer may doubt these statements, but he has no means of disproving them. He is keenly alive to the fact that his brother manufacturers are as eager as he is to get the order, and some of them, he knows, are always striving to undercut prices. Unless he is a man of substance, able to wait for more profitable orders, or unless his product is a specialty of his own, which no one else makes, he is almost certain to be tempted, rather than lose the business, to accept a lower offer than he meant to. The price he has accepted can only work out in a profit by some lowering of the cost of production.''

The proof shows that lumber dealers and brokers employ these methods against the defendants. (Pages 148-157, *supra*.) They also take the trade papers, and have access to all the statistics gathered by the defendants.

In view of all these facts what possible harm can result from the collection and distribution of fragmentary statistics by the defendants? The buyers testified to the existence of active competition among the defendants, and that they preferred to deal with Association members.

The District Court's assertion that since the spring of 1922 the statistics "have been more voluminous and in greater detail than ever before," (Vol. I, p. 57), is inaccurate. The statistics gathered have varied from time to time. The charts constructed by the statisticians and economists are graphic representations of statistics collected both before and subsequent to 1922. See also the Appendices in the volume accompanying this brief. So long as the statistics are given to both the buyer and the seller the more voluminous they are the better.

THE NECESSITY FOR BUSINESS STATISTICS.

No one who believes in *free competition* can possibly have any valid objection to the collection and distribution of business statistics by a group of manufacturers, provided such statistics are available to the general public. A believer in liberty might, with as much reason, object to constitutional safeguards. One believing in education might as justifiably object to the endowment of schools and institutions for scientific research, the establishment of universities and colleges and primary schools.

What does the phrase *free competition*, which is so glibly used, really mean? Upon what fundamental assumptions does it rest?

Roughly, *free competition* means a free and open market, fair competition, *and a knowledge of all essential facts by both buyers and sellers.* Anything which tends to produce such conditions is highly desirable.

In Marshall's *Readings in Industrial Society*, pages 294-6, appears the following excerpt from H. B. Reed's

"The Combination versus the Consumer" published in the *International Journal of Ethics*, XXIII, pp. 159-69:

"The soundness of the argument for the natural and automatic justice resulting from the competitive system depends altogether upon the truth of the underlying assumptions, namely, *those of fair competition and an open and free market. With reference to the open market it assumes a free flux and change of all the factors of industry.* If the laborer is engaged in an industry in which there is an overproduction, he is free either to withdraw or to change to an industry in which there is a scarcity of production. Similarly, the capitalist can either shut down his plant or take up another line of manufacturing, and the landowner can either withdraw his land or begin growing crops in which production is scarce. That is to say, a laborer is free to stop coal-mining and promptly begin work either as a baker or as an engineer or as a skilled mechanic in a steel plant. The rolling mills in steel could stop turning out steel rails and begin the manufacture of shoes or lumber.

Not only is such a perfect flux required to make the system always yield natural prices; there must be also a pre-knowledge of the conditions and factors that bring about changes in the market price. For example, if, during the next year, there were going to be a dry season in Western Canada and a favorable season in Southern Russia, the Russians, in order to avoid scarcity in the wheat market, would have to know this fact and bring a greater number of fields under cultivation, and the Canadians would have to know it so as to avoid an oversupply of labor and a useless putting out of crops. The oversupply of labor in Canada would either have to move to Russia or find employment in other industries in which there would be a scarcity of production. *In fact, nothing short of an absolute knowledge of the world would satisfy the necessary conditions.*

It is well known that this mobility with respect to industry does not exist. There is an element of permanency to be considered. In the laborer it is habit; in the capitalist, the fixity of machinery; and in

land, the nature of the soil in the relation to the seasons of the year. The laborer cannot change and train his habits for a new trade and in the meantime support his family; nor is he free to withdraw his labor, for he usually has no surplus. The capitalist cannot shut down his plant for a very long time without infringing upon his dividends and credit. Nor can the landowner usually forego his rent without some injury or failure in his business relations. So far, then, as there is permanency in any of the factors of industry, the natural or fair price in an open competitive market will not be obtained.

In this view, then, the assumption of the free mobility of the factors of industry is taken with too much extravagance and in so far invalidates the natural and automatic justice of the competitive system. There is an equal extravagance with regard to the assumption of fair competition. For competitors, *fair competition obtains when the rules and opportunities under which they operate apply equally to all.* It is not so important what the rules are as it is to have them affect all alike. There are many ways in which this condition is violated."

Professor Marshall himself says:

"One illustration will suffice. Under simple industry there grew up a faith in 'free' competition as an efficient organizing force for industrial society. *Free competition involves, among other things, adequate knowledge of the essential facts by all interested parties,* and mobility with respect to productive forces. *Under simple industry these conditions obtained. Men could ascertain essential facts;* furthermore, it was easy to abandon an unprofitable line of activity and easy to take up a new one. *Under complex industry, however, adequate knowledge and mobility of productive forces are not readily secured;* consequently the conditions which would render competition efficient as a universal regulator no longer obtain in large sections of industry. None the less there still rests firmly in the minds of the general public, and, as a result, in the minds of most of our legislators, the conviction that competition is under

all circumstances 'the life of trade.' Accordingly, much of our legislation (witness the Interstate Commerce Act and almost all of our trust legislation) proceeds calmly on the assumption that most matters may wisely be left to 'free' competition. It is, of course, true that competition still has very important functions and possibly an increasing range of functions to perform in our industrial society. Little is gained, however, by attempting to apply eighteenth-century philosophy concerning competition to twentieth-century conditions." (p. 419.)

On pages 935-6 appears the following adaptation of pages 145-54 of Bascom's *Social Theory:*

"An open market is the presupposition of competition. *Competition, as a wholesome law, means no more than the adjustment of the terms of production and of exchange to each other over a certain area, so that each shall have the advantage and render the service that, from the nature of the case, belong to it.* Competition does not create the productive forces, but assigns their relation in reference to each other. The accidents of trade and the tricks of trade and the combinations of trade, which prevent a genuine expression of the facts involved, constitute no part of competition as an economic law, any more than a lie is a constituent of the narrative in which it is embodied. A productive territory, fully represented, is the essential notion of a market. Any limitation is so far a loss of a market. If bad weather prevents the usual attendance in the public square of a city of those who supply it with vegetables, the market, to that degree, fails. If bad roads render this light attendance frequent, the economic forces involved are correspondingly straightened. *Competition alone does not suffice to cure the evil.* The broader conditions of civilization which enclose it are at fault, and demand correction. As a matter of fact, there are comparatively few complete markets. *We are constantly therefore, giving an ideal completeness to the law of competition which does not belong to it. It would possess this perfection only if the way had been perfectly prepared for it.*

If we wish competition to become an adequate and beneficent force, we must intermeddle with it; we must provide the suitable conditions under which it takes full effect.

Not only is any given market seldom adequate; it is seldom open. *By an open market we understand one that gives free admission to all economic forces, and excludes all others. Deception and restriction of all sorts set aside considerations which should guide purchase and sale, or introduce considerations which are not pertinent to them. The open market discloses the facts in the case, and leaves the adjustment of prices to them. Competition which conceals or distorts the facts is no more a law of production than are theft and violence.*"

In Hobson's *The Evolution of Modern Capitalism*, pages 403-5, it is said:

"So far as the waste of economic maladjustment consists in the excessive or defective application of various kinds of productive force at different points of industry, upon the existing basis of individual initiative and control, *the reforms which are desirable must be considered as contributing to the more complete establishment of 'free' competition in industry.*

The complete breakdown of all barriers which impede the free flow of commerce and the migration of capital and labour, the fullest and widest dissemination of industrial information, are necessary to the attainment of the individualistic ideal of free trade. Perfect transparency of industrial operations, perfect fluidity of labour and of wealth would effect incalculably great economies in the production of commercial wealth. The free-trader, in his concentration upon the achievement of the latter economy, has generally failed to do full justice to the importance of the former. He has indeed to some limited extent recognized the value of accurate and extended industrial information as to the intellectual basis of free trade. But, in common with most economists, he has failed to carry this consideration

far enough. It is generally admitted that the increased publication of accounts and quotations of stock, springing out of the extension of joint-stock enterprise, the growth of numerous trade journals, the collection and dissemination of industrial facts by government bureaus and private statisticians, are serviceable in many ways. But the extreme repugnance which is shown towards all endeavors to extend the compulsory powers of acquiring information by the state, the extreme jealousy with which the rights of private information are maintained, show how inadequately the true character of modern industry is grasped. In the complexity of modern commerce it should be recognized that there is no such thing as a 'self-regarding' or a private action. No fact bearing on prices, wages, profits, methods of production, etc., merely concerns a single firm or a single body of workers. Every industrial action, however detailed in character, however secretly conducted, has a public import, and necessarily affects the actions and interests of innumerable persons. Indeed it is often precisely in the knowledge of those matters regarded as most private, and most carefully secreted, that the public interest chiefly lies. Yet so firmly rooted in the business mind is the individualistic conception of industry, that any idea of a public development of those important private facts upon which the credit of a particular firm is based, would appear to destroy the very foundation of the commercial fabric. But, although in the game of commerce a single firm which played its hand openly while others kept their well concealed might suffer failure, it is quite evident that the whole community interested in the game would gain immensely if all the hands were on the table. Many, if not most, of the great disasters of modern commercial societies are attributable precisely to the fact that the credit of great business firms, which is pre-eminently an affair of public interest, is regarded as purely private before the crash. As industry grows more and more complex, so the interest of the public and of an ever-wider public in every industrial action grows apace, and a correspondingly growing recognition of this public interest, with provision for

its security, will be found necesary. So far as the natural changes of industrial structure in the private business fail to provide the requisite publicity, the exercise of direct public scrutiny must come to be enforced. The reluctance shown alike by bodies of employers and of workers to divulge material facts is in large measure due to the false ideas they have conceived as to the nature of industrial activity, which education can do something to remove, but which, if not removed, must be overruled in the public interest.''

In Marshall's *Readings in Industrial Society*, p. 498, appears the following adaptation of pages 427 *et seq.* of Professor Irving Fisher's *Elementary Principles of Economics:*

"Uncertainty being regarded as an evil by practically all normal persons, there is a constant effort to avoid or reduce uncertainties. This may be accomplished in various ways, of which the following are important: (1) by increasng their knowledge of the future; (2) by employing safeguards against mischances; (3) by insurance; (4) by speculative contracts, especially 'hedging.' We shall take these up in order.

1. Risk, being simply an expression for human ignorance, decreases with the progress of knowledge. *The chief lines of progress in industry at the present time may be said to be those which tend to lift the veil which hides the future.* Countless trade journals exist principally to enable their readers to forecast the future more accurately than they otherwise could. This the journals accomplish by supplying data as to past and present conditions as well as by instructing their readers in the relations of cause and effect. Our government weather bureau supplies weather forecasts which somewhat reduce this form of uncertainty for the farmers. Government reports of crop conditions and information as to diseases of plants and animals are more important influences in the same direction."

The collection and distribution of business statistics tends to provide *"the suitable conditions" under which "free competition" takes full effect.* It tends to reduce the hazards of capitalist production. Some of these hazards have been mentioned on pages 235-243, *supra.* Hobson well states another factor:

"Modern methods of production have also brought about a great expansion in the time-area of the market. Competition covers a wider range of time as well as of space. Production is no longer directed by the quantity and quality of present needs alone, but is more and more dependent upon calculation of future consumption. A larger proportion of the brain power of the business man is devoted to forecasting future conditions of the market, and a larger proportion of the mechanical and human labour to providing future goods to meet calculated demands. This expansion of the time-market, or growth of speculative production, is partly cause, partly effect of the improved mechanical appliances in manufacture and in transport. The multiplication of productive power under the new machinery has in many branches of industry far outstripped the requirements of present known consumption at remunerative prices, while increased knowledge of the widening market has given a basis of calculation which leads manufacturers to utilize their spare producive power in providing against future wants. So long as industry was limited by the labour of the human body, assisted but slightly by natural forces and working with simple tools, the output of productive energy could seldom outstrip the present demand for consumable goods.

But machinery has changed all this. Modern industrial nations are able to produce consumables far faster than those who have the power to consume them are willing to exercise it. Hence there is an ever-increasing margin of productive power redundant so far as the production of present consumptive goods is concerned. This excess of productive power is saved. It can only be saved by being stored up in some material forms which are required not for

direct consumption but for assisting to increase the rate at which consumables may be produced in the future. In order to make a place for these new forms of saving it is necessary to interpose a constantly increasing number of mechanical processes between the earliest extractive process which removes the raw material from the earth and the final or retailing process which places it in the consumer's hands. New machinery, more elaborate and costly, is applied; special workshops, with machines to make this machinery—other machinery to make these machines; there is an expansion of the mechanism of credit, the system of agents and representatives is expanded, new modes of advertising are adopted. Thus an ever-widening field of investment is provided for the spare energy of machine-production. The change is commonly described by saying that production is more 'roundabout.' A larger number of steps are inserted in the ladder of production. This increased complexity in the mechanism of production is not, however, the central point of importance. We must realize that the change is one which is essentially an increase in the 'speculative' character of commerce. The 'roundabout' method of production signifies a continual increase in the proportion of productive forces devoted to making 'future goods' as compared with those devoted to making 'present goods.' Now future goods, plant, machinery, raw material of commodities, are essentially 'contingent goods': their worth or waste depends largely upon conditions yet unborn: their social utility and the value based upon it depend entirely upon the future powers and desires of those unknown persons who are expected to purchase and consume the commodities which shall come into existence as results of the existence and activity of these future goods.

The actual time which elapses between the extractive stage and the final retail stage of a commodity may not be greater and is in many cases far less under the new methods of industry. The raw cotton of South Carolina gets on the wearer's back more quickly than it did a century and a half ago. But when we add in the time-elements involved in the

provision of the various forms of intricate plant and machinery whose utility entirely consists in forwarding these cotton goods, and whose existence in the industrial mechanism depends upon them, we shall perceive that the 'roundabout' method signifies a great extension of the speculative or time-element in the market." (*Evolution of Modern Capitalism*, pp. 148-50.)

And again:

"In a word, while it is the interest of each producer of machine-made goods to give regular employment, some wider industrial force compels him to irregularity. What is this force? It is uncontrolled machinery. In the several units of machine-production, the individual factories or mills, we have admirable order and accurate adjustment of parts; in the aggregate of machine-production we have no organization, but a chaos of haphazard speculation. 'Industry has not yet adapted itself to the changes in the environment produced by machinery.' That is all.

Under a monetary system of commerce, though commodities still exchange for commodities, it is an essential condition of that exchange that those who possess purchasing power shall be willing to use a sufficient proportion of it to demand consumptive goods. Otherwise the production of productive goods is stimulated unduly while the demand for consumptive goods is checked,—the condition which the business man rightly regards as over-supply of the material forms of capital. *When production was slower, markets narrower, credit less developed, there was less danger of this big miscalculation, and the corrective forces of industry were more speedily effective. But modern machinery has enormously expanded the size of markets, the scale of competition, the complexity of demand, and production is no longer for a small, local, present demand, but for a large, world, future demand.* Hence machinery is the direct material cause of these great fluctuations

which bring, as their most evil consequence, irregularity of wages and employment." (p. 329.)

See also:

Taussig's *Principles of Economics*, (Vol. I) pp. 391-7.

Marshall's *Readings in Industrial Society*, p. 479.

In order to produce flooring trees have to be felled in the forest, trimmed and sawed to proper lengths; then the logs have to be transported to the saw mills where the rough lumber is made. The rough lumber must be air-dried, *which takes from 9 to 18 months.* Then it must be kiln dried, etc. (Pages 38-40, *supra.*)

Moreover, flooring must be produced and stored in large quantities in advance of sale. And the demand for flooring is largely seasonal. As said by Professor Taussig:

"Among individual industries, some seem to be more than others in danger of occasional, even of recurrent, over-production; that is, of such large output that they must sell at a loss. Industries of a familiar kind, which use a very large plant, seem to be in this case; especially if they are subject to seasonal irregularities of demand." (*Principles of Economics*, (Vol. 2), p. 52.)

COLLECTION AND DISTRIBUTION OF STATISTICS BY TRADE ASSOCIATIONS. RECOGNITION OF IMPORTANCE BY GOVERNMENT.

In *Trade Association Activities*, issued by the Department of Commerce (page 243, *supra*), it is said:

> "Trade associations have been collecting production statistics of one kind or another with increasing momentum for over 60 years." (p. 12.)[62]

In *Trade Association Activities and the Law*, by Franklin D. Jones, it is said:

> "An investigation by the Federal Trade Commission shows 474 associations, or more than thirty per cent of the associations reporting to the Commission, to be compiling and distributing trade statistics." (p. 44.)

The same investigation also disclosed that 150 associations were distributing price information. (p. 60.)

In Chapter I of *Trade Association Activities*, (issued by the Department of Commerce) it is said:

> "The Department of Commerce is charged with the promotion and development of trade and industry. To properly fulfill these duties it is necesary for it to have adequate current information as to the exact state of commerce and industry, and the Secretary of Commerce is empowered to collect from time to time such figures as he deems essential.
>
> Early in 1921 the department organized a division in the Bureau of the Census for the systematic collection and presentation of such current figures. In doing this the department attempted to make use of

[62] Chapter 1, p. 12, written by Richard A. May, of the Bureau of Foreign and Domestic Commerce, and Frank M. Surface, of the Bureau of the Census.

current information so far as this was already available in a satisfactory form from trade associations, technical journals, and other commercial sources, as well as that compiled by Government departments.

The results of this work proved so useful to the executive officers of the Government that it was decided to publish the figures for the benefit of business men. The results are embodied in the monthly 'Survey of Current Business.' *More than* 100 *trade associations are actively cooperating with this department by furnishing their statistics for publication in this bulletin.*

The department believes that through such active cooperation with trade associations more satisfactory results will be obtained than could be done if the department attempted to collect all the information itself. Where no association or other figures are available the department has collected such data as seemed essential. In other instances the Bureau of the Census has supplemented the reports from associations by securing data from nonmember firms and adding these to the association totals. The results of this form of cooperation have proved very satisfactory from the standpoint of the department as well as that of the cooperating association. * * * *Again, it must always be borne in mind that the abuse of statistics, whether they relate to production, stocks, orders, prices, or other movements, lies not in the knowledge of the actual figures but in the improper use made of that knowledge through concentrated action.* * * *Current business statistics, if they are to be of value in guiding business judgment, must be distributed promptly. The Department of Commerce does not possess the necessary organization nor the funds to enable it to insure such prompt dissemination of association statistics as the business of the country demands.* In order to overcome this difficulty and at the same time insure wide publicity to current statistics, considerable attention has been devoted to working out the details of a practical plan whereby this department might cooperate with associations in the distribution of statistics." (pp. 27-29.)

And again:

"Statistical data, properly prepared and properly presented, supply a very necessary insight into the business facts of the day. Someone has said, 'Statistics are as necessary to the navigator on the sea of business as are the compass, sextant, and barometer to the mariner on the high seas.' Statistics present a perspective of the past, whereby a vision of the future is obtained, and are a means of gauging market requirements, a guiding hand to intelligent competition, and thus of immeasurable value to industry and trade and to the public in general. *Statistics, however, offer no royal road to business success. Their greatest and only real value is obtained by individuals properly qualified to interpret their real significance through indicated surface or long-time tendencies. They therefore offer only one additional basis, yet a very fundamental one, in reasoning regarding economic tendencies.*" (p. 9.)

In the same volume Mr. Secretary Hoover states:

"Most trade associations have evidenced active interest at some time or other in the collection, compilation, preparation, and dissemination of statistical material relative to their industries or trades. They have been considered with particular emphasis as to production, stocks, shipments, or cancellations. Sometimes the greatest desire has been for data regarding prices and orders. Statistical activity by trade associations has legal limitations. However, there is no question but that the curves in the business cycle from activity to depression have been less disastrous in those industries or trades where accurate, lawful statistical data have been available to all. Fundamentally it is impossible for business men to form those vital judgments as to their future course of action in the wise and safe direction of their activities unless they are informed as to the changing currents of production and consumption, not only in their own lines but also in other lines of business, which indicate broader currents of economic life. *The only criteria are statistics, and if industry is to march with reasonable profits instead of*

undergoing fits of famine and feast, if employment is to be held constant and not subjected to vast waves of hardship, there must be adequate statistical service. Whether these services are to be maintained by the Government or by trade associations, they must be maintained if we are to have an orderly economic life. To the trade associations are due the vast majority of our statistical services, and if they be conducted alike for the benefit of the producer and consumer they are constructive." (p. 3.)

For a detailed statement of the activities of the Federal Government in the compilation and distribution of statistics, see volume last cited, Chapter XV, pp. 216-270.

PREVIOUS DECISIONS OF THIS COURT DISTINGUISHED.

The District Court was of the opinion that the decision rendered in

American Column & Lumber Co. v. *United States*, 257 U. S. 377,

was decisive of the case at bar. This court has often announced that each case arising under the Sherman Act must be determined upon the particular facts disclosed by the record.

A mere statement of the essential facts in both the *American Column* case and the case at bar is all that is necessary to demonstrate that the decision in the former case is wholly inapplicable to the latter.

PLEADINGS.

In the *American Column* case it was alleged that the defendants' "Plan" constituted a combination and conspiracy to restrain interstate commerce in hardwood lumber by restricting competition "and *maintaining and*

increasing prices." (p. 39.) In the case at bar the Government does not allege that the defendants' plan increased prices. What the Government complains of is that there existed among the defendants *a practical uniformity of both f. o. b. selling prices and net delivered prices.* In the *American Column* case the Government *proved* the esential allegations of the petition, whereas in the case at bar, the Government admitted at the hearing that the alleged uniformity of prices did not exist.

PLANS.

In the *American Column* case the members of the Plan were required to make

> "1. A *daily* report of all sales actually made, with the *name and address of the purchaser,* the kind, grade and quality of lumber sold *and all special agreements of every kind, verbal or written with respect thereto. These reports are to be exact copies of orders taken.*" (p. 394.)

In the case at bar the evidence shows that *no daily* reports are made by members. In the *weekly* sales reports *the name and the address of the purchaser are not given, and there is no means of otherwise obtaining such information.* No copies of contracts or orders are required in the case at bar. (Pages 306-7, 310-311, *supra.*)

In the *American Column* case the defendants were required to make

> "2. A *daily* shipping report, with exact copies of the invoices, all special agreements as to terms, grade, etc." (p. 395.)

In the case at bar, the evidence shows that only *monthly* shipping reports are made by members, and that these reports contain only "the amount in feet of

shipments made during the previous month of Maple, Beech and Birch flooring'' *without giving grades, thicknesses, widths, names of customers, destination, terms of sale, or copies of invoices.* (Page 304, *supra.*)

In the *American Column* case members were required to make

> "3. A monthly production report, showing the production of the member reporting during the previous month, with the grades *and thicknesses classified as prescribed in the 'Plan.'* " (p. 395.)

The evidence in the case at bar shows that members make a monthly production report of the quantity of feet of each *grade of each wood* produced during the previous month *without further detail.* (Pages 304-5, *supra.*)

The monthly stock report made by members of the "Plan" described in the *American Column* case (p. 395) is substantially the same as the monthly report of Stocks on Hand made by members of the defendant Association. (Page 304, *supra.*)

In the *American Column* case members were required to make

> "5. *Price-lists. Members must file at the beginning of each month price-lists showing prices f. o. b. shipping point, which shall be stated. New prices must be filed with the Association as soon as made.*" (p. 395.)

In the case at bar no price lists whatsoever are either filed or required to be filed with the Secretary. (Vol. I, pp. 173, 213, 308, 335, and pages 303-4, *supra.*)

As Hon. Nelson B. Gaskill, of the Federal Trade Commission, has well said:

"Yet such statistics [statistics of production,

stocks, and *sales prices*] can be collected, tabulated and distributed without taking on the significance of unlawful intent or without producing an unlawful result. * * *

Careful distinction must be drawn between this operation and the Eddy 'open-price' association. Nothing in this discussion has any relation to the 'open-price' plan.

Knowledge of prices at which sales have been consummated is one thing. Exchange of prices proposed to be quoted is quite a different matter. One is the record of a fact which affords an essential factor in the equipment of an individual to deal competitively. The other is a submission of plans which almost certainly results in unanimity of action or agreement in effect if not in form." (Chapter II, *Legal Aspects of Statistics*, p. 42, in *Trade Association Activities*, issued by the Department of Commerce.)

In the *American Column* case members were required to make

"6. Inspection reports. These reports are to be made to the association by a service of its own, established for the purpose of checking up grades of the various members and the 'Plan' provides for a chief inspector and sufficient assistants to inspect the stocks of all members from time to time.

The declared purpose of the inspection service is not to change any member's grading except with his consent, but to furnish each member a basis on which he can compare his prices with those of other members, thereby making all members' reports more intelligible and accurate." (p. 395.)

In the case at bar the evidence shows that the flooring manufactured by members is standardized; also that the information as to prices is stale by the time it is received.

In the *American Column* case

"all these reports by members are subject to complete audit by representatives of the association.

> Any member who fails to report shall not receive the reports of the secretary, and failure to report for twelve days in six months shall cause the member failing to be dropped from membership."

Reports of members of the defendant Association are not subject to audit, and no such audits have ever been made since the organization of the present Association. (Page 313, *supra.*) There are no penalties of any kind for failure to make reports, and all reports are always sent to all members by the secretary, except that weekly sales reports are sometimes withheld from nonreporting members. (Pages 313, 307-8, *supra.*)

In the *American Column* case the Secretary was required to send to members reports which corresponded with the reports received from members.[63] It is necessary to take up only one or two of such reports.

> (a) "A *weekly* report, *not later than Saturday*, of all sales, *to and including the preceding Tuesday*, giving each sale and the price, *and the name of the purchaser.*" (p. 396.)

The *weekly* sales reports of the defendant Association are not sent out by the Secretary until Wednesday or Thursday of the following week. Many of the sales reported result from quotations made a week to four weeks previously. (Pages 322-335, *supra.*) The evidence is undisputed that the information as to prices is stale by the time it is received by members, who receive price information daily from traveling salesmen, representatives, customers, brokers, and other sources. (Pages 319-335,

[63] And of course, the Secretary of the defendant Association is also required to send to members reports that correspond to reports received by him from members. However, the identity of members making sales or having stocks on hand, etc., is not now disclosed by the Secretary. (Pages 308-9, *supra.*)

supra.) The names of neither sellers nor buyers are contained in the weekly sales reports. (Pages 306-7, 310-311, *supra.*)

No *weekly* shipment report is made by the Secretary of the defendant Association; and in the monthly shipment report the identity of members making shipments is not disclosed. (Pages 304, 308-9, *supra.*) Neither is the identity of members now disclosed in the monthly Stocks on Hand report, or in any other report whatsoever. (Pages 304, 308-9, *supra.*)

In the *American Column* case the Secretary was required to send out

> "6. A market report letter * * * to each member, of the Association (whether participating in the 'Plan' or not) pointing 'out changes in conditions both in the producing and consuming sections, giving a comparison of production and sales and in general an analysis of the market conditions.'" (p. 396.)

Since the organization of the present Association no such reports have ever been sent out by either the Secretary or any committee or officer or member of the Association. Each member must draw his own conclusions from the statistics received by him. (Pages 310-313, 272-4, *supra.*)

In the *American Column* case the "Plan" provided for monthly meetings for the discussion "of all subjects to the interest of members." (pp. 396-7.) In actual practice the Southwestern territory was divided into four districts, and approximately weekly meetings were held. (p. 397.)

In the case at bar the evidence is undisputed that at the monthly meetings of the defendant Association future prices for maple, beech or birch flooring were never discussed. (pp. 231-33, *supra.*)

In the *American Column* case the proof showed:

"*Second.* Before each of these meetings a questionnaire was sent out to the members, and from the replies received, supplementing the other reports, the statistician compiled an estimate of the condition of the market, actual and prospective, which was distributed to the members attending each meeting, and was mailed to those not present. There were eleven questions on this list of which the most important were:

'4th. What was your total production of hardwoods during the last month? What do you estimate your production will probably be for the next two months?'

'10th. Do you expect to shut down within the next few months on account of shortage of logs or for any other reason? If so, please state how long mill will be idle?'

'11th. What is your view of market conditions for the next few months? What is the general outlook for business? State all reasons for your conclusions.'

The 'Plan' on paper provided only for reports of past transactions and much is made of this in the record and in argument—that reporting to one another past transactions cannot fix prices for the future. But each of these three questions plainly invited an estimate and discussion of future market conditions by each member, and a coordination of them by an expert analyst could readily evolve an attractive basis for cooperative, even if unexpressed, 'harmony' with respect to future prices." (pp. 397-8.)

Before the monthly meeting of the defendant Association members were asked to report amount in feet of Shipments, Production and New Business up to a day or two preceding the date of the meeting. (Pages 311-313, *supra*, and Vol. IV. p. 457.) The Secretary then computed what the Shipments, Production and New Orders

would be if conditions remained the same for the balance of the month, and compared the (computed) results with the actual figures for the previous month. For instance, from reports (received from 14 members) covering the first 13 days of February, 1923, it was estimated that Shipments would be about 26 per cent less; Production about 21 per cent less and New Orders about 41 per cent less than they were for January, 1923, "if the business during the remainder of February averages about the same as the first 13 days and if the trade experiences of the other 8 members are about the same." (Vol. IV, p. 488.) Such estimate added nothing substantial to the weekly and monthly reports already in the possession of members. They differ materially from the reports in the *American Column* case. In the case at bar members reported only past transactions.

In actual practice the "Plan" in the *American Column* case was also modified as follows:

> "Third. The 'Plan' provided for a monthly 'market report letter' to go to all members of the association. In practice this market report letter was prepared by F. R. Gadd, Manager of Statistics, but his review of the market and forecast for the future were contained, almost from the beginning, not only in these market letters but also in the weekly sales reports, so that they were sent out to all of the members nineteen times between February 1 and December 6, 1919, and they were discussed at all but one or two of the forty-nine meetings which were held. All the activities of the 'Plan' plainly culminated in the counsels contained in these letters and reports." (p. 398.)

In the case at bar, the evidence is undisputed that since the organization of the present association the Secretary's reports consist merely of the statistics without comment, analysis, interpretation or recommendation. (Pages 310-313, *supra.*)

Concerning the "Plan" in the *American Column* case, this Court said:

> "*This elaborate plan for the interchange of reports does not simply supply to each member the amount of stock held, the sales made and the prices received, by every other member of the group, thereby furnishing the data for judging the market, on the basis of supply and demand and current prices. It goes much farther.* It not only furnishes such information, with respect to stock, sales and prices, but also reports, giving the views of each member as to 'market conditions for the next few months'; what the production of each will be for the next 'two months'; frequent analyses of the reports by an expert, with, we shall see, significant suggestions as to both future prices and production; and opportunities for future meetings for the interchange of views, which the record shows were very important. It is plain that the only element lacking in this scheme to make it a familiar type of the competition suppressing organization is a definite agreement as to production and prices." (pp. 398-9.)

In the case at bar only the past transactions are reported, and each member must draw his own conclusions.

The distinguished writer of the majority opinion then brought forth the *homo oeconomicus* of Adam Smith, (an animal that has never existed on land or sea since the beginning of the evolutionary process), and stated that the definite agreement was supplied

> "by the disposition of men 'to follow their most intelligent competitors,' especially when powerful; by the inherent disposition to make all the money possible, joined with the steady cultivation of the value of 'harmony' of action; and by the system of reports, which makes the discovery of price reductions inevitable and immediate. The sanctions of the plan obviously are, financial interest, intimate

personal contact, and business honor, all operating under the restraint of exposure of what would be deemed bad faith and of trade punishment by powerful rivals." (p. 399.)

"The system of reports" in the case at bar informed with reasonable despatch each member of the prices at which other members had sold flooring. *Yet the proof is undisputed that at all times the prices of members varied greatly.* It therefore follows, either that the 'disposition' and the 'sanctions' above mentioned were not active or present in the case at bar, or else that conclusions based upon such a *naif* psychology are untrustworthy. As a matter of fact the history of attempts at price-control by groups of manufacturers decisively shows that the theories of the learned justice above quoted are not supported by the facts. Certainly, universal validity cannot be claimed for them.[64]

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[64] "Combinations, pools, and price agreements among manufacturers and dealers have been among the most common phenomena of modern industry. *Almost invariably (unless bolstered up by some independent cause conducive to monopoly control) they have gone to pieces of themselves.* The persons forming them have been both shortsighted and covetous. It has often been the case that all would have made larger gains if all had stuck to their restrictive agreements. But each has been desirous of increasing his own particular gains, and each has been suspicious of his associates. *The usual result has been that price combinations are no sooner made than broken, with much lament that there is so little honor among these quasi-thieves. Even where the would-be monopolists have held together for a while, competition from outside has soon caused their compact to crumble away.* Usually the outside competitors also have been covetous and shortsighted, failing to see that their own entrance into the field tended to destroy the very gains in which they were trying to share. *The truth is that few men, in business or in other doings, look beyond the present and immediate future.* Had they a more resolute and intelligent eye to ultimate results, the policy of letting people try at monopoly, but

It seems to us that whether in any case there is "a definite agreement as to production and prices" (apart from an express written agreement), cannot safely be determined by creating defendants in the image of *homo beconomicus*. The *facts* shown by the record must determine the matter.

That the decision in the *American Column* case did not turn on the *a priori* reasoning above quoted is clear. The court continued thus:

> "Obviously the organization of the defendants constitutes a combination and confessedly they are engaged in a large way in the transportation and sale of lumber in interstate commerce so that there remains for decision only the question whether *the system of doing business adopted resulted in that direct and undue restraint of interstate commerce which is condemned by this Anti-Trust statute.*" (pp. 399-400.)

The court then proceeded to "consider what the record shows as to the purpose of this combination and as to its *effect* upon interstate commerce." (p. 401.)

> "The record shows that the lumber market was inactive in the months of January and February and the first part of March of 1919. It grew better late

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refusing legal sanction to their monopolistic agreements, would have proved much less effective."

Taussig's *Principles of Economics* (3d ed. revised), Vol II, pp. 419-420.

And see pages 365-6, *supra*.

Long before the organization of the present Association the defendants had learned by experience the fundamental truths above stated. They therefore abandoned all attempts at price control.

And the proof shows that the defendants' plan for the collection and distribution of statistics among members and buyers has not caused either uniformity of prices, or unreasonable prices. The proof is undisputed that competition among the defendants is very active.

in March and progressively stronger until in July, when it became very active, with prices high, and so continued until the end of the year we are considering.

In the first quarter of the year the problem was to maintain the war prices then prevailing rather than to advance them, and although the minutes of the various meetings were kept in barest outline, we find that beginning within a month of the consolidation of the two associations, the members of the 'Plan' began actively to cooperate, through the meetings, to suppress competition by restricting production. This is very clearly shown by the excerpts following from the minutes of meetings and from the market letters and sales reports distributed at them." (p. 402.)

There is no such evidence in the case at bar concerning the present Association.

And again:

"Next, *the record shows clearly that the members of the combination were not satisfied to secure, each for himself, the price which might be obtainable even as the result of cooperative restriction of production, but that throughout the year they assiduously cultivated, through the letters of Gadd, speaking for them all, and through the discussions at the meetings, the general conviction that higher and higher prices were obtainable and a disposition on the part of all to demand them.* The intention to create such a common purpose is too clear to be doubted, evidenced as it is by the following excerpts from much of like character in the testimony." (pp. 404-405.)

There is no such evidence in the case at bar.

And again:

"But not only does the record thus show a persistent purpose to encourage members to unite in pressing for higher and higher prices, *without re-*

gard to cost, but there are many admissions by members, not only that this was the purpose of the 'Plan,' *but that it was fully realized.* * * *

These quotations are sufficient to show beyond discussion that the purpose of the organization and especially of the frequent meetings was to bring about a concerted effort to *raise prices regardless of cost or merit,* and so was unlawful, *and that the members were soon entirely satisfied that the 'Plan' was 'carrying out the purpose for which it was intended.'*

As to the price conditions during the year. Without going into detail the record shows that the prices of the grades of hardwood in most general use were increased to an unprecedented extent during the year. Thus, the increases in prices of varieties of oak, range from 33.3% to 296% during the year; of gum, 60% to 343%, and of ash, from 55% to 181%. While it is true that 1919 was a year of high and increasing prices generally and that wet weather may have restricted production to some extent, *we cannot but agree with the members of the 'Plan' themselves, as we have quoted them, and with the District Court in the conclusion that the united action of this large and influential membership of dealers contributed greatly to this extraordinary price increase."* (pp. 407-9.)

In the *American Column* case the decision turned not upon the fact that statistics were collected and distributed, but upon the *effect* of the "Plan" and the conduct of the defendants. Both the purpose of the members and the *effect* of their activities were *unlawful.* The purpose was to limit production and to *"unite in pressing for higher and higher prices, without regard to cost." That purpose was achieved.*

In the case at bar there is no such evidence. The uniformity of prices charged by the Government never existed. The undisputed proof is that competition among members was strong, active and vigorous; that the

prices for flooring were fair and reasonable; that such prices were often below cost and usually below the prices of nonmembers; that the prices fluctuated in accordance with the laws of supply and demand, and in harmony with the prices for rough lumber; that each member determined his own prices, and that there was no limitation of production.

After basing the decision upon the *effect* of the "Plan" and the unlawful activities of the defendants, the writer of the majority opinion then indulged in some *a priori* reasoning as to what genuine competitors do and do not do. The District Court echoed the *dicta* in question:

> "Business rivals do not disclose to each other the minute details of their transactions unless such disclosure is made for some ulterior and unworthy purpose." (Vol. I, p. 58.)

The learned court may be right, "and probably his methods are everything they should be; certainly I cannot go so far as to say that they are wrong: but still, at the same time—!"

Aristotle, Plato, Aquinas, Tertullian, S. Jerome, Augustine and many other wise and holy men were equally positive that buying and selling for the sake of profit is *base in itself, and a form of cheating; that in every bargain there is one that wrongfully gains at the expense of another, and that deceit and wrongdoing are inseparable from trade for profit.*

All the wise men above mentioned and many others were equally positive that to lend out money at interest is infamous.

Philosophy and Political Economy, by James Bonar, pp. 38, 22, 68, 61.

English Economic History and Theory, by Sir W. J. Ashley, pp. 128, 145.

Adam Smith was equally positive of the identity of private and public interests; that merchants are best left to follow their own gain without *any thought of the public welfare,* since an "*invisible hand*" *always overrules their selfishness for the common advantage*"[65]

History of Economic Doctrines, by Gide and Rist, pp. 89, 410.

Philosophy and Political Economy, by James Bonar, pp. 162-63.

Endless examples of erroneous settlement of complex questions by means of *a priori* reasoning or Johnsonian pronouncement might be given.

We may be wrong, but it seems to us that the *facts* as disclosed by the record in the case at bar are deserving of some consideration. Indeed, with all due respect to the learned District Court, it seems to us that his fear of statistics is not unlike the ancient popular fear of engrossing or forestalling, which Adam Smith has compared to "the popular terrors and suspicions of witchcraft." (*English Economic History and Theory,* (Ashley), p. 188.)

The particular "*Plan*" of the defendants in the *American Column* case was also condemned. (pp. 410-411.) The purpose of the minute regulation was to

> "promptly expose to his associates any disposition of any member to deviate from the tacit understanding that all were to act together under the subtle[66]

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[65] Smith's equal positiveness that only four kinds of business enterprises could be conducted by joint-stock companies, because of the absence of personal interest, is known to every one.

History of Economic Doctrines, by Gide and Rist, p. 96.

[66] Without a misuse of terms can it be said that Mr. Gadd's direction was *subtle?* To us his hortatory letters (pp. 402-407) suggest the Reverend William A. Sunday or Mr. Bryan (W. J.), rather than Bergson or Anatole France.

direction of a single interpreter of their common purposes, as evidenced in the minute reports of what they had done and in their expressed purposes as to what they intended to do." (p. 411.)

In the case at bar there was no tacit understanding as to prices or production. There was no single interpreter. Furthermore, the reports in the case at bar showed that each member did just as he pleased. Therefore, all *a priori* reasoning as to the purpose of the defendants or as to the probable effect of their plan for the collection and distribution of statistics, is beside the case. There is an abundance of undisputed proof that in the case at bar interstate trade or commerce was *not* restrained at all.

Another important distinction between the *American Column* case and the case at bar was stated by the court as follows:

"In the presence of this record it is futile to argue that the purpose of the 'Plan' was simply to furnish those engaged in this industry with widely scattered units, the equivalent of such information as is contained in the newspaper and government publications with respect to the market for commodities sold on boards of trade or stock exchanges. *One distinguishing and sufficient difference is that the published reports go to both seller and buyer, but these reports go to the seller only; and another is that there is no skilled interpreter of the published reports, such as we have in this case, to insistently recommend harmony of action likely to prove profitable in proportion as it is unitedly pursued.*" (p. 411.)

In the case at bar UNINTERPRETED reports go to both BUYER and seller. (pp. 310-316, *supra.*)

In the last paragraph of the majority opinion the Court rested the decision not upon the ground that the collec-

tion and distribution of statistics are unlawful *per se*, but upon the purpose and *effect* of the "Plan" in that case. (pp. 411-412.)

American Linseed Oil Co. et al. v. *United States*, 262 U. S. 371.

In that case certain linseed crushers agreed with the Armstrong Bureau of Related Industries as follows:

1. That each crusher would

"promptly make, have made, forward, and have sent in and to said bureau, as and in the form required by this agreement, full, accurate, complete, signed, and certified reports of all said sales, *quotations*, and *offerings or other information required by the bureau and full, correct replies or answers to any and all inquiries concerning the same or seeking any information in regard thereto.*"

2. That all vouchers, books of account, correspondence, etc., were subject to inspection by the Bureau's auditor.

3. "That 'if any subscriber considers that it has good cause to question the report made by any other subscriber then it may request an investigation or audit to be made by the bureau and, if considered proper by the bureau, it will be so made,' the incident expense to be paid by the party found in error."

4. "That it will deposit with the Bureau not less than one thousand nor more than ten thousand dollars of Liberty Bonds, according to its milling capacity."

5. "That 'should the undersigned subscriber fail, in any manner whatsoever, to comply with any of the terms of this agreement or with any and all reasonable requirements of said bureau, then it shall and does hereby forfeit to said bureau, at its election, all money paid for services and all further benefits and rights under this agreement; which forfeiture, for just cause, may be declared by said bureau, evi-

denced by written notice thereof mailed to said offender by U. S. registered mail, and such subscriber shall thereby forfeit all further right, title, or interest in and to said bonds (so on deposit) in whole or in part,' subject to the right of appeal to a council, of three subscribers, which shall have power to review the entire matter, reinstate the offender or take such other final action as seems proper. No fine shall exceed the deposit with the Bureau."

6. "That it will (a) 'immediately, and when and as hereafter issued, deposit with the bureau *all public price lists* of the undersigned covering raw and boiled linseed oil, cake and meal; (b) also to report to the bureau by prepaid telegraph, and further confirm by mail, duplicate of all quotations made at variance with above price lists, giving better terms to the contemplated purchaser than those quoted; (c) with all reports made in compliance with the above paragraph 'b' of quotations which amount to one carload or more of oil, cake or meal there shall also be reported at the same time and in the same manner the prospective buyer's name, address, and f. o. b. point of shipment; (d) in so far as the above reports 'a,' 'b' and 'c' do not disclose the following, the undersigned 'subscriber' agrees to give the following information in connection therewith, that is: the exact prices, terms, and discounts—and whether made to the jobber, dealer, or consumer—and in what quantities, carload or less than carload, and warehouse or mill prices; (e) also to promptly report all changes in and alterations or withdrawals of the above, of every kind whatsoever, that may be made; (f) also to promptly report by prepaid telegraph, and further confirm by mail, all orders received by the undersigned subscriber in response to special quotations made as above provided in paragraph 'c,' designating the quotation which is the basis of such order and any variance therefrom.' "

7. "That 'directly at the close of each day's business each subscriber shall mail by special delivery to the bureau a complete report of all its carload

sales for that day of oil, cake or meal, not covered by its previous daily sales reports, which report shall disclose the quantity and kind, price and terms, and whether for immediate or future delivery, and if no sale has been so made, this fact shall be likewise reported.'"

8. That for the purpose of compiling a weekly sales report 'a map of the United States shall be divided into zones as agreed upon by all of the subscribers to this service, and each subscriber at the conclusion of the week shall send to the bureau by special delivery, not later than the following Monday night, a compiled report of all its sales of oil, cake or meal into each zone made during the period covered by such report and not previously so reported, specifically setting forth the following: (a-a) Total gallons of oil sold into each zone, also showing the total gallons and price per gallon received for such oil sold; (b-b) Total tonnage of cake and meal sold into each zone, also showing total weight and price received per ton for such cake or meal sold; (c-c) Sales reports on both oil, cake and meal shall differentiate spot and future delivery, giving period of such futures.'"

9. "That all information received from the Bureau or any meeting of subscribers will be treated as confidential."

The Bureau agreed to promptly relay to the crushers all the information called for by the foregoing provisions, and to perform other services. It was also agreed by all parties:

1. "That 'monthly meetings will be held of all subscribers hereto at some convenient center,' with a representative of the Bureau, as Secretary, who shall present the matters pertaining to the industry to be therein openly discussed. Subscribers may send in notice of matters and topics for discussion and if they accord with the agreement and object of the service the Bureau shall cause the same to be docketed and presented. 'All subscribers shall

report at these meetings on all matters and conditions within their knowledge affecting the industry and within the limits of this agreement that they may be there discussed for mutual benefit.' 'Any subscriber failing to attend in person or by said representative at each of these meetings and be in punctual and continued attendance thereon shall be subject to a fine of twenty-five dollars for each offense, the same to be collected by and payable to the bureau. This fine may be remitted by a majority vote of the members present at the meeting where it is incurred."

2. "That 'any subscriber who has made offerings or quotations to a prospective buyer and is advised by such buyer that it is not to be awarded such business shall have the right to immediately advise the bureau of such unsuccessful offering or quotation giving all details of such bid or offering, and may then request the bureau to bulletin all of its subscribers asking specific information regarding any quotation or sale to such prospective buyer by any of the other subscribers and the bureau, on receipt of such request, will immediately bulletin all subscribers asking therefor and on receipt of replies will send out a compilation report thereof to all subscribers, together with the details of sale, if such a sale has been reported, so that all subscribers, including the original inquirer, will have a complete report of this transaction. On receipt of a request for such specific information from the bureau, the undersigned subscribers will immediately reply to same giving full information as to any quotation or sale which it may have made to such a buyer and, if it has made none, so report.' "

3. "That each subscriber will furnish the Bureau, upon request, information pertaining to any buyer of linseed oil, cake and meal and may request the Bureau to secure like information from all other subscribers, whenever it shall have an order or an account with, or an inquiry from, the buyer, and this information will be promptly relayed to all interested subscribers."

After the organization of the combination—

"The United States were divided into eight zones for *price quoting;* and it was stipulated that each member should quote a basic price for zone number one and should add thereto one, two, four, six, seven, eight and eleven cents, respectively for the others. At subscribers' meetings regularly held 'matters pertaining to the industry' were discussed; members were 'put on the carpet' and subjected to searching inquiry concerning their transactions. A meeting held October 29, 1919, adopted the following rule: 'In order to provide that the daily market information as relayed by the bureau shall at all times contain the fullest measure of news value, it is agreed that hereafter no council member shall dispatch changes in his prices as last filed with the bureau to more than one buyer without instantly thereafter telegraphing such full and complete information to the bureau as, and in the form, required by the service contract.' Another meeting 'resolved that it now be recorded that the recommended terms of this council for the sale of oil be 1% discount for cash settlement in 10 days, or 30 days net trade acceptance from date of shipment, and in order that a specific list of the terms of sale of all the council members may now be compiled and distributed, it is further resolved that all council members shall send to the bureau, not later than January 27th, a full explanation of the terms of sale as quoted by them to their trade.'

The Bureau displayed great industry in making inquiries, collecting information, investigating the smallest derelictions and giving immediate advice to subscribers. Hundreds of so-called 'market letters,' relating to divers transactions, were sent to subscribers. A sale of two barrels of oil below schedule was deemed worthy of special attention. Also from time to time it gave counsel concerning 'unfair merchandising' and the necessity for establishing sound policy by constructive cooperation.''

There is hardly a provision in the entire plan that has a parallel in the defendants' plan. The two plans differ

so markedly in all essential provisions that the Linseed Oil case is clearly not in point.

The Court also pointed out that as a *result* of the operation of the plan *"the prices of oil became more stable."* (There is no such proof in the case at bar.)

Also that the agreement in the *Linseed Oil* case destroyed "freedom of action by requiring each" crusher "to reveal all the intimate details of its affairs."

> "All subjected themselves to an autocratic Bureau, which became organizer and general manager, paid it large fees and deposited funds to insure their obedience. *Each subscriber agreed to furnish a schedule of prices and terms and adhere thereto—unless more onerous ones were obtained—until prepared to give immediate notice of departure therefrom for relay by the Bureau.* Each also agreed, *under penalty of fine,* to attend a monthly meeting and report upon matters of interest to be there discussed; *to comply with all reasonable requirements of the Bureau;* and *to divulge no secrets.*
>
> With intimate knowledge of the affairs of other producers and *obligated* as stated, but proclaiming themselves competitors, the subscribers went forth to deal with *widely separate and unorganized customers necessarily ignorant of the true conditions.* Obviously they were not bona fide competitors; their claim in that regard is at war with common experience and hardly compatible with fair dealing."

In the case at bar the undisputed *proof* shows that the defendants deal with expert and well-informed buyers. (Pages 45-46, 316, *supra.*)

The Court also stated:

> *"We are not called upon to say just when or how far competitors may reveal to each other the details of their affairs."*

Of course, in that case *all* the affairs of the crushers were subject to the scrutiny—even the approval—of the Bureau. In the case at bar members were not subject to any such supervision. They agreed to make certain reports, that is all. These reports were few in number, and gave no such details as were required in the Linseed Oil case. *Of course, the Court did not hold that a mere agreement to give certain information in consideration of obtaining like information from others destroys freedom of action so far as the conduct of one's business is concerned.* Certain information concerning past transactions may be divulged by a manufacturer without in any wise restricting his descretion as to *production, prices, etc.*

The Court also pointed out that

> "The situation here questioned is wholly unlike an exchange where dealers assemble and buy and sell openly; and the ordinary practice of reporting statistics to collectors stops far short of the *practice* which defendants adopted. Their manifest purpose was to defeat the Sherman Act without subjecting themselves to its penalties."

The Court then specifically held as follows:

"The *challenged* plan is unlawful" * * *

The plan could be held *unlawful* upon no ground other than that the *proof* showed that in its operation the challenged plan *unreasonably restrained interstate trade and commerce.* There is no such proof with respect to the plan in the case at bar.

The paramount importance of an accurate interpretation and a just application of the Sherman Act impels us to criticize—deferentially, but plainly—certain state-

ments that appear in the opinion in the *Linseed Oil* case. In that case the following assertion is made:

> "In *American Column & Lumber Company* v. *United States*, 257 U. S. 377, we considered a combination of manufacturers got up to effectuate this new conception of confidence and competition and held it within the inhibition of the Sherman Act because of inevitable *tendency* to destroy real competition, as long understood, and thereby restrain trade. Our conclusion there cannot be reconciled with the somewhat earlier opinion and judgment of the court below. They are in direct conflict."

1. We respectfully submit that in the *American Column* case the court did not hold that the "Plan" there considered was obnoxious to the Sherman Act because of its "tendency" to (unreasonably) restrain interstate trade or commerce.[67] We believe that we have demonstrated by means of excerpts from the court's opinion in that case (pp. 410-412, *supra*) that the said combination was declared unlawful because the proof showed an *existing* unreasonable *restraint* of interstate trade and commerce. The decision turned *not* upon the *tendency*, but upon the *effect* of the combination. The court found that the *purpose* of the combination was *to limit production and to increase prices regardless of cost*, and *expressly held* that such *purpose* had been *consummated*.

2. The Sherman Act declares, not that every contract, combination, or conspiracy which *tends* to restrain,

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[67] "There is a vital distinction, of course, between restraint of competition and restraint of trade. Competition may be restrained in one or more particulars, or, in certain cases, even eliminated, without thereby effecting an unreasonable restraint of trade, as defined by a long line of decisions. (*U. S.* v. *Du Pont de Nemours*, 188 Fed. 150.)

or which *tends* to be in restraint of, interstate trade or commerce, is illegal, but that

> "every contract, combination * * * or conspiracy *in restraint* of trade, or commerce among the several States * * * is hereby declared to be illegal."

The title of the Act reads "An Act to *protect trade and commerce* against unlawful *restraints* and monopolies."

Pursuant to Section 4 of the Sherman Act the Government might petition a District Court to restrain the enforcement of a contract or the carrying out of a combination or conspiracy, recently made or formed, which provided for future action. In such a case the question would be, Is the contract, combination, or conspiracy *in restraint* of interstate trade or commerce? Is it of such a nature that its execution would (unreasonably) *restrain* interstate trade or commerce? If its execution would not (*unreasonably*) *restrain* interstate trade or commerce, would it be rational to hold that such contract, combination or conspiracy was "in restraint" of interstate trade or commerce?

The chancery powers of a District Court are usually invoked in anti-trust cases only after a contract, combination or conspiracy, alleged to be in restraint of interstate trade or commerce, has been operative for some time. The Sherman Act authorizes civil proceedings only for the purpose of restraining *future violations* of said Act. And where the alleged contract, combination, or conspiracy has been in operation a reasonable length of time, the Government must prove (1) the contract, etc., as alleged and (2) that as a *result* of it interstate trade or commerce has been (unreasonably) *restrained*. If proof is made that an (unreasonable) restraint of interstate trade or commerce presently exists, then it would

be reasonable to conclude (in the absence of proof to the contrary) that the continued existence of such contract, etc., would necessarily result in a *future violation* of the Sherman Act, namely, an unreasonable *restraint* of interstate trade or commerce; or, in the language of the Act, that such contract, etc., was "*in restraint*" of interstate trade or commerce. The same conclusion would also be reached if the proof showed that the contract, etc., *in force when the petition was filed* had caused (unreasonable) restraints of such trade or commerce in the past, *provided there were no proof that since the filing of the petition* the said contract, etc., had been so *modified* that its future execution would *not* result in an (unreasonable) restraint of interstate trade or commerce.

If, on the other hand, the proof showed that the alleged contract, etc., after a fair trial had not (unreasonably) restrained interstate trade or commerce, then the practical administration of justice would require a holding that the alleged contract, etc., was not "in restraint" of interstate trade or commerce. Such a case would necessitate the employment of the pragmatic method.[68] It was used by this court in the *Standard Oil* case, the *Steel Corporation* case, the *American Column* case and in several others.

3. The theory that contracts which *tend* to restrain trade are void, never formed a part of the common law doctrine with respect to contracts "in restraint" of trade. The relation between the common law and the Sherman Act needs no explanation in this court.

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[68] "*The attitude of looking away from first things, principles, 'categories,' supposed necessities; and of looking towards last things, fruits, consequences, facts.*" (*Pragmatism*, by William James, pp. 54-55.)

4. *A tendency is too subtle and uncertain to serve as a legal test.*

It is certain that a mere tendency to restrain interstate trade or commerce would not be a valid test of a contract, combination or conspiracy alleged to be in violation of the Sherman Act. Only a tendency to *unreasonably* restrain interstate trade or commerce could be employed as such a test with even a semblance of logic. Aside from the considerations heretofore mentioned, the use of such test would result in the greatest confusion and uncertainty. Despite the long line of English decisions and later decisions by courts in the United States, both Federal and State, it is often exceedingly difficult, if not impossible, to determine with certitude whether a given contract or combination is "in restraint" of trade. Not only eminent lawyers, but members of this court have often been unable to agree whether certain contracts or combinations had unreasonably restrained, or if carried out or permitted to exist would unreasonably restrain, interstate trade or commerce. The introduction into the Sherman Act of the word *tendency* would open up a wide field for metaphysical speculation. What is a tendency? How many kinds are there? May tendencies be classified as *nascent, hyperkinetic, hypokinetic, conditioned, shifting, springing, contingent?* It is certain that they cannot logically be called *reasonable or unreasonable,* any more than can the odor of a rose. In order to be obnoxious to the Sherman Act, how *strong* must a tendency be? If numerous and conflicting tendencies coexist by virtue of a contract or combination, how shall they be reconciled? Do the books contain formulas for ascertaining the prepotency of conflicting tendencies? By means of what calculus can the *net* tendency of all of them be determined?

5. *There is too little assurance of harmful results to make a mere tendency, the gravamen of an offense subject to drastic penalties. This perhaps accounts for the silence of the books on the subject of tendencies.*

The penalty for violation of Section 1 of the Sherman Act is a fine not exceeding $5,000, or imprisonment not exceeding one year, or both.

Civil proceedings "to prevent and restrain" future violations of the Act are authorized by Section 4.

The seizure, condemnation and forfeiture of any "property owned under any contract or by any combination, or pursuant to any conspiracy (and being the subject thereof) mentioned in section one of this act, and being in transportation from one state to another, or to a foreign country" are provided for by Section 6.

The recovery of threefold damages and costs of suit, including a reasonable attorney's fee, by any person "who shall be *injured* in his business or property by any other person or corporation, by reason of anything forbidden or declared to be unlawful by this act" is authorized by Section 7.

In both the number and kinds of proceedings authorized, as well as in the severity of the punishment which may be visited upon laymen so unfortunate as not to construe aright an act that has caused endless disputes among lawyers and judges, the Sherman Act is unusual.

There is such a lack of proportion between the drastic penalties above mentioned and mere *tendencies* which may *never* result in any *actual injury* to interstate trade or commerce that the construction that such tendencies are inhibited by Section 1 is *unreasonable,* and should be rejected.

In the first place, to say that a contract, combination, or conspiracy has a *tendency* to (unreasonably) restrain interstate trade or commerce is to make use of a metaphor. And while metaphors are flowers of literature they are by no means conducive to clear thinking and accurate conclusions.

Tendency means *movement,* or *inclination* to *move,* in some particular direction or toward some *end* or *purpose; leaning; inclination.* In one sense, tendency is an *objective* motion and not a subjective state. It also means *possibility* of movement in the absence of restraint. **Lack of completion** is an *essential* part of its connotation. In this respect it is like an attempt, *i. e.,* an act or series of acts pointing to another act or series of acts. An attempt to commit a crime is in itself *complete,* otherwise it would not be punishable. It consists in an attempt to commit the crime, performance of some act towards the commission of the crime and failure to consummate its commission. But a *tendency* is not punishable, because it is merely descriptive of a motion (actual, or potential under favorable circumstances). In itself a tendency is not a thing—an object—it is simply the motion or the inclination of an object.

The term may be used metaphorically to describe a state of mind; for example, *John Smith's mind has a tendency to crime.* But even persons with criminal "tendencies" are not punished unless such tendencies result in crimes or misdemeanors. Such persons are then punished for their *crimes,* not because of their susceptibility to certain temptations. Such tendencies may always exist without resulting in infringement of the law.

G. H. Lewes defined a *tendency* as "the *ideal summation* of *statical conditions* which *tend* to a *dynamical result.*" But the dynamical *result* may never happen! All things terrestrial *tend* toward the center of the earth. The earth *tends* to plunge into the sun; it also *tends* to fly off at a tangent. As a matter of fact it does neither. A tendency may continue forever without reaching the goal. The dynamical result may always remain merely a *possibility.* On the other hand, a tendency may always exist without an actual or appreciable advance toward the objective. It may be blocked absolutely by counter-balancing tendencies or objects or forces; it may be slowed down or even overcome, and the object may be carried away towards another goal, or entirely different results may be produced despite the continuous adverse pressure or resistance of such tendency.

When a tendency reaches the goal, or a dynamical result *is* produced, the tendency *ceases to exist.* In such a case *a tendency to restrain trade* would have become *restraint of trade.*

Let us assume that after an analysis of the *mere terms* of a written agreement it could be affirmed that the agreement had a *tendency* to (unreasonably) restrain interstate trade or commerce. However, the agreement could not be viewed *apart from its relations,* or, in the phrase of Burke, "in all the nakedness and solitude of metaphysical abstraction." (pp. 301-2, *supra.*) It must be executed in the real world; *and the condition of the parties to it, their relation to the industry as a whole, their relation to buyers, outside competitors, lack of control of raw material, absence of protection by patents or tariff, numerous substitutes for the article manufactured, small amount of capital required to engage in the production of such article,* etc., etc., (pp. 65-75, 27-33,

369-396, *supra*), or the fact that the statistics collected pursuant to the agreement were given to buyers and others, (pp. 310-316, *supra*), might *decisively counteract or nullify the* tendency to (unreasonably) restrain interstate trade or commerce. Such *tendency* might never achieve its *goal*. It might never produce a *dynamical result*. It might be effectively blocked. Under such circumstances a contract having such a tendency might be absolutely without *any practical effect* upon interstate trade or commerce, or such trade or commerce might be greatly stimulated and increased, to the benefit of the public.

A contract, or combination may *tend* to restrain trade in the sense that *it produces conditions which may afford an opportunity actually to restrain trade*. Casual meetings of competitors on a golf course would afford such an opportunity. However, the Sherman Act is not a law against temptations, or mere opportunities for antisocial conduct, however useful they may be to the Prince of Darkness. The law never undertakes to deal with acts innocent in themselves that may or even do create opportunities for wrongdoing.

The title of the Sherman Act reads "An Act to protect trade and commerce against unlawful *restraints* and monopolies." As heretofore pointed out, a mere *tendency* to restrain is not a *restraint* and may *never* become a restraint.

If a *tendency* to (unreasonably) restrain interstate trade or commerce is condemned by the Act, then in a criminal prosecution, evidence *tending* to prove such *tendency* would be sufficient (if believed by the jury) to send citizens to prison, even though no *actual* restraint —*reasonable* or *unreasonable*— had ever existed! In view of the cumulative and drastic penalties and remedies provided, what an anomaly!

There are, of course, ordinances (and even statutes) providing more or less nominal penalties for *disorderly conduct* "tending to a breach of the peace." But such *conduct* is *in itself* an *invasion of the rights of others.* It usually consists of an *assault, forcible entry and detainer, etc.* The law also provides a penalty for libel,—a *malicious* publication that *tends* to blacken the memory of one dead, or the reputation of one who is alive and expose him to public hatred, contempt or ridicule. The *nature* of one's *reputation* differs *essentially from trade and commerce.* The former may be *irrevocably* ruined by *false* accusations, or even subtle insinuations. Unless trade or commerce is *actually and unreasonably* restrained no *injury* can be sustained by either of them, or by the public or any member of it. Criminal codes also provide that in prosecutions for seduction no conviction shall be had upon the testimony of the woman unless the same is corroborated by other evidence *tending* to connect the defendant with the offense charged. There are also similar statutes respecting the evidence of an accomplice. Such provisions relate merely to the evidence sufficient to convict one, not of a *tendency,* but of a *positive wrong.* All proper evidence *tends* to prove or disprove the *factum probandum.*

That the Sherman Act does not inhibit a mere *tendency* is supported by the provisions of Section 7, that any person "*injured* in his business or property * * * by reason of anything forbidden or declared to be unlawful by this act * * * shall recover threefold the *damages* by him sustained." Surely, no one could sustain an action under the Sherman Act by means of proof that a contract, combination or conspiracy *tended* to cause him economic loss. No one could possibly be

injured *in his business or property* by a mere *tendency* to (unreasonably) restrain interstate trade or commerce. He might very easily be so injured by an unreasonable *restraint* of such trade or commerce.

6. Section 2 of the Sherman Act denounces both monopolies and *attempts* to monopolize. An attempt to monopolize, even if unsuccessful, might unreasonably restrain interstate trade or commerce to the injury of the general public. For instance, an attempt to corner cotton or wheat would undoubtedly increase the prices of such commodities, which would affect not only the prices of flour and cotton goods, but prices in other lines of industry. In other words, an *attempt to monopolize* would undoubtedly result in an *unreasonable restraint of trade.*

The Government's petition in the case at bar is not based upon Section 2 of the Act, or any part thereof. Laying aside the attempt to monopolize, we think that the most that the parties to a contract, combination or conspiracy that neither had (unreasonably) restrained, nor could (unreasonably) restrain interstate trade or commerce, but which *tended* to do so, could be guilty of, would be an *attempt* to (unreasonably) restrain such trade or commerce. But the Sherman Act denounces only attempts to *monopolize.* And other than *such attempts,* it does not inhibit mere *attempts* to (unreasonably) restrain interstate trade or commerce.

The title reads, "An Act to protect trade and commerce against unlawful restraints and monopolies." *Unlawful restraints* are *unreasonable* restraints. And attempts to monopolize are either not included in the title, or else are included. We think they are included be-

cause common experience has proved that attempts to monopolize ordinarily result in unreasonable restraints.

There is a vital difference between an attempt to (unreasonably) restrain interstate trade or commerce by means of an attempt to *monopolize*, and an attempt by other means. For unless the other means were *effective* an *unreasonable restraint* would *not result*. An attempt to *monopolize* is broader in scope; it requires greater capital; it may *fail*, and yet result in an unreasonable restraint of trade. Its achievement may produce suffering and misery. Mere contracts, combinations or conspiracies to restrain trade—if not attempts to monopolize—produce harmful results only if consummated. Even then they are not so potent for evil as a monopoly. They are subject to too many disruptive forces, both internal and external, if not based on monopoly, control of raw material, actual or potential, etc., etc.

It should be observed that, whereas, the Act expressly condemns monopolies and attempts to monopolize, it is not only silent as to attempts to unreasonably restrain by other means, but inhibits only *unreasonable restraints*.

Also that only persons who *make* contracts in restraint of interstate trade or commerce, or engage in combination or conspiracies in restraint of such trade or commerce, are subject to fine or imprisonment. No penalty is provided for an *attempt* to make such contracts, or an *attempt* to engage in such combinations or conspiracies.

Furthermore, *there is no law of civil attempts.*

Whether an injunction will issue in a suit brought to restrain future violations of the Sherman Act must be

determined according to the rules and principles that govern ordinary suits in equity. The civil, as distinguished from the criminal, law takes no notice of mere *attempts.*

For instance, if A shoots at B intending to kill him, but misses him, the act is a criminal attempt, and is punishable. However, the civil law gives B no action for damages in the premises. For the suppression of crime and the repose of society, the criminal law condemns and punishes wrongful motives in action, even though (in some cases) it is *certain* that no actual harm could result. In *criminal* law

> "* * * an *apparent possibility* is all that is required; if there is an apparent possibility to commit the crime in the way attempted, the attempt is indictable, although, unknown to the person making the attempt, the crime cannot be committed because the means employed are in fact unsuitable, or because of extrinsic facts, such as the nonexistence of some essential object. This principle has been applied, for example, to attempts to commit larceny or robbery, where it turned out that, unknown to the accused, there was nothing to be stolen, as in the case of an attempt to pick an empty pocket, etc.; to attempts to commit murder, where because of an impediment unknown to the accused the murder could not be accomplished * * * and to an attempt to commit abortion where, unknown to the accused, the woman was not pregnant, or the drug administered was harmless." (16 Corpus Juris, p. 117.)

There is *no law of civil attempt,* so far as an attempt that *could not* result in damage, or an attempt that has failed to result in any injury, actual or legal, is concerned. Imagine a person's bringing an action for damages against another on the ground that the latter had attempted to commit a negligent act, or had attempted to libel the complainant, but that the attempt had failed.

The civil law does not allow the recovery of damages unless the attempt is *consummated,* and causes either actual harm, or results which the law presumes to be harmful, and for which it allows the recovery of nominal damages, or unless during the attempt some other legal wrong or actual injury is done. In none of the instances above mentioned are damages allowed for an *attempt,* but for an *actual* (or legal) *injury* flowing from a *completed* and *wrongful* act.

A (permanent) mandatory injunction merely restores the *status quo ante.* But in order to *restore* it, the *attempt* must have been *consummated,* or *some other wrongful act* must have been *perpetrated.* Would a mandatory injunction issue upon proof that the attempt to commit a harmful act had failed?

The same principles would apply to cases where a prohibitory injunction is asked. Certainly no such injunction would issue upon proof of merely a past attempt that had failed, for whatever reasons, or however malicious the motives of the intending wrongdoer.

Properly speaking, we think that there is *no law of civil attempt.*

In criminal law an *attempt* is *complete,* and is *always* something that *has happened.* The eye of the criminal law is fixed upon the *past.* The civil law takes no notice of aborted attempts. It scorns mere duds. The eye of equity sweeps the *future,* but equity takes no cognizance of attempts as such. If it did it would restrain conduct or remedy conditions where there was merely an apparent *possibility* of harmful results; or where, unknown to the respondent, injury *could not result.*

Equity is not concerned with *attempts*, but only with *actual harmful results* flowing from *completed acts*, which it rectifies by means of a mandatory injunction, or *imminent* wrongful acts, which in all *reasonable probability* will produce harmful results. These threatened acts it restrains. But whether such acts consist in threatened trespasses, or nuisances, or a multiplicity of suits, or what not, it must be *reasonably* probable (1) that if the injunction does not issue, the wrongful acts will be committed, and (2) that the harmful results will follow. (Pomeroy's Equitable Jurisprudence (2nd Ed.), Vol. V, Secs. 1915, 1937, pp. 4345, 4395; Vol. I, Sec. 251¾, pp. 421-22.) Equity is therefore, unconcerned with mere attempts. Its prohibitive powers are exercised only when past, present or threatened acts will in all reasonable probability actually cause harmful results.

For instance, the criminal law would punish an attempt to monopolize even though the attempt had failed, or even where subsequent events had proved that it could not have succeeded. But equity would not interfere with an attempt to monopolize, if the proof showed that *it could not* be successful. And as heretofore shown, attempts to (unreasonably) restrain interstate trade or commerce by means other than an attempt to monopolize, are not inhibited by the Sherman Act. Equity would interfere with such (misnamed) attempts only where there was a *reasonable probability* that they would be *consummated*. The Sherman Act condemns only unlawful, *i. e., unreasonable, restraints;* and District Courts are given jurisdiction merely to restrain *such restraints.*

A contract, combination or conspiracy that merely *tends* to restrain interstate trade or commerce, does not meet the requirements either of equity or of the Sherman Act.

7. In the case at bar the Government asks for an *injunction*. The petition is based solely upon Section 1 of the Sherman Act.

Is petitioner entitled to such relief in the absence of proof of an existing unreasonable restraint of interstate trade or commerce? If there is no such restraint, is there any proof of a *harmful result?*

Assume for the purposes of argument that the combination in the case at bar *tends* to (unreasonably) restrain interstate trade or commerce. *However, the proof shows that it has never done so, and that it cannot do so.* Is the Government entitled to injunctive relief in the premises. For the following reasons we do not think so:

1. *No harmful result* is present. As a general rule there is no civil liability in the absence of harmful result.[69] Negligence toward another, no matter how aggravated, is not actionable in the absence of damage. In some cases nominal damages are allowed for breach of duty in the absence of *actual* harmful result, for the reason that injury is presumed to flow from an infringement of a duty, as, for instance, a breach of contract.

To impose liability for a mere *tendency* to produce a harmful result is an anomaly.

2. There is no *reasonable probability* that a *harmful*

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[69] *Sanctions and Remedies*, University of Pennsylvania Law Review (January, 1924), p. 1 *et seq.*, by Professor Albert Kocourek, of Northwestern University Law School. Without in any way making Professor Kocourek responsible for the argument that *tendencies* are not condemned by the Sherman Act, we are glad to record our indebtedness to him for numerous invaluable suggestions and criticisms.

result will follow if the injunction does not issue. In 32 Corpus Juris, pp. 42 *et seq.*, it is said:

> "It is not sufficient ground for an injunction that the injurious acts may *possibly* be committed or that injury may *possibly* result from the acts sought to be prevented; but there must be at least a *reasonable probability* that the injury will be done if no injunction is granted, and not a mere *fear* or *apprehension*. Injunctions will not be granted merely to allay the fears and apprehensions of individuals, which, it has been said, may exist without substantial reasons and be absolutely groundless. In these circumstances the mere fact that an injunction would not injure defendant will not authorize its issuance. *Especially is the principle applicable where the injury is not certain to occur if defendant is not enjoined, and on the other hand an injury would certainly occur if the injunction was granted. An injunction will not issue where it is shown that defendants are without power to accomplish that which it is alleged they are attempting to do.*"

In the *Linseed Oil* case the Court quoted from other decisions as follows:

> "The statute did not forbid or restrain the power to make *normal* and *useful* contracts to further trade by resorting to all *normal* methods, whether by agreement or otherwise, to accomplish such purpose." * * *

The Court then continued thus:

> "Certain it is that the defendants are associated in a *new* form of combination and are resorting to methods which are not *normal.*"

We respectfully submit:

1. That there is no warrant in either the Sherman Act or the entire history of the common law for the use of such tests as *normality, newness* or *usefulness* in determining the *legality* of contracts, combinations or conspiracies. *Every* contract, com-

bination or conspiracy, *whether old or new, whether normal, abnormal or subnormal, whether useful or useless,* which unreasonably *restrains,* or which would unreasonably restrain, interstate trade or commerce, is denounced by the Sherman Act. As stated in the *Standard Oil* case the purpose of the Act was to protect such trade or commerce from such restraint by *any* "methods, whether old or new." (221 U. S. 1, 60.)

2. That contracts cannot be reasonably condemned because they are *new,* nor upheld because they are *normal,* however, much weight was, consciously or unconsciously, attached to such considerations in the formation of the mores of primitive societies. Progress in law, science, ethics, philosophy, literature, art, has never wholly depended either upon holding fast to *normal* methods and *ancient* customs, or upon a Mongolic rejection of the neoterical. "Time makes ancient good uncouth."

3. That contracts and combinations among manufacturers and businessmen for the collation and dissemination of trade statistics are not *new.* As shown on pages 397, 232, 243, *supra,* even trade associations in the United States have been gathering and distributing among their members trade statistics for more than 60 years. Nearly 500 of them are now engaged in doing so. For hundreds of years before The Industrial Revolution organizations of persons engaged in the same line of business furnished their members with all available information concerning trade matters. (Unwin's *The Gilds and Companies of London.*)

XIII.

It is both the privilege and the duty of equity not only to prevent evil but to hold fast to that which is good. Its decrees are, therefore, infinitely various and flexible.

The decree entered by the District Court herein is as unselective as a hurricane or an earthquake. If unleashed it will convert into junk machinery of great pecuniary and social value.

It is undisputed:

1. That at great expense of time, labor and money the defendants have standarized maple, beech and birch flooring.

2. That in order to protect the quality of their product an expert Inspector of Mills was engaged; that he makes periodical visits to all Association mills, instructs graders, criticizes machine-work, etc.

3. That in order to protect both the public and Association members, an efficient and honest Inspection Service was established; that upon request of buyers experts are sent anywhere in the United States to re-inspect flooring sold by Association members.

4. That the standarization of maple, beech and birch flooring by the defendants has greatly improved the quality of such flooring; that architects and lumber dealers unanimously praise the work done by the Association, and that they prefer the flooring manufactured by Association members.

5. That the Inspection Service is honestly and efficiently conducted, and that it has minimized friction be-

tween buyers and Association members and eliminated litigation.

6. That the flooring manufactured by members bears the Association's trade-mark; that all the foregoing facts, and the expenditure of large sums of money in advertising the flooring manufactured by Association members, have built up a good-will of great value.

Must this valuable property right be destroyed? Is it *necessary* to scrap this efficient social machinery, and revert to a state of nature with all its evils and economic waste?

The proof is also undisputed:

7. That the manufacturing and marketing costs of members have been reduced by reason of the attention devoted to such matters by the Association; that the prices of the members are generally lower than the prices of nonmembers; that such prices are fair and reasonable; that uniformity of prices has never existed; that the average costs have not been used as minimum prices; that the elements contained in the manufacturing and marketing costs are proper, and that the Average costs are honestly and accurately ascertained.

Certainly, the defendant's plan for ascertaining average costs cannot be *wholly* evil. If there are objectionable features in it, may not *they* be modified or eliminated, and the good preserved? The public gains through even the *study* of costs by manufacturers, to say nothing of the reduction of costs. Must the Association be *destroyed* because it collects and distributes information with respect to average costs? It is undisputed that each member ascertains his own costs and determines for

himself his own prices. But is it necessary to *destroy* the Association merely in order to eliminate some features that might be thought to be improper?

Must the Association be destroyed because it distributes information with respect to freight rates?

Must it be destroyed because it collects and distributes fragmentary trade statistics? Is not the public adequately protected by the publication of the statistics in trade papers?—by sending the statistics to the Department of Commerce which includes them in its monthly Survey of Current Business?—by giving the statistics to anyone who asks for them?

If there are any objectionable features in the statistics, may not such features be eliminated or modified? May not *some* plan be worked out whereby the Association's undoubted public service may be preserved? Congress has provided that the Federal Trade Commission shall advise the Federal Courts concerning such matters. Let it be assumed that there are some features to which exceptions might be taken. Is all possibility for good to be foreclosed, simply because of the existence of a few matters which may easily be remedied?

If there is a doubt concerning the reformation of any defendants, may not a decree be entered restraining the resumption of practices, which the undisputed proof shows had been abandoned prior to the formation of the present Association? Shall the present Association be condemned on account of what antecedent associations did?

The persistence of trade associations throughout the centuries is proof that they minister to substantial needs.

It is true that like all other human institutions they have all too often considered only their own selfish interests. Nevertheless they are an expression of the principle of free association, which has wrought so mightily for social progress in the past. They are agencies of considerable present and of inestimable potential value. Is it better that they should be blindly and ruthlessly destroyed, or controlled in the interests of society?

Must the law, must *equity* be purely destructive? Can it do *nothing* constructive? Does equity demand the *absolute?* Has it lost all initiative, or interest in experiments which promise much for society? Surely equity has not become so rigid and undiscriminating—so impotent for good—as to be unable to do anything but destroy the defendant Association.

Respectfully submitted,

JACOB NEWMAN,
CONRAD H. POPPENHUSEN,
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HENRY JACKSON DARBY,
Solicitors for Appellants.

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CLERK

IN THE

SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1924.

No. 342.

MAPLE FLOORING MANUFACTURERS ASSOCIATION, W. D. YOUNG & COMPANY, MITCHELL BROTHERS COMPANY, ET AL., Appellants,

vs.

THE UNITED STATES OF AMERICA.

Appeal from the District Court of the United States for the Western District of Michigan.

APPELLANTS' REPLY BRIEF.

Jacob Newman,
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APPELLANTS' REPLY BRIEF.

MAY IT PLEASE THE COURT:

In this brief we shall for convenience adopt so far as possible the captions used by the Government in its brief.

The Government's brief cannot fail to be confusing to anyone not familiar with the record. Even when purporting to discuss the plan and the activities of the present association, the writer of the Government's brief bases his argument almost exclusively upon the evidence concerning the plans and the activities of *antecedent* associations. Unless the reader keeps this fact in mind he will accumulate more misinformation than facts with respect to the plan and the activities of the *defendant* association that was organized on March 29, 1922.

"STATEMENT OF CASE."

On page 1 it is asserted that the Government's petition "alleges * * * that the defendants, who manufacture a very large per cent of the maple, beech, and birch flooring marketed in the United States * * * *control its production*" * * *. The petition contains no such allegation. Neither is there any proof whatsoever that since the organization of the present association the defendants have ever controlled or sought to control, either directly or indirectly, the production (output?) of maple, beech or birch flooring.

On page 1 it is stated that the petition alleges that the defendants "fix minimum prices" for and control the "production" of maple, beech, and birch flooring by means of "the computation and distribution * * * of alleged average costs, [they] being in fact agreed minimum prices" * * *.

Under the rules the Government's brief in the case at bar should have been filed on Monday, November 10th. We have as yet (November 17th at 11:00 o'clock a. m.) received only 18 pages of galley proof of the proposed brief. By what means the Government intends, at this late date, to support the assertion that the average costs of the present association are in reality "agreed minimum prices" we do not know. At any rate, certain ambiguous allegations of the petition (see Appellants' Brief, pp. 11-12) are now made definite and certain. And it necessarily follows that the Government must show by means of the *record*

(1) An agreement *by the members of the present association* that the average costs distributed by it should be *minimum prices* for maple, beech and birch flooring; and

(2) *That the said members executed said agreement.*

If the average costs were in fact *minimum* prices, then the prices obtained by association members for maple, beech and birch flooring should always at least equal the average costs. If no such relation exists between the average costs and the prices obtained, then it necessarily follows, either that there was no such agreement, or else that it was not carried out. In either event, the Government's contention that the average costs are "agreed minimum prices," and that the de-

fendants by such means control "production" and market prices, is groundless. As shown in appellants' opening brief, there is no evidence of an express agreement of the kind alleged by the Government. And the undisputed proof shows that in the great majority of instances the prices obtained by association members for maple, beech and birch flooring are substantially below the average costs (pp. 336-348). Therefore the only inference that can fairly be drawn from the *facts* is that the *average costs* are what they purport to be. This is especially true, in view of the failure of the Government to adduce any proof that the elements contained in the average costs are improper, or that said costs are not honestly ascertained and reported. In view of the state of the record, the assertion that the average costs are "agreed minimum prices" is manifestly absurd.

It should also be observed that in attempting to state the substance of the Government's petition the writer of the Government's brief fails even to mention the allegations with respect to *uniformity of "f. o. b. selling prices"* and *"net delivered prices."* As shown in appellant's opening brief, the alleged uniformity of prices is the gravamen of the Government's petition (pp. 11-12, 113-114, 195-6). Does the Government intend to abandon such contention here, as it did in the court below? (Appellants' Opening Brief, p. 339.) If it does, what, then, becomes of the Government's entire case?

I.

"PERCENTAGE OF THE COMMODITY PRODUCED AND CONTROLLED BY THE DEFENDANTS."

After stating certain percentage figures with respect to the production of both members and nonmembers of the defendant association (pp. 4-5), the writer of the Government's brief draws the conclusion that "these figures are conclusive evidence that the industry is wholly dominated by the association" (p. 5).

The Government's petition does not charge that the maple, beech and birch flooring industry is dominated by the defendants. As shown on page 33 of appellants' opening brief, the said petition charges—

> "The membership of defendant association comprises *practically all of the manufacturers* of maple, beech and birch flooring within *the States of Michigan, Illinois, Wisconsin and Minnesota,* and it represents approximately *seventy per cent* of the total manufacturing *capacity* of such flooring in the United States" (Vol. I, p. 3, fol. 5).

The *proof* shows:

1. That (if the Wisconsin Land & Lumber Co. be counted as a member) the entire membership of the defendant association numbers only 22.

2. That in 1922 there were in Michigan, Illinois, Wisconsin and Minnesota *alone,* 17 *nonmember*

manufacturers of maple, beech and birch flooring (Def'ts' Ex. QQ, Vol. IV, fol. 5507, which combines certain data collected by both the Government and the appellants. See Appellants' Opening Brief, pp. 26-36).

3. That in 1922 there were 58 nonmember manufacturers of maple, beech and birch flooring in the United States who reported to the Government and/or appellants (Def'ts' Ex. QQ, Vol. IV, fol. 5507).

4. That for 1922, 38 nonmember manufacturers reported a manufacturing *capacity* of 238,610,000 feet of maple, beech, and birch flooring, whereas, the members of the defendant association in 1922 had a manufacturing *capacity* of only 158,400,000 feet (Def'ts' Ex. QQ, fols. 5506-7, Appellants' Opening Brief, p. 33).

5. That aside from the nonmember manufacturers of such flooring who reported to the Government and/or the appellants, there are numerous other nonmember manufacturers of such flooring in the United States, to say nothing of Canadian manufacturers (Appellants' Opening Brief, pp. 26-36).

6. That the defendants own a very small proportion of the total stand of maple, beech and birch timber (Opening Brief, p. 26).

In view of the foregoing undisputed facts, it is wholly beside the case to assert that the maple,

beech and birch flooring industry is "wholly dominated by the association." No such claim is made in the petition. The allegations of the petition above quoted are conclusively disproved by the evidence. The Government charged manufacturing *capacity* and then fell back on *production*.

Furthermore, the proof was that the prices of association members for maple, beech and birch flooring were usually lower than those of nonmembers, although the flooring manufactured by members was superior to that manufactured by nonmembers (Opening Brief, pp. 46-61, 113-162, 169-194).

We also demonstrated in our opening brief that the diversities existing among members, the lack of control of raw material, the number of nonmembers, the number of competing floorings, etc., etc., absolutely preclude the possibility of the domination of the maple, beech and birch flooring industry by either the defendants or any other group of manufacturers (pp. 66-75, 367-380).

Domination by defendants connotes unanimity of action. Yet the proof shows vigorous competition and fair and reasonable prices (Opening Brief, pp. 113-162).

III.

"PREVIOUS ARTICLES OF ASSOCIATION UNDER WHICH MANUFACTURERS OF MAPLE AND BEECH FLOORING OPERATED."

On page 11 of its brief, the Government admits that there were numerous successive associations

that operated under different articles. This admission is contrary to the allegations of the petition, or, rather, to *one* allegation of the petition, which is that

> "the *defendant* association has been in existence since 1895" * * * (Vol. I, p. 4).

In view of the admission above stated, why does the writer of the Government's brief usually discuss together the articles and activities of all the associations? Such a method is not only unfair and illogical, but productive of confusion.

On page 14 of its brief the Government attempts to involve in doubt what is undisputed, viz, that the old allotment plan was abandoned on March 31, 1920, and that it was never thereafter resumed. There is not only oral testimony which is undisputed, but much documentary evidence which does not admit of dispute (Vol. IV, pp. 569, 576, 454-5, 456, 447-449, 560; Vol. III, pp. 61, 63, 130; Vol. I, 77-78, 76, 146, 143-4, 165; Vol. II, p. 794). All statistical activities, as well as the allotment plan then in force, were abandoned on March 31, 1920, because of the advice of counsel given in consequence of the District Court's opinion in the Hardwood case. The allotment feature was never thereafter resumed.

The same methods are used by the Government (pages 14-15) with respect to the tentative articles of association which contemplated the organization

of an association, with an allotment plan, to exist from October 1, 1921, to July 1, 1922 (Vol. III, p. 49). As the correspondence that was introduced in evidence by the Government shows, certain manufacturers refused to sign said articles; it was agreed that unless all old members signed the said articles they were not to be binding upon those who did sign them (Vol. IV, pp. 454-456). And the evidence is undisputed that the said articles were never adopted nor operated under (Vol. I, pp. 146-147, 77-78, 143, 165; Vol. II, p. 794).

In December, 1921, this Court handed down an opinion in the *American Column & Lumber* case, whereupon all statistical activities of the association then in existence were suspended (Vol. IV, p. 818). An opinion was procured from the then association's attorneys, who carefully analyzed the opinion above mentioned (Vol. III, pp. 145-152; Vol. IV, p. 818). The organization of the present association in accordance with the written opinion of the said attorneys was thereafter undertaken (Vol. III, pp. 153-168). The organization of said association was perfected on March 29, 1922 (Vol. I, pp. 78-79, 147, 149; Gov. Ex. 15-GG, Vol. III, pp. 155-6; Gov. Ex. 52-OO, Vol. IV, p. 461).

The articles of the present association are devoid of any allotment plan (Vol. III, pp. 64-74); and there is no evidence whatsoever that the defendants, or any of them, have ever observed any such plan since the organization of said association.

On page 14 of the Government's brief it is asserted that the old allotment plans related to *production.* This is not the fact. They related solely to *shipments.* (Vol. III, pp. 54-55.)

IV.

"MINIMUM PRICE PLAN AND MINIMUM PRICE BASIS."

Under the foregoing caption the Government discusses the mere terms of certain old minimum price plans, but says not a word concerning the undisputed evidence that such plans were never enforced or observed. (See Appellants' Opening Brief, pp. 196-206.) In this connection it is merely said that Mr. George W. Keehn "claimed" that said plans were not enforced; and the distinction made by the witness between *in force* and *enforced* is criticized. The distinction drawn by Mr. Keehn between *in force* and *enforced* (Vol. I, pp. 144-146) is a sound one. The Government should be aware of this distinction by reason of its own experience with the Volstead Act, which indubitably is *in force,* but which (*alas!* or *thank Heaven!* according to one's point of view) is certainly *not enforced! Moreover, all minimum-price plans* (including the one dated July 1, 1916) *were thereafter formally vacated some three years before the Government instituted this suit* (Vol. IV, p. 529; Vol. I, pp. 144-46).

On page 26 of the Government's Brief reference is made to the suggestion of the secretary of the as-

sociation then in existence with respect to the establishing of maximum prices. This suggestion was due to the runaway market which occurred in 1919-1920, which was caused by the accumulated demand that had not been permitted to find expression during war years. The removal of the building restrictions by the Federal Government during the latter part of 1918 coincided with or was subsequently followed by large fires which destroyed important flooring mills. There also occurred during this period the I. W. W. strike, and some mills were forced to shut down. This strike was talked of for some months before it actually occurred. The large building program which was undertaken upon the lifting of building restrictions had not been completed, and contractors and others were bidding for deliveries regardless of price. The conditions that then obtained in the flooring industry were similar to those which obtain on stock exchanges in a bull market. Spreads of $10, $20, $30, $40 and $50 per thousand feet between the high and low prices for the same size and grade of flooring were common. (Vol. IV, fol. 54-55; Appendix E, p. 5, Appendices to Appellants' Brief.) Such chaotic conditions were felt to be an injustice to the public and to the Maple Flooring industry.

During the period last above mentioned the Weekly Sales Reports were inaugurated. It was not long before conditions became more stable, and the market continued to decline throughout the

rest of the year. Of course, we do not wish to be understood as even implying that the action of the market was due to the institution of Weekly Sales Reports. But the fact that shortly after the institution of the Weekly Sales Reports the market declined almost uninterruptedly is positive proof that the apprehensions of the Government with respect to the effect of the Weekly Sales Reports are wholly unfounded.

Counsel for the Government is not fair in his argument with respect to Minimum Price Plans. It is true that recommendations were made that minimum prices should be obtained. The proof, however, is undisputed that these recommendations were disregarded in actual practice. And that such Minimum Price Plans were not enforced is conclusively proved by the undisputed evidence that no fines or penalties were ever exacted, demanded or paid, and that each member did as he pleased.

On pages 44 et seq. of the Government's Brief, learned counsel invokes the provisions of certain tentative drafts which were sent out by the secretary of the association in existence immediately prior to the organization of the present association. From these rough drafts counsel attempts to deduce the intention and purpose of the defendants in the formation of the present association. Of course such purpose and intention must be determined from the articles now in force, especially in view of the fact that there is no contention that

the articles are not complete. The undisputed evidence was that the activities of the present association had been strictly in accordance with the articles of the association now in existence.

And why talk of the Minimum Price Basis dated January 6, 1921, in view of the undisputed proof that upon receipt of Mr. Nebeker's letter dated February 4, 1921, the said Minimum Price Basis was by resolution promptly and unanimously annulled? (Vol. IV, pp. 804, 800-810; Vol. I, pp. 148-9.)

V.

"CONSTRUCTION AND CIRCULATION OF LIST OR BASE PRICES."

Under the foregoing caption the Government confuses the minimum prices (or tables of values) distributed (but not observed) by antecedent associations with the *average costs* distributed by the present association. As we shall demonstrate, there is a vital distinction between the minimum prices (or tables of values) and the average costs. They are composed of different elements; they were distributed from different motives.

On page 46 of the Government's brief it is asserted:

> "In fact the Minimum Price Basis Plan has been in operation, though not under that name, ever since 1913. The members of the Association during the entire time since that date have distributed among themselves by the secretary lists designating

> what are called 'Cost Prices' of the various grades and dimensions of flooring, but which are nothing more nor less than minimum prices that are intended to be, and actually are, observed."

Then Mr. George W. Keehn's testimony is garbled so as to make it appear that he testified that there was no difference between the *average costs* and the prices which were recommended in 1913.

The witness had testified at length concerning average manufacturing and marketing *costs;* the *cost* of rough lumber; test runs, and *average costs* of flooring based thereon. Not once did he use the phrase "*cost price*" (Vol. I, pp. 104-109).

Whereupon *Mr. Fowler* (of counsel for the Government) asked the following question:

> "Q. Now, you have explained in great detail your method of arriving at what you denominate as the cost price of lumber?"

which was answered by the witness thus:

> "A. Yes, on the flooring" (Vol. I, p. 110).

We quote in the margin the garbled excerpt from the transcript as given in the Government's brief,[1] which does not correspond with what actu-

[1] "I think we commenced, originally, in 1913, under what we termed 'scientific list.' That was based on the old work of the Market Conditions Committee.

"We are using it today (Vol. I, p. 110)." (Brief, pp. 46-7.)

ally occurred immediately following the question and answer above quoted:

> "Q. That *method* has been used for how many years?
> "A. I think we commenced, originally, in 1913, under what we termed 'scientific list.' That was based on the old work of the Market Conditions Committee.
> "Q. You have been using that same *method* since—*the same general principles* —and are using it today?
> "A. We are using it today" (Vol. I, p. 110).

In the garbled excerpt contained in the Government's brief the pronoun *it* stands for "scientific list," whereas in the record *it* stands for *method.* The same general *method* has been used from 1913 to date, but the "scientific lists" and the Tables of Values (or Minimum Prices), contained not only the *average costs* of manufacturing and marketing flooring, *but also certain percentages of profit.* As shown on pages 244-280 of appellants' opening brief, the average costs contain *no element of profit whatsoever.*

For instance, Mr. George W. Keehn described the initiation of the "scientific list" as follows:

> "Q. From what source did you obtain this information which formed the basis of your original estimation or determination of these cost items and of the divisions that were to be made to the cost of manufacture?
> "A. What we call our survey of costs, manufacturing and marketing costs was de-

veloped quite a number of years ago and later on it was substantiated as a practical foundation for those elements of cost by Prospectus which we received from the U. S. Forestry regarding the sale of timber in Priest River Valley, Idaho. We have a letter here dated March 10, 1913, addressed to the Maple Flooring Mfg. Association, and signed by H. S. Graves.

"Q. Who is Mr. Graves, do you know?

(fol. 1395:) "A. The forester, United States Forester. In which they endeavored to arrive at a basis for the sale of their stumpage. The letter is rather short, perhaps it wouldn't take very long to read it. It tells the whole story instead of extracts." (Vol. II, 791.)

We set forth in the margin a copy of the letter in question.[2]

Mr. Keehn continued his testimony as follows:

"Now on page 5 of this prospectus there are certain elements we will consider in the

---

[2] UNITED STATES DEPARTMENT OF AGRICULTURE, FOREST SERVICE.

WASHINGTON, *March* 10, 1913.

Secretary Maple Flooring Mfg. Ass'n, 807 Stock Exchange Building. Chicago, Ill.

DEAR SIR: Because of the proposed sale of 267,000,000 board feet of timber in the Priest River Valley, Kaniksu National Forest, Idaho, the inclosed prospectus has been prepared. It shows how the forest service furnishes information to lumbermen who might be interested in bidding on National forest timber.

cost of logging and manufacturing, and etc. There is no use to read them all in detail, but among the ones which are similar fundamentally to what we use, the Association uses "Administration and Supervision, depreciation of equipment, interest charges, taxes and insurance." That is all summed up as to certain chances there.

An unusual feature of this sale is the fact that no part of the area of the forest will be destroyed. The object will be to clear this part of the area for agriculture instead of providing for forest renewal. Provision 8 of the "Sample Timber Sale Contract" and the provision regarding "Agricultural Land" under the head "Rules for Marking and Brush Disposal" illustrate how this will be done.

When the area has been cleared of timber and the slash burned the land will be opened to homesteading under the provisions of the "Forest Homestead Law." If the Forest Service did not sell off the timber before opening the land to entry, the value of the present stand of timber would cause the land to be held speculatively instead of being cleared for farms. But the land will be better employed growing farm crops than growing timber; and hence the Forest (fol. 1396) Service is preparing to put it into the hands of bona fide settlers, under a procedure which will insure agricultural development.

The Federal Government will receive about $650,000 for the timber, of which $225,000 will go to the benefit of the state for public schools and good roads.

The minimum stumpage price of $5 specified for the white pine on these logging chances is unusually high, because this western white pine is the most valuable stumpage on the National forests. The timber is easily worth the price, and no difficulty is anticipated in securing bids on the basis named.

The 12 per cent profit to the lumbermen allowed for in calculating the stumpage rates to be charged is exclusive of interest on the investment, which was figured at 6 per cent.

(fol. 1397:) Then we come to another one on page 6: "Administration, supervision, sealing excepted, and railway operation, maintenance of way, unloading at pond—those are just items again—interest charges, depreciation of equipment, insurance and taxes. Then they deduct for salvage and, etc.

Then we come over to page 7: "The stumpage rates appraised in the notice of sale were determined by deducting the cost of logging, milling and other expenses, plus approximately 12 per cent profit, from the present average selling prices of lumber."

Then they go on and give the stumpage prices. In other words, they appear to have taken the market value of lumber as realized from sales on the market as the foundation for arriving at the selling price of the timber. In other words, they work from there back to the stump and with us we take the market value of the rough maple lumber as ascertained by sales on the open market and we work from that foundation to arrive at the average cost of the finished flooring. It is the same fundamental principle but it is reversed in its application (Vol. II, p. 792).

The minimum prices allow, therefore, for a profit of 12 per cent on every thousand feet of timber sold, over and above interest on capital and all overhead costs. It must be remembered that the manufacture of lumber is a business which, because of the risks involved, requires a high return in order to induce operators to undertake a logging enterprise.

Very truly yours,

H. S. GRAVES,
Forester.

(Vol. II, p. 791-2.)

The method formerly used by antecedent associations is well illustrated by Government's Exhibit No. 28, Vol. III, pp. 291-293. The Court will observe that the method used in order to arrive at what the different grades and sizes of maple flooring should sell at *if 10 per cent profit were to be realized* is identical with the method employed by the present association as explained on pages 244-280, in appellants' opening brief, *except that one-ninth was added to the total costs of such flooring in order to include a profit of 10 per cent.*

The minutes of the annual meeting held on January 28, 1914, read in part as follows:

> "It was suggested that the Market Conditions Committee formulate a table of values showing what flooring would be actually worth and what it should sell for if delivered values were based by [on?] a logical and scientific method in accord with the following fundamental principles:
>
> "1. The market value of the raw material as established by current sales of rough lumber in the open market.
>
> "2. Add the cost of manufacturing and selling.
>
> "3. Then add 1/9 to represent the minimum profit of ten per cent on sales.
>
> "4. Add cost of freight or delivery."
>
> (Vol. III, p. 108.)

The Court will observe that in Government's Exhibit 28, Vol. III, p. 292, it was stated that the prices of flooring should be advanced $3.91 per M

feet *if a profit of 10 per cent on the sales were to be realized.* See particularly Government's Exhibit 28-A (Vol. III, p. 294), which was issued by the association then in existence on January 26, 1917. See also the petition to the Federal Trade Commission dated July 14, 1915. (Vol. III, p. 82.)

There is no dispute that the Tables of Values issued by antecedent associations were intended to show what the flooring should be sold at *if a 10 per cent profit on sales* were to be obtained. It is equally undisputed, however, that each member was free to do as he pleased, and that there existed during all of said period great price variation and intense competition, not only among the then association members, but between said members and nonmembers. (See pages 116-162, 196-206 of Appellants' Opening Brief.)

As shown in our opening brief, the *average costs* computed and distributed by the present association contain no elements of profit whatsoever (pp. 244-280). The inclusion of a certain percentage for profit was abandoned long before the organization of the present association (Vol. I, p. 151). Even the 5 per cent for the hazards incident to the business has been discontinued, although the undisputed proof was that the flooring industry is an essentially hazardous one, and that the said 5 per cent allowance was reasonable (Appellants' Opening Brief, p. 280).

Other than the mere distribution of the average costs (which are merely the average of the costs of reporting members) there is no proof whatsoever that any recommendations with respect to prices have ever been made by the present association. On the contrary, the undisputed proof is that no such recommendations have been made (Appellants' Opening Brief, pp. 310-313); and the great range of prices and the relation between prices obtained and the average costs constitute a conclusive answer to any assertion that the average costs are agreed minimum prices. They also render irrelevant any speculation concerning the probable effect of the distribution of average costs among association members.

It is true that during the existence of antecedent associations there was a Market Conditions Committee which recommended what prices should be. That each member was free to do just as he pleased is conclusively shown by the letter dated November 8, 1920, which the defendant W. H. Greene wrote to the John C. Hill Lumber Company of St. Paul. This letter reads in part as follows:

> "We expect there will be another meeting of the association some time this month although we do not know the exact date. However, in any event, the association does not have ironclad prices. Our Market Conditions Committee after analyzing stocks on hand, production, unfilled orders, new business, etc., merely recommends what in their

> judgment ought to be the asking price. This is merely a guide to the manufacturer and he is at liberty to quote his stock at any old price, either more or less, than the recommended values." (Appellants' Opening Brief, p. 201.)

As pointed out in our Opening Brief, the present association has never had any Market Conditions Committee, nor any other committee even analogous to the said Market Conditions Committee.

The learned writer of the Government's brief next discusses Government's Exhibits 25-A, 26, 27, and 28-N (Vol. III, pp. 280-289, 315-317). Those exhibits show the average costs of maple flooring based on certain test runs. They are dated May 31, 1922, October 25, 1922, February 15, 1923, and September 22, 1921, respectively.

On page 55, the learned writer of the Government's Brief makes the following observation:

> "It appears strange, further, that such a large percentage of No. 1 Common lumber is used in making the test runs, as Mr. Saunders testified that the better end of No. 1 Common rough Maple lumber is not generally used in the manufacture of Maple Flooring because it is not profitable to do so, as a better price can be obtained for it on the market than can be obtained by working it through the flooring factory. (Vol. 1, p. 197.)"

Mr. Saunders gave no such testimony. He testified that the better end of No. 1 Common rough Maple lumber was not generally used in the manufacture of Maple Flooring *"by manufacturers who produce their own lumber,* because it is not profitable to do so." (Vol. 1, p. 197.)

All the members of the Association do not own timber. Eight of them are compelled to purchase all the rough lumber they use. Furthermore, some members of the Assocation "use Selects and Firsts and Seconds * * * *or the entire product of the log in manufacturing flooring."* (Vol. 1, p. 405. See also Test Runs, Vol. III, pp. 276-7 (fols. 360-379), pp. 291-294, 300-304.) There is, therefore, nothing strange in the fact that 51 per cent of No. 1 Common rough lumber was used in the test runs above mentioned. If lower grades of rough lumber had been used, then there would have been a greater percentage of waste as well as greater percentages of Factory and No. 1 flooring.

Learned counsel seems to know nothing concerning either the flooring business or cost accounting, and, apparently, but little of mathematics. He states that he cannot understand how the average cost of the different grades and sizes of maple flooring is arrived at.

The burden of proof was upon the Government to establish not only that the average costs contain large profits, but that the said average costs are in

fact minimum prices. The record is barren of proof concerning what methods were used by the secretary of the association in making the distribution of the total cost among the different grades and sizes of flooring produced as a result of test runs.

There is no explanation whatsoever in the record concerning what the next to the last column of figures appearing on page 31 of this brief mean, or how they were arrived at, neither did the Government adduce any proof whatsoever that the defendants used said figures as prices.

The burden of proof was upon the Government; and having made no proof whatsoever, it is now too late for its counsel to ask questions which should have been addressed to witnesses in the court below.

It might be guessed that the Secretary of the association employs methods which are used by all manufacturers of joint-cost products. From a ton of coal a gas company will produce a certain amount of gas, a certain amount of coke, a certain amount of carbolic acid, as well as divers quantities of perfumes, dyes, and other coal-tar products. From a given quantity of crude oil a refiner will get so much gasoline, so much kerosene, so much lubricating oil, so much vaseline, so much naptha, etc. Naptha always sells for a great deal more than kerosene. Vaseline is sold in small tubes or glass bottles, whereas gasoline is

sold in large quantities. Coke is sold by the ton, perfume by the ounce. Joint-cost products differ in kind, and such products of the same kind differ both quantitatively and qualitatively. Much of one product is obtained and but little of another. The amount of labor expended on the different products varies. Their exchange value also differs greatly. Of course, so far as joint-cost products are concerned, cost accounting is not an exact science. But, according to both common sense and sound principles of accounting, the cost of any one of two or more joint-cost products is closely related to its exchange value. For instance, an oil refiner would soon be in bankruptcy if he determined that naptha cost less to produce than kerosene and fixed his prices accordingly. A manufacturer of maple flooring could easily sell all the Clear grade flooring he could produce at Factory grade prices, but he could not sell any Factory grade flooring at Clear grade prices. Is it strange, therefore, that in prorating the total cost among joint-cost products consideration is given to the exchange value of such products?

So far as the different grades and sizes of maple flooring are concerned, their exchange value is fixed largely by custom, intrinsic value, appearance, utility, demand, supply, necessary labor, waste in manufacture, value of raw material, etc., etc. And such exchange value largely determines what proportion of the total cost shall, as a matter of ac-

counting, be assigned to each of such grades or sizes. No two lumber accountants would make exactly the same distribution, but the percentage of variation would not be large.

The distribution of the cost is of no practical importance. The *total cost* is the thing. *And this total cost is a matter of mathematics.* Discretion has no part in it. The rough lumber costs so much; a given quantity of it produces a definite amount of flooring of different grades and sizes; the manufacturing and marketing costs are so much. The total cost of producing the flooring obtained can, therefore, be easily determined. So can the cost per thousand feet of flooring. This total cost is *certain. And what distribution is made of it among the different sizes and grades is manifestly immaterial so long as the aggregate cost of all grades and sizes equals the total cost.*

All the foregoing facts are elementary and are well known to lumber accountants. The appellants care so little about the distribution of the total cost among the several grades and sizes that they have no objection whatsoever to eliminating it from their surveys of costs.

But what difference does it make what methods the secretary of the association uses in computing the "approximate relative-average costs?" The average costs issued by him are binding upon no one. Each member of the association is absolutely

free to sell his flooring at any price he pleases. And the evidence shows the greatest range of prices. In fact, the great bulk of the flooring produced by association members is sold at prices substantially below the average costs (Appellants' Brief, pp. 336-348). *This wide range of prices is explained by the diversities mentioned on pages 66-75 of our opening brief and by the absence of any agreement with respect to either production or prices.*

Furthermore, the evidence is undisputed that each member keeps his own costs (the secretary merely reports the *average* of the costs of association members), and that each member also independently determines his own prices (Appellants' Opening Brief, pp. 322-335).

The Government did not adduce a word of proof that any elements entering into the average costs are improper; it adduced no evidence whatsoever of dishonesty or inefficiency with respect to the making of any report or test run. The burden of proof rested upon the Government. Its failure to sustain that burden cannot now be obviated merely by means of interrogations which should have been addressed to *witnesses* in the court below.

Learned counsel asserts that

> "there is nothing to show that the waste of manufacture of one grade of rough lumber is greater than that of another" * * * (p. 57).

Of course such a statement is wholly absurd. On page 56 of the Government's brief it appears that the following grades of rough lumber were used in a test run, and that at the time the average costs were ascertained the market value per thousand feet of the different grades of rough lumber used was as follows:

No. 1. Common	$39.50
No. 2. Common	24.50
No. 3. Common A	11.50

The great difference in value of the three grades above mentioned is ample proof that in converting rough lumber into flooring there is considerably more waste in No. 3 Common A than there is in either No. 2 or No. 1 Common.

By referring to Government's Exhibit 24 (Vol. III, pp. 276-77, fol. 360) the court will observe that certain test runs were made by different members. We set forth below the grades of rough lumber used by number 24 (Kerry & Hanson Flooring Company) and number 47 (Grand Rapids Trust Company, receiver for William Horner), respectively, together with the amount of waste, as well as the amount (in grades) of flooring produced.

Rough Lumber Used.

	By No. 24.		By No. 47.	
	Feet.	%.	Feet.	%.
No. 1 Com.....	276,349	46%	68,025	62%
" 2 "	155,381	26 "	32,425	29 "
" 3 " A.....	.....	....	10,304	9 "
" 3 Com.....	169,788	28 "	.....	....
	601,518	100 "	110,754	100%
Flooring Produced:				
Clear	117,534	27%	46,692	51%
No. 1.....	235,335	54 "	34,355	37 "
Factory	82,514	19 "	11,130	12 "
	435,383	100 "	92,177	100 "
Waste	166,135	27.6%	18,577	16.8%

From each 1,000 feet of rough lumber used No. 24 obtained only 724 feet of flooring, whereas No. 47 obtained 832 feet of flooring. It will also be observed that the percentages of the different grades of flooring (which are stated in the order of their excellence) varied markedly.

The grades of rough lumber are also above stated in the order of their excellence; and it is obvious that the large percentage of No. 3 Common used by No. 24 accounts for that member's large percentage of waste.

Learned counsel next asserts:

> * * * "and the cost of manufacturing the different grades of flooring is the same, or practically so" (p. 57).

As pointed out on pages 278-280 of our opening brief, the above statement is demonstrably incorrect.

The learned counsel then proceeds as follows:

> "Therefore the only element upon which to base a difference in the *cost* prices of different dimensions of flooring is the difference in the prices of the grades of rough lumber; and it does appear that the *average* of the grades of the finished product bears about the same relationship to the prices of the grades of rough lumber. That is, the average prices of the different dimensions of 'clear' flooring is a little more than twice as much, as the price of 'No. 1 Common' rough lumber, and the same is true as to No. 1 and factory grades of flooring and No. 2 common and No. 3 common-A of rough lumber" (pp. 57-58).

Of course the cost of rough lumber (or raw material) is not "the only element" that determines the costs of the different grades and sizes of flooring. There are the manufacturing and marketing costs which usually constitute about 25 per cent of the total costs (Vol. II, p. 685); and, as shown in Appendices H, I, J, K, L, and M (pp. 9-17), these costs fluctuate.

The rest of the argument of learned counsel above quoted is wholly unsound for the following reasons:

In Government's Exhibit 25-A (Vol. III, p. 280), the flooring produced was as follows:

Flooring Product.

Clear	646 M ft.	52 %
No. 1	382 " "	30.7%
Factory	215 " "	17.3%
	1,243 " "	100 %
Waste	296 " "	19.2%
Lumber used	1,539 " "	

The flooring product consisted of the following percentages of the several grades, thicknesses and faces, or widths:

Clear:

13/16 x 1¼"	2.5%	$85.	$2.13
2"	3.3 "	87.	2.87
2½"	41.7 "	90.	37.53
3½"	2.1 "	85.	1.79
3/8 all faces	2.4 "	60.	1.44
	52. %		$45.76

No. 1:

13/16 x 1¼"	1.3%	$68.	.88
2"	2.5 "	72.	1.80
2½"	24.9 "	75.	18.68
3½"	.7 "	75.	.53
3/8 all faces	1.3 "	45.	.59
	30.7%		$22.48

Factory:

13/16 x 1¼"	.7%	20.	.14
2"	.9 "	28.	.25
2½"	14.7 "	30.	4.41
3½"	.8 "	35.	.28
3/8 all faces	.2 "	10.	.02
	17.3%		5.10
Totals	100.%		$73.34

The average cost per thousand feet of flooring f. o. b. cars flooring mills was $73.53, which was made up as follows:

Rough Lumber Used.

792 M ft. No. 1 Common	51.5%
562 " " No. 2 Common	36.5 "
185 " " No. 3 Common A	12.0 "
1,539 M ft.	100. %

Cost of Rough Lumber f. o. b. Cars Flooring Mills.

51.5% No. 1 Common @ $51.00	26.27
36.5% No. 2 Common " 36.00	13.14
12. " No. 3 Common A @ 22.00	2.64
100%	
1,000 ft. lumber costs	42.05
[2]808 " flooring costs	42.05
1,000 " flooring costs	52.04
Manufacturing and marketing costs, first quarter 1922, average	17.99
	70.03
Add 5 per cent for contingencies	3.50
Average cost f. o. b. flooring plant of 1,000 ft. of flooring sold	73.53

If by "average *prices* of the different dimensions of 'clear' flooring" learned counsel means the *simple* or arithmetic average of the figures in the next to the last column on page 31, *supra*, it is

[2]Because the waste was 192 feet per 1,000 feet of rough lumber. The total amount of flooring produced from 1,539 M feet of rough lumber was 1,243 M feet. The waste, therefore, was 296 M feet, or 19.2 per cent.

clear that his assertion is not borne out by the facts. The simple averages of the figures for the three grades are set forth below and compared with the prices of the rough lumber multiplied by two:

Simple Averages of Flooring "Prices."		Prices of Rough Lumber Multiplied by Two.	
Clear	$81.40	No. 1 Common,	$51.00 x 2 = $102.00
No. 1	67.06	No. 2 Common,	36.00 x 2 = 72.00
Factory	24.60	No. 3 Common A,	22.00 x 2 = 44.00

The other test runs discussed by learned counsel (Government's Exhibits 26, 27, and 28-N, Vol. III, pp. 284-289, 315-317) give the results set forth in the margin.[4]

It is certain, therefore, that the "average prices of the different" grades of flooring are *not* "a

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[4] GOVERNMENT EXHIBIT 26, VOL. III, p. 284.

Simple Averages of Flooring "Prices."		Prices of Rough Lumber Multiplied by Two.	
Clear	$84.00	No. 1 Common,	$56.00 x 2 = $112.00
No. 1	72.60	No. 2 Common,	41.00 x 2 = 82.00
Factory	32.00	No. 3 Common A,	26.00 x 2 = 52.00

GOVERNMENT EXHIBIT 27, VOL. III, p. 287.

Clear	87.00	No. 1 Common,	61.00 x 2 = $122.00
No. 1	75.60	No. 2 Common,	41.00 x 2 = 82.00
Factory	37.00	No. 3 Common A,	30.00 x 2 = 60.00

GOVERNMENT EXHIBIT 28-N, VOL. III, p. 315.

Clear	79.60	No. 1 Common,	39.50 x 2 = 79.00
No. 1	54.20	No. 2 Common,	24.50 x 2 = 49.00
Factory	20.00	No. 3 Common A,	11.50 x 2 = 23.00

little more than twice as much" as the prices of the grades of rough lumber.

Learned counsel's theory of relativity is further elaborated as follows:

> "It might be claimed that the prices of the several grades of flooring should be increased or diminished according to the advance or fall of the prices of the corresponding grades of rough lumber. In other words, there are three grades of rough lumber used in the manufacture of the three grades of flooring; *and no doubt most of the clear flooring is manufactured from No. 1 Common, and No. 1 flooring is made from No. 2 Common, and the factory flooring is made from No. 3 Common A lumber.* The witness Green testifies in effect that such is the fact (Vol. I, p. 386). Therefore, there may be reason in increasing or diminishing the prices of clear flooring in proportion to the advance or fall of the price of No. 1 lumber, and the same is true as to No. 1 flooring and No. 2 Common lumber, and factory flooring and No. 3 Common A lumber" (pp. 59-60).

Of course the prices of the grades of rough lumber *do* affect the *total cost* of all flooring produced. They also affect the *costs* of all grades and sizes of flooring, but not in the same proportions, for the simple reasons that different quantities of the several grades and sizes are produced, and that the said grades and sizes have widely varying exchange values. The prices of the several grades of rough

lumber also affect the *prices* of the grades and sizes of flooring produced, but not in the same proportions, for the reasons above stated.

Learned counsel's assertions that clear flooring is made of No. 1 Common rough lumber; that No. 1 flooring is made of No. 2 Common, and that Factory flooring is made of No. 3 Common A, are in direct conflict with the undisputed proof on this subject.

Mr. Hamlin J. Ward (a nonmember manufacturer) testified:

> "Grades of flooring depend very largely upon the grades of lumber used, that is, so far as the *percentage* of each grade is concerned. A thousand feet of lumber will make a *number of items of different grades and sizes.* There are *three grades,* Clear, No. 1, and Factory, and *there are several widths* which *must* be made in order to avoid waste. The *product* of *every* thousand feet of *rough lumber will consist of flooring of each width and grade.* In other words, in manufacturing flooring all three grades are made at the same time" (Vol. I, p. 94).

Mr. William L. Saunders testified:

> "The manufacturer has no choice as to the grades he will produce. *All three grades of flooring can be manufactured from cull lumber.* We *cannot,* for instance, manufacture Clear flooring at one time, No. 1 at another time, and Factory at another" (Vol. I, p. 199).

There is no proof to the contrary, but there is much other evidence along the same line (Vol. I, pp. 239, 386, 389-390; Vol. II, p. 591). Counsel's assertion concerning the testimony of Mr. Greene is not true. Mr. Greene testified as follows:

> "A. It is generally understood in the manufacture of maple flooring, that in the process of manufacture all three of the grades, Clear, No. 1, and Factory are produced at the same time. It is also true, however, that a manufacturer can manipulate his rough lumber by putting through certain qualities of rough lumber into his plant to produce the *largest percentage* of any one grade at any given time.
>
> "Q. What will produce the largest *percentage* of Clear and No. 1?
>
> "A. Well, the quality—that would run largely to No. 1 common and No. 2 common, particularly No. 1 common.
>
> "Q. What will produce the largest *percentage* of Factory?
>
> "A. I would put in my plant 3-A and possibly straight and 3-A and B combined. I am producing that at the present time. I realize from analyzing those statistics and from other sources of information that there is a great demand for factory flooring right (fol. 688) now, and I fully realize most of the manufacturers are loaded up with orders on it, and I am putting through my plant stock No. 3-A and B which I know will produce from experience anywhere from *forty to sixty per cent* factory grade, *that is, forty to sixty per cent of my total grade will*

> *represent factory.* On the other hand, if I put through certain stock which I have purchased from the Louis Sands Lumber Company, which is Michigan southern maple, very high grade, running about seventy per cent No. 1 Common, thirty per cent No. 2, I know that particular lot of lumber when manufactured into flooring, *would produce not to exceed fifteen to eighteen* [per cent of] *factory,* the balance 82, 85 [per cent of] No. 1 [and] Clear, * * *" (Vol. I, p. 386).

See also, the test runs made by member No. 24 (Kerry & Hanson Flooring Company) and member No. 47 (Grand Rapids Trust Company, Receiver for William Horner), which are shown on page 29 *supra.*

It was also testified that "the better end of No. 1 Common rough maple lumber" is not generally used in the manufacture of maple flooring by manufacturers who produce their own lumber, for the reason that they "can get a better price for that class of rough lumber than" they can "by working it through the flooring factory" (Vol. I, pp. 197-198). There have been times when even No. 1 Common sold for more than the best grade of flooring (Vol. I, p. 198).

Learned counsel then asks:

> "But in estimating costs, what justification is there for making a difference in the advance of the different dimensions of the same grade?" (p. 60.)

Learned counsel also asks why should there be a difference in the *cost* of the following items of 13/16-inch Clear maple flooring: 1½-inch, 2-inch, 2¼-inch, and 3¼-inch. He also asks various other questions concerning the other items of flooring listed in Government's Exhibit No. 28-N, Vol. III, p. 315 (Brief, pp. 60-61).

These questions are somewhat belated. Learned counsel should have addressed his questions to witnesses in the trial court. The burden of proof was on the Government. As heretofore explained, the distribution of the total cost among the different grades and sizes admits of the exercise of a limited discretion. The total cost, however, admits of no discretion.

All grades and sizes will not bring the same price. Owing to the widths of rough lumber, there is greater waste in manufacturing some faces than other faces in the same grade. Some faces must be manufactured in order to avoid waste of raw material regardless of the demand for them (Vol. I, p. 199). The demand for all sizes and grades fluctuates, and necessarily all manufacturers of joint-cost products take all these factors into consideration in arriving at the costs of the different products.

And since when has it become unlawful for business men to study costs, or to communicate to one another an opinion as to the "approximate relative average costs" of joint-cost products? So long

as each man determines his own costs for himself and his own prices, who is, or can be, harmed? And, as pointed out in our opening brief, the *proof is undisputed that each member determined his own costs and fixed his own prices* (pp. 322-335).

It is, of course, unnecessary to notice learned counsel's assertions as to what "undoubtedly" happened after the issuance of the various average costs (Brief, p. 68). This is pure speculation on his part. The Government adduced no proof whatsoever on the subject. And, as shown in our opening brief, the *average costs followed the prices and not vice versa* (pp. 345-346).

Learned counsel next asserts that the costs of the different members of the association differ (p. 69). Of course they do; otherwise there would be no *average* manufacturing and marketing costs for the secretary to report.

Counsel also asserts that half the association members produce their own rough lumber, and that they "necessarily have an advantage over those who purchase their raw material." This advantage, however, consists in the profit, if any, that arises from the production of rough lumber. Why should any owner of timber produce rough lumber for his flooring factory at a loss rather than sell his rough lumber on the market at a profit? Mr. Saunders testified that his corporation sold rough lumber when it was unprofitable to convert it into flooring (Vol. I, p. 200). The record does not show

what the other members did. The record *does* show that the following assertions of learned counsel are groundless:

> "And the price lists distributed among the members, and which they are expected to observe, are not based upon the actual cost of production of any one of the members. Each member fixes his selling price upon a *common* cost of production and not upon *the actual cost to him;* and this within itself is a regulation by combination of the price of flooring, and is a restraint of trade within the meaning of the Antitrust Act" (p. 69).

In the first place, mere reiteration that the *average costs* are "price lists" is not proof of anything except the weakness of the Government's case.

Of course, by definition, *average* costs are *not* the *actual* costs of *any* member, except by coincidence.

The assertion of the Government's counsel that "each member fixes his selling price upon *a common* cost of production and not upon *the actual cost to him*" is wholly untrue. There is no evidence whatsoever in the entire record to justify or excuse any such statement. The undisputed evidence is to the contrary (Opening Brief, pp. 319-335).

It is just because the costs of association members differ that the prices obtained by them for

flooring have such a wide range, and that they differ so markedly from the *average* costs.

VI.

"BOOK SHOWING ESTIMATED FREIGHT RATES AND VALUES OF FLOORING AT POINTS OF DELIVERY."

Under the foregoing caption the writer of the Government's brief discusses the contents of the freight-rate books which were issued by the various antecedent associations, as well as the freight-rate books issued by the present association, and, as usual, makes no distinction whatsoever between former practices and present practices. For instance, it is asserted that the freight-rate books showed not only the freight rates from Cadillac, Mich., but also "the prices of lumber [flooring?] delivered at thousands of designated points." (p. 70.) As shown on pages 281-301 of our opening brief, the freight-rate books issued by the present association have never contained any prices whatsoever.

It is true that in connection with the minimum price plans Tables of Values were issued by previous associations. Such Tables of Values were intended to show what the flooring was worth delivered at points mentioned in the freight-rate books, *if* cost plus 10 per cent profit were to be realized. See, for instance, Volume III, folios 697-708, where certain pages of a freight-rate book in

use during January, *1921,* are reproduced. The sheets contained in the book then in use were headed

"TABLE OF VALUES

BASED ON AVERAGE COST."

As heretofore explained, the Table of Values was based on average cost, but there was included a percentage of profit. In our opening brief the undisputed testimony of numerous witnesses, that the minimum price plans were never enforced, and that each member sold his flooring for what he pleased, is quoted (pp. 196-206). In Point IX of our opening brief, pages 336-348, we also demonstrated that the oral testimony above mentioned was true, because a comparison of the Table of Values with the prices actually obtained showed that the great bulk of the flooring sold by members of former associations was at prices substantially below the figures contained in the Tables of Values. *No Table of Values has ever been issued by the present association.* See volume III, folio 881, where a sheet of the freight-rate book in use on May 31, 1922, is reproduced. (The court will recall that the organization of the present association was completed on March 29, 1922.) The sheet last above mentioned is headed

"AVERAGE COST CHART."

It contains the *average cost* of the different faces of 13/16 maple flooring, in the Clear, No. 1, and

Factory grades, f. o. b. cars flooring mill. As heretofore explained, the average costs issued by the present association include no profit whatsoever. (See, also, pp. 234-280 of our opening brief.)

On page 71 of the Government's brief the assertion is made that

> "Cadillac is fixed as the arbitrary point from which freight rates are computed. But the rate charged is not always the actual rate from Cadillac to point of delivery," * * *

For the reasons explained in our opening brief, the freight rates contained in the freight-rate books are the freight rates from Cadillac, Mich., to some six or seven thousand points throughout the United States, for the reason that the average freight rates from Michigan and Wisconsin producing points to the principal consuming centers approximately equal the average freight rates to said markets from Cadillac, Mich. (pp. 281-291). On pages 101-103 of our opening brief the undisputed testimony shows that all purchasers of maple, beech or birch flooring pay to the railroad company the *actual freight from point of origin to point of destination,* and not the freight from Cadillac, Mich., to point of destination, unless, of course, the shipment originated at Cadillac.

The freight rates contained in the book were compiled by traffic experts from official railroad

tariffs, and the said rates are in all respects correct with the exception, however, that fractions of one-half cent and under are disregarded (Opening Brief, pp. 283-291).

The Delivered Cost Charts are misrepresented by counsel. It is, however, unnecessary to go into this matter again, inasmuch as Delivered Cost Charts are not now distributed by the present association. The whole matter of Delivered Cost Charts is covered on pages 292-293 in Appellants' Opening Brief.

Notwithstanding the undisputed evidence that there was never any uniform practice by the members of any of the associations with respect to terms of sale, counsel quotes without comment or explanation the terms of sale that appeared in one of the freight-rate books (pp. 74, 79). This matter is fully covered in Point II of Appellants' Opening Brief, pages 104-112.

The same method is pursued by counsel with respect to the "differentials." Differentials are not now issued by the present association, and there is no proof in the record that the differentials issued at any time were ever observed or that they were ever considered binding upon any members. On the contrary, the undisputed proof shows that they were not observed. (See pp. 293-299 of Appellants' Opening Brief.)

VII.

"STATISTICS."

The writer of the Government's brief is neither fair to the appellants nor frank with this court. A typical instance of this attitude which permeates the entire brief is the reference to

> "a *slight change* which Mr. Keehn *claims* has been made in the system since the institution of the suit" (p. 88).

The "slight change" was as follows:

1. Elimination from freight rate books of
   - (*a*) Delivered cost charts.
   - (*b*) All matters relating to differentials.
   - (*c*) All matters relating to terms of sale and cash discounts.

2. Radical changes in the reporting system pursuant to the resolution of *July 19*, 1923, which is set forth in the margin.[5]

After the changes had been worked out by the association's secretary and its attorneys the mem-

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[5] "*Resolved*, That in order to meet the special objections of the Department of Justice the association's counsel, in conjunction with the secretary, be and are hereby authorized and directed to make such changes and modifications as they may decide upon in the compilation and distribution of statistical data to the membership of the association" (Vol. IV, p. 812).

bers were advised of them by means of a letter from the secretary, dated *August 2,* 1923, which is as follows:

> "The association membership numbers which identify the individual members of the association have been eliminated from all our reports issued since July 19, and are to be eliminated from all reports issued hereafter by the association so that the information which is consolidated and transmitted to the members from time to time will not disclose to any member or members any of the particulars or intimate details of any other member's business respecting his stock on hand, unfilled orders, shipments, production, and new orders booked, or which will identify the average prices he realizes or identify as his prices the prices at which he sells any Maple, Beech or Birch Flooring" (Vol. IV, pp. 813-814).

3. Elimination from the average costs of 5 per cent for contingencies (Vol. IV, pp. 811, 814).

Another instance of counsel's unfair attitude is the assertion that

> "an analysis of the reporting system clearly shows that there is *no* information withheld by one member from another, and that *every one* is *perfectly familiar,* not only with summaries which show the exact market conditions generally, but also with the *exact condition* of the business of *each* of his fellow members" (p. 100).

Of course the foregoing assertion is not true. As shown in our opening brief, the statistics distributed by the present association are fragmentary. (p. 381.)

The reports made *to* the secretary differ from those made *by* the secretary, especially since the resolution discontinuing the use of identifying numbers. And no member of the association either does or can learn from either the statistics or any other source *"the exact condition of the business of each of his fellow-members."*

Another instance of the Government's unfair attitude is that in the discussion of the statistics not a word is said of the abandonment of comments, analyses, and interpretations of the statistics upon the organization of the present association. Neither is the publication of the statistics by the association mentioned, nor is the association's offer made in open court to pay for the publication of all the statistics as advertising matter.

All efforts made by the defendants in order to conform to the law or in order to meet the objections made in the Government's petition are asserted to have been made for sinister and ulterior purposes. For instance, the defendants' abandonment of the use of identifying numbers in their reports is declared to have been a mere subterfuge without any practical effect. It is asserted that the division of the members of the association into groups for reporting purposes was to enable all

members to identify as nearly as possible the members by whom sales had been made. Of course the foregoing assertion is not true. As the Government's brief shows (pp. 90-91), even when identifying numbers were used, many of the reports gave both the identifying numbers and the groups in which the several mills were located. The practice varied. The evidence was that each association mill endeavored to take advantage of its geographical position in disposing of the flooring manufactured by it (Appellant's Opening Brief, pp. 284-290). This means that some members sold largely in the Middle West, others in the East, others in the Northwest, and so forth. The division of association mills into the following groups: Group No. 1, Eastern Lower Michigan Mills; Group No. 2, Western Lower Michigan Mills; Group No. 3, Upper Michigan Mills; Group No. 4, Wisconsin Mills, and Group No. 5, Chicago, St. Paul and Tupper Lake Mills, is a natural one. Such a division divides the producing mills into different centers of production, with the exception of the St. Paul, Chicago, and Tupper Lake Mills. These mills last mentioned were put into a group by themselves for the reason that they did not belong to any other natural group, and that the three mills had to be put together in order to avoid disclosing their identity (Vol. I, p. 130).

Considerable pains are taken to show that prior to July, 1923, the reports were made in a certain sequence. Counsel asserts that in all reports pre-

vious to the discontinuance of identifying numbers a certain sequence was observed. Counsel next asserts:

> "*The record does not contain any statement as to the present grouping of the members,* but it appears quite obvious * * * that the members constituting each group are now as follows:

Grouping After July, 1923.

"Eastern Lower Michigan Mills.	Western Lower Michigan Mills.	Upper Michigan Mills.	Wisconsin Mills.	St. Paul, Chicago, Tupper Lake.
2	3	7	23	22
24	5	42	34	48
33	14	44	45	51"
49	26	47	50	
	30			
	37			

(p. 94.)

It is then argued:

> "It is only necessary to *assume* that the *same* reporting *sequence* has been followed since July, 1923, to ascribe with absolute certainty the figures as to average prices realized as given by the report dated October 19, 1923 (Vol. III, side page 2863), to the several members of the association. A footnote to this report states that No. 3, which, according to sequence, should appear first in Group 2, made no sales, and that no reports were received from numbers 23, 37, and 45, which, according to the sequence, should appear respectively last in Group 2 and first and third in Group 4" (pp. 94-95).

Learned Counsel then asserts that:

> "Any member of the Association could therefore readily complete this report so as to make it read in part as follows:" (p. 95).

Learned Counsel then sets forth *only a part* of the Report dated October 19, 1923, viz., the average prices realized for *clear* grade flooring—and attempted to apply his sequence system to such prices.

We set forth the report dated October 19, 1923, together with the alleged sequence numbers enclosed in bold-face parentheses:

Range of Average Prices Realized.

F. O. B. Michigan and Wisconsin Flooring Mills in September, 1923, for New Orders Booked for 13/16 Inch x 2¼ Inches Clear, No. 1, and Factory Maple Flooring, Standard Grades and Lengths, After Deducting Freight.

Group 1:

	Clear, September.	No. 1, September.	Factory, September.
Eastern Lower Michigan Mills.	(2) $95.00	(2) $85.64	(2) $47.25
	(24) 96.42	(24) 85.80	(24) 50.10
	(33) 100.33	(33) 90.80	(33) 50.71
	(49) 101.15	.....	.....
Average	98.23	87.41	49.35

Group 2:

Western Lower Michigan Mills.	(5) 93.73	(5) 83.66	(5) 46.47
	(14) 94.89	(14) 84.92	(14) 48.94
	(26) 95.01	(26) 85.01	(26) 52.00
	(30) 95.91	(30) 85.90	.....
Average	94.89	84.87	49.14

Group 3:

Upper Michigan Mills.	(7)	96.40	(7)	83.41	(7)	46.49
	(42)	97.85	(42)	88.70	(42)	47.38
	(44)	98.14	(44)	88.80	(44)	47.85
	(47)	102.18	(47)	89.00	(47)	50.45
Average		98.64		87.48		48.04

Group 4:

Wisconsin Mills.	(34)	97.17	(34)	90.00	(34)	49.11
	(50)	102.36	(50)	90.85	(50)	52.91
Average		99.77		90.43		51.01
All Michigan & Wisconsin Mills, average.....		97.61		87.11		49.14

Includes reports from 14 members.
No. 3 reported "No sales."
No reports from Nos. 23, 37, and 45.
Reports of Nos. 48, 22, and 51 omitted to avoid disclosing their identity.
October 19, 1923.

(Vol. III, fol. 2863.)

Learned counsel asserts that by means of his sequence system it can be determined who received any of the prices contained in the report last mentioned. The assertion is manifestly absurd. The report gives the range of average prices realized by all reporting association members during September, 1923, for new orders booked for 13/16 x 2¼ Clear, No. 1, and Factory Maple Flooring after deducting freight. It will be observed that in every instance the *lowest* prices for each grade are given first, and that the next higher prices follow, and so

on until the highest prices are reached, when the average is given for each group. *In order to apply learned counsel's sequence system* (which resembles the systems devised to beat the bank at Monte Carlo) *it would be necessary for No. 2 always to receive the lowest average prices,* not only for *Clear* Grade Flooring, but also for No. 1 Flooring, and Factory Flooring. It would also be necessary that No. 24 should always receive the next higher prices for each of the three grades above mentioned, and that No. 33 should always receive the next higher prices, and that No. 49 should always receive the highest prices of all the members composing the Eastern Lower Michigan Mills group. It would also be necessary that this same rigid order should be observed with respect to the prices received by the various members constituting the other groups. There is about one chance out of several hundred millions that learned counsel's sequence system would ever work out in actual practice.

It is ridiculous to assume that the member having the lowest membership number always gets the lowest prices, and that the member having the highest membership number always gets the highest prices. According to this system all that a member needs in order to get high prices for his flooring is to have a high membership number assigned to him.

It is manifestly impossible to tell who obtained the averages shown on the report above mentioned. It is equally impossible to determine who made

any particular sale shown in the weekly sales reports after the elimination of identifying numbers.

After asserting in galley proof that his sequence system was as certain as the methods used by astronomers in calculating the courses of the stars, learned counsel in page proof finally makes the following admission:

> "The individual sales appearing on the Weekly Sales Reports as now made up cannot always be attributed with mathematical certainty to the several members of the association." (p. 96.)

The foregoing admission simply destroys the pages of argument and the vast amount of labor which learned counsel has expended upon the discovery and formulation of his *sequence system*. It is obvious that the value of any such system as applied to the reports lies solely in its always producing the same results. Any element of uncertainty incident to its operation would render it worse than useless.

The absurdity of counsel's *sequence system* may be demonstrated by means of an examination of the reports issued after the discontinuance of the use of identifying numbers. For instance, learned counsel asserts that the Weekly Sales Report dated November 9, 1923, shows that for the week ended November 3, 1923, the Eastern Lower Michigan mills made *ten* sales divided among four members of the group; that the Western Lower Michigan

group made fifteen sales divided among five members of the group (No. 37 having made no report); that the Upper Michigan mills made fifteen sales, divided among four members of the group; that the Wisconsin mills made four sales, divided among three members of the group (No. 23 having made no report), and that the St. Paul, Chicago, and Tupper Lake mills made two sales divided among two members of the group (No. 22 having made no report). (p. 96.)

As an inspection of the foregoing report will show there were *thirty-seven* separate items reported by the Eastern Lower Michigan mills, as well as one item of 1,484 feet "in four small sales" and another item of 5,950 feet "in small sales" (Vol. 4, fol. 5340).

Counsel is just as inaccurate in his assertions with respect to the number of other sales made by other members of the different groups. It is to be regretted that learned counsel for the Government did not state in the brief what system, if any, he used in determining the *number of sales* made by the members of the different groups.

Learned counsel asserts

> "An inspection of the report indicates that it is the present practice to report all sales made by each member in the numerical sequence of their order dates so that a *change from a late to an earlier date incurs a change in the reporting member.*" (p. 97.)

It will be remembered that there are four members in the Eastern Lower Michigan mills group (see p. 94 of Government's Brief). We set forth the dates appearing in the report under discussion for the sales made by the Eastern Lower Michigan mills group:

10-16	10-29
10-25	10-30
10-26	10-31
10-27	11- 2 (Vol. IV, fol. 5340).
10-29	
10-30	

Applying learned counsel's formula above quoted, we find that from October 16th to October 30th would represent the sales made by one member, and that from October 29th to November 2d would represent the sales made by another member.

Quaere: What becomes of the other two members?

Mr. George W. Keehn testified:

> "We have no objection to eliminating from our reports all reference to the particular members failing to report, and we will eliminate such references hereafter. We will omit the numbers of members who do not report, but simply state that two or three or four members have not reported, without giving their numbers. We will also omit the surplus-stock statement and dates of reports received" (Vol. I, p. 176).

If any doubt exists as to the good faith of the association in the elimination of identifying numbers, it would be very easy to prescribe a form for the making of reports which would make it impossible to determine by whom the sales reported were made.

From the Government's cross-examination of defendants' witnesses it is apparent that the Government's objection to the making of any weekly sales report was the possibility, or rather the probability, that members who did not receive as much for their flooring as other members would immediately increase their prices.

Such defendants as testified stated that there were many factors taken into consideration in the determination of prices charged by them. These factors were individual stock conditions, individual unfilled orders, the general market trend, information received from representatives and buyers, past relations with prospective purchasers, their financial needs, operating conditions or plans, etc., etc. All the defendants testified that, of course, they wanted to get as much money as possible for their flooring, but that the mere fact that the weekly sales reports showed that some one else had obtained more or less for flooring than they had obtained, would not alone cause them to either increase or lower their prices. That the Government's objection is without merit, and that its apprehensions are groundless may be easily demon-

strated. The wide spread of prices obtained by association members is conclusive proof that association members do not increase or lower their prices merely because the weekly sales reports disclose that some members had obtained higher or lower prices than others. This wide spread has always existed. (See Appendix E, pp. 5-6, Appendices to Appellants' Brief.) If the Government's theory were corect, then the prices obtained by members would be uniform, or else there would be a constant increase in prices.

VIII.

"ASSOCIATION MEETINGS."

Much of the Government's brief is devoted to a discussion of the foregoing caption. We have fully covered the matter of association meetings in our opening brief (pp. 231-233). It is therefore only necessary to point out that the Government's petition does not charge that at such meetings there was any agreement, express or implied, with respect to prices to be charged for flooring. On page 141 of its brief the Government quotes a letter addressed by the North Branch Flooring Company to another member. This letter urges regular attendance at association meetings by such other member. The letter concludes:

> "We can say from actual experience that the personal contact and association with the other members has become very valuable

> to us, and we have been able to capitalize this to a remarkable degree" (Vol. IV, p. 479).

It is obvious that the writer of the letter was speaking of some *personal* advantage which he had obtained by reason of constant attendance. It is not difficult to infer from the evidence what this advantage was. As shown on page 66 of our opening brief, the North Branch Flooring Company of Chicago, Ill., does not own any timber. It is therefore compelled to buy all the rough lumber used by it in the manufacture of flooring. Inasmuch as the proof showed that

> "association meetings afforded manufacturers of rough lumber opportunities for selling it to the other members, and for different members to sell surplus flooring to others who were short of certain sizes or grades (Vol. 1, pp. 205-6, 330, 332, 295-98, 132, 134, 178, 206, 208, 236" (p. 232 of Appellants' Opening Brief),

it is not a strained construction that the North Branch Flooring Company had been able to purchase to advantage both rough lumber and flooring from other members. Personal contact in business transactions, even with friends, is always more satisfactory than correspondence.

IX.

"Results of Combination."

The writer of the Government's brief denies that in the court below the Government abandoned its contention that there existed a practical uniformity of "f. o. b. selling prices" and "net delivered prices." However, it is not disputed that when the Lewis compilations, based upon all the weekly sales reports, were offered in evidence, Mr. Fowler stated to the trial Court:

> "*We are not insisting on uniformity*" (Vol. II, p. 857).

And, strangely enough, this statement was made in order to induce the court below to accept the Government's theory that the commissions should not be deducted from the delivered prices reported by members. These reports gave not only the date, the quantity, the wood, the grade, size, delivered price, and average freight rate, *but also the commissions allowed, if any.*

Now, if the Lewis compilations were not introduced in evidence for the purpose of showing uniformity of prices, then they were irrelevant. As pointed out in our opening brief, practical uniformity of "f. o. b. selling prices" and of "net delivered prices" is the crux of the Government's petition.

It is asserted in the Government's brief that

> "The Government contended during the *argument in the court below,* and it still contends, that the activities carried on, by the defendants through the defendant association * * * have caused a much greater uniformity of prices than could possibly have obtained under conditions of free and unrestricted competition." (P. 152.)

The *record* does not show *what* "the Government contended during the *argument* in the court below."

The Government should not be permitted to take a position here contrary to that taken in the trial court. And the *record* does show that the chief counsel for the Government solemnly assured the trial court:

> "*We are not insisting on uniformity.*"

Moreover, in the Government's petition the ultimate conclusion that there existed an unreasonable restraint of interstate trade and commerce was deduced from the alleged fact that there existed *a practical uniformity among the defendants of both "f. o. b. selling prices" and "net delivered prices."* In the Government's brief, however, we are informed that the Government's contention is that there was *"a much greater uniformity of prices* than could possibly have obtained under conditions of free and unrestricted competition." In other words:

1. *The petition is abandoned.*

2. An unreasonable restraint of interstate trade and commerce is *assumed.*

"Free and unrestricted competition" is a mere economic concept, and is descriptive of no condition that has ever existed since the dawn of time.

The learned writer of the Government's brief therefore proclaims his utter innocence when he solemnly talks of *free and unrestricted competition.*

Furthermore, *it is elementary that competition tends to produce uniformity of price.*

Evolution of Modern Capitalism (Hobson), 146.

Principles of Economics (Taussig), Vol. I, pp. 480-481, 134, 141, 144-45, 147, 146, 153-154, 172-173, 175; Vol. II, p. 38.

Readings in Industrial Society (Marshall), pp. 934, 476-77.

Such is also the undisputed evidence (Vol. II, pp. 544-545). Therefore, when counsel impliedly asserts that free and unrestricted competition produces great price variation he convicts himself of not being familiar with elementary economic principles.

The variation in the prices quoted or obtained by the members of the defendant association is altogether unusual. It should not exist, and would not exist in a perfectly organized society. While

the fact of variation proves *absence of agreement* among the defendants, and that the exchange of statistics has not effected the results feared by the Government, it also proves that the economic mechanism is by no means perfect.

And what proof is there in the *record*—for we assume that counsel's unsupported assertion cannot properly be called *proof*—that the defendants' activities "have caused a much greater uniformity of prices than could possibly have obtained" had the association not existed?

Learned counsel also asserts that the Government has never contended that there was "an absolute uniformity in the prices obtained by the defendants." True, but the petition does charge that the defendants—

> "have always maintained * * * and they still maintain *a practical uniformity* between themselves of net f. o. b. selling prices" (Vol. I, p. 6) and "of net delivered prices" (Vol. I, p. 7).

This means a *substantial* uniformity, and we have shown that it has never existed. In order to close up the wide gulf that exists between the petition and the proof, learned counsel argues that there is a difference in the quality of the flooring manufactured by the different members; that the machine-work of some members is superior to that of others, and that flooring is not a fungible com-

modity, etc., etc., and that these facts find expression in the prices. But all this merely convicts counsel of disingenuousness, or else constitutes an abandonment of another contention made in the petition. In the petition it is charged:

> "The use of the uniform trade-mark and the character of the advertising put out by the association intensify the tendency to establish and maintain uniform prices, and *also practically eliminate* all *competition between the defendants based on the quality of their respective products*" (Vol. I, p. 10, fol. 19).

Moreover, counsel's assertion that—

> "Other witnesses testified that in their opinion the flooring produced by Horner is inferior and is therefore unable to command as high a price as other mills obtain" (p. 153),

is not supported by the facts. One witness and one witness only testified that *before* Horner joined the association his grades were unsatisfactory. No one testified as to Horner's grades *after* he had joined the association (Vol. I, p. 431).

It is next asserted by learned counsel—and his so-called "argument" consists largely of mere assertions—that the defendants' plan and activities—

> "necessarily and inevitably have caused increases in prices to be made more rapidly and decreases in prices to be made less

> rapidly than would have been the case without such operation under the plan." (P. 154).

But where is the *proof* to support counsel's assertion? The *Government* offered *none* whatsoever. The undisputed proof offered by the defendants is to the contrary. See pages 216-226, 209-215 of our opening brief for the undisputed evidence that the price advances in the "Product" were not so sharp as those of other commodities; that the price declines of the "Product" were more precipitious than those of other commodities, and that the relation between the prices of the "Product" and the supply and demand was unusually intimate.

The writer of the Government's brief lacks frankness in the discussion of the proposition that the commissions allowed should not be deducted from the delivered prices in reducing the prices made by defendant association members to a common basis for the purpose of comparison with the average costs. The explanations now given do not accord with the statements made by counsel for the Government to the trial court. We quote from the record:

> "Mr. THOMPSON: * * * We started out first deducting the commission, and then showing the net factory price, less the commission. We found from these *minimum price plan statements* that that was not the method they followed, so we changed."

> The COURT: Very well. Mathematics is an exact science.
>
> Mr. FOWLER: I wish to call your Honor's attention to this Minimum Price Basis" (Vol. II, p. 857).

See also Volume II, pages 854-855, where both Mr. Fowler and Mr. Thompson expressly based their contention upon the provisions of the Minimum Price Plans and the Minimum Price Basis.

Having received a copy of the appellants' brief, wherein it was pointed out that all Minimum Price Plans, as well as the Minimum Price Basis, were annulled and abandoned long before the organization of the present association (p. 339), counsel for the Government found it expedient to change their theory, especially in view of the fact that the Weekly Sales Reports included in the Lewis compilations are mostly sales reports issued by the present association.

The writer of the Government's brief advances no reason whatsoever why the commissions allowed should not be deducted. He merely asserts that

> "It is obvious that it is the Cadillac Base Price which must be considered when determining whether the so-called average costs have been maintained as minimum prices." (P. 157.)

By Cadillac Base Price the writer of the Government's brief means a delivered price that includes

commissions, but that does not include freight. If the proposition were so obvious, it is somewhat strange that counsel did not vouchsafe the reasons therefor, especially in view of the fact that he no longer relied upon the reasons advanced to the trial court by Mr. Fowler and Mr. Thompson.

The use of any term "Cadillac Base Price" is without any justification whatsoever. The test runs issued by the present association determine the "approximate relative average costs of flooring product f. o. b. cars at flooring mills." See the insert in appellants' brief between pages 274-275. The Cadillac Base was used (theoretically) in conjunction with the old abandoned Minimum Price Plans. It is obvious that there could not be minimum prices without a base or zones. The present association has never used any Cadillac Base, and, as above pointed out, the average costs are not average costs Cadillac Base, but average costs f. o. b. cars at flooring mills.

As pointed out in our opening brief, the Government's theory is that the average costs, the average freight, and the uniform rules as to commissions resulted in a practical uniformity of both "f. o. b. selling prices" and "net delivered prices." In other words, the average costs were minimum prices, and both the average freight and uniform commissions were factors which resulted in the uniformity of "f. o. b. Selling Prices" and "Net Delivered Prices" (p. 342). Of course, if freight

is deducted, the commissions allowed should also be deducted. The Lewis compilations relate to shipments to points throughout the United States from the different association mills. In some instances commissions were allowed, but in other instances they were not allowed. The amount of the commissions allowed also varied. In order to determine whether there was either a practical uniformity of prices or whether the average costs were maintained as minimum prices, the commissions allowed as well as the freight should be deducted from the delivered price. *Only by this means can the heterogenous mass of data be reduced to a common basis.* An association mill that quoted a delivered price *not subject to commission* of course received from the purchaser a net amount, which consisted of the delivered price less the freight. On the other hand, an association mill that quoted a delivered price *subject to a commission* received from the purchaser a net amount which consisted of the delivered price less the freight and less the commission. If the Cummer-Diggins Company at Cadillac, Michigan, quoted a Washington, D. C., lumber dealer a delivered price of $108.50 per thousand feet and the freight were $8.50 per thousand feet the Cummer-Diggins Company would realize $100 net per thousand feet for the flooring.

If, on the other hand, Cobbs & Mitchell, of Cadillac, Michigan, should sell another Washington lumber dealer similar flooring at $108.50 delivered, less a commission of $2 per thousand feet, Cobbs &

Mitchell would net only $98 per thousand feet. In other words, both the prices realized by Cobbs & Mitchell and Cummer-Diggins would vary, and the prices paid by the two Washington lumber dealers would vary. Therefore it is clear that in order to determine whether there was a practical uniformity in the prices obtained by Cummer-Diggins and Cobbs & Mitchell, $98 would have to be compared with $100. It is equally clear that in order to ascertain whether the average costs were maintained as minimum prices the average cost of the flooring sold by Cobbs & Mitchell and Cummer-Diggins to the two Washington lumber dealers would have to be compared with $98 and $100. The evidence was that the allowance of commissions is merely a means of meeting competition or reducing one's price (Vol. II, p. 538).

It also appeared that some members allowed a commission of 5 per cent (Vol. II, p. 452). Suppose, for instance, that some of the members of the defendant association should allow commissions similar to those allowed by the hardware trade, viz., a price less 20 per cent, 10 per cent, and 5 per cent. It would be the height of absurdity to compare the gross price with anything whatsoever. Only the net price after the deduction of the chain discount could be used with any regard whatsoever for the substance of things. It is significant that the Government first began to deduct the commissions as well as the freight (Vol. IV, pp. 584-694). The

explanation given for its abandonment of that method was the provisions of the Minimum Price Plan and the Minimum Price Basis. And in view of the undisputed fact that the Lewis compilation is based almost entirely on the Weekly Sales Reports issued by the present association, there is no justification for the change in the Government's method.

The real reason why both commissions and freight should be deducted is stated on page 342 of appellants' opening brief.

The Government's brief is full of inconsistencies. Whenever it suits its purposes to treat all the associations as one association it does so; however, whenever it is convenient to treat the present association as having come into existence for the first time on March 29, 1922, it also does so.

The writer of the Government's brief also asserts that a comparison of the average costs with the prices realized demonstrates the soundness of the Government's contention that the so-called average costs "are in fact recommended prices, and that they exert a strong influence on the members' actual selling prices." The Government's petition alleged *not* that the average costs exerted a strong influence on the "members' actual selling prices," but that the average costs were maintained as *minimum prices* by the defendants, and that as a result thereof there was a practical uniformity of both

"net f. o. b. selling prices" and "net delivered prices." Neither in the putting in of its proof in the trial court nor in the making of its argument in this court has the Government paid any attention whatsoever to the fundamental rules that proof without pleading or pleading without proof is insufficient to support a decree.

X.

"Economic Defense."

The writer of the Government's brief quotes Mr. John Knox Arnold and the trial court in opposition to the testimony given by Professors Hettinger and Vonderblue and Mr. Gordon and Mr. Grant Keehn. Of course, Judge Sessions does not claim to be an economist or learned in that science. We feel that it was unfortunate for the defendants that such was the fact. Even a casual reading of the testimony of Mr. John Knox Arnold will show that he was an extremely partisan witness.

It is absurd to say that the elaborate charts, whose correctness not even Mr. Arnold attempted to impugn, and the other data prepared by Messrs. Gordon and Grant Keehn and endorsed by Professors Hettinger and Vanderblue have no relevancy whatsoever. If the defendants had controlled and manipulated the prices of maple, beech, and birch flooring, as charged in the Government's petition, certainly the charts and other data pre-

pared by Messrs. Gordon and Grant Keehn would have shown some evidence of such control and manipulation. Of course no one has ever contended that the charts are conclusive evidence that there was no fixation of price. But they are strong circumstantial evidence that there was no control or fixation. The writer of the Government's brief attempts to discount the evidence given by Professors Hettinger and Vanderblue and Messrs. Gordon and Grant Keehn by referring to the Minimum Price Plans, etc. However, the undisputed proof by both the Government's witnesses and the defendants' witnesses was that the Minimum Price Plans were never observed or enforced (Appellants' Opening Brief, pp. 196-206).

It is true that logarithmic charts merely show the direction and rate of change and not the extent and magnitude of the change, but what of it? If the index of the prices of the "Product" fluctuated in harmony with the indices of all commodity prices, all building materials, and lumber prices, as well as with the indices of the prices of competing wood floorings, certainly such fact is strong circumstantial evidence that all the prices represented by the indices were determined by natural economic phenomena, and that none of them were fixed by artificial manipulation. If the defendants had the power to control the prices of flooring it is strange that they did not exert it and stop the decline of 13/16 x 2¼ face, clear maple flooring

from $225 in May, 1920, to $93.94 in May, 1921. During the same period of time No. 1 flooring of the dimension above mentioned declined from $189.87 per thousand feet to $76.42, and Factory Flooring of the same dimension declined from $168 per thousand feet to $43.06 per thousand feet (Vol. IV, fols. 5455-57).

The proof also showed that the index of the price of the "Product" fluctuated in harmony with the index of the prices of rough maple lumber. (See Appendix O, p. 24, Appendices to Appellants' Brief.) The undisputed proof, also, was that the index of the price of the "Product" was peculiarly sensitive to the unfilled orders and stocks on hand. (See Appendix Q, p. 21, of Appendices to Appellants' Brief.)

XI.

"Discussion of the Law."

In the Government's brief it is asserted that in order for the Government to make out a case

> "it is sufficient to prove the adoption of a plan or scheme which in its operation necessarily affects the prices." (P. 182.)

It is apparent that the writer of the Government's brief does not agree with the learned District Court, who said that

> "The actual results flowing from such plans, agreements and the execution and performance thereof are of secondary impor-

> tance. Besides, no method has been discovered and probably none can be discovered by which to measure either accurately or even approximately the effect of the agreements and doings of these defendants upon prices, production and competition in the maple, beech and birch flooring industry, for the reason that there are no satisfactory standards of comparison" (Vol. I, p. 59).

Upon the trial court's statement and the principles announced by this court in the Steel Corporation case, the appellants are entitled to a reversal of the decree entered by the District Court. The same principles were announced and applied by this court in the American Column and Lumber Company case. The test there announced was

> "whether the system of doing business adopted resulted in that *direct and undue* restraint of interstate commerce which is condemned by this anti-trust statute."

If, as the District Court held, the proof did not show what effect the activities of the defendants had had upon prices, production or competition, then clearly there was no proof of "that direct and undue restraint of interstate commerce which is condemned by this anti-trust statute."

In the second place, mere proof of the adoption of a plan or scheme "which in its operation necessarily affects the prices" is not sufficient to sustain the decree that was entered by the District Court.

The test stated by the writer of the Government's brief does not accord with the test announced by this court in the American Column & Lumber Company case. Moreover, the decree entered by the District Court must be sustained, if at all, upon the allegations of the Government's petition and the proof, which must agree. Having alleged that the plan and activities of the defendants resulted in a practical uniformity of both "net f. o. b. selling prices" and "net delivered prices," the Government cannot now sustain the decree entered by the lower court upon the theory that the defendants' plan "in its operation necessarily affects the prices."

In the Government's brief it is also asserted:

> "2. The question of fact is: Does the operation of the scheme materially affect the prices or production of the commodity moving in interstate commerce?" (P. 182.)

As above pointed out, such is not the question. The question is "whether the system of doing business adopted resulted in that direct and undue restraint of interstate commerce." In other words, does the proof show an unreasonable restraint of interstate commerce?

In the second place, there is no evidence whatsoever that the defendants' plan has affected production other than the undisputed proof that by means of the statistics the defendants are advised of what

items of flooring there is a shortage, and that thereupon they manufacture such flooring, to the great benefit of the public (Appellants' Opening Brief, pp. 327-330).

The writer of the Government's brief also asserts:

> "3. As heretofore shown, the operation of the association brought about uniformity of price in about fifty per cent of the sales of the most important kind of flooring made between October, 1921, and June, 1923, and prices equal to or in excess of the so-called cost price in at least 82 per cent of the sales during that period. But it is wholly unnecessary to prove that the operation of the scheme or plan does or will produce uniformity of prices." (P. 183.)

The assertion of counsel is based upon the Lewis compilations, which, as we have heretofore demonstrated are inaccurate, for the reason that the commissions allowed were not deducted in arriving at figures with which to compare the average costs.

In the second place "fifty per cent of the sales of the most important kind of flooring" amounts to only 17½ per cent of the total production of the defendants (Appellants' Opening Brief, p. 337). Eighty-two per cent "of the most important kind of flooring" would amount to only 28.7 per cent, inasmuch as 13/16 x 2¼ inches face Clear Grade Flooring amounts to only 35 per cent of the total

output of association members. It should also be observed that the writer of the Government's brief has not a word to say concerning Appendices U, V and W, pages 25-64 of the Appendices to Appellants' Brief. Those appendices cover other grades and sizes of maple flooring.

Moreover, as shown in our opening brief, the essence of the Government's petition is that the defendants' plan resulted in a practical uniformity of both "net f. o. b. selling prices" and "net delivered prices." It will not do at this late date for the Government to assert that it is unnecessary to prove that the operation of the defendants' "scheme or plan does or will produce uniformity of prices." It is elementary that proof without pleading or pleading without proof is insufficient to support a decree.

The writer of the Government's brief also asserts:

> "The question is, are prices made higher or lower than they would be if controlled entirely by the natural law of supply and demand?" (P. 183.)

It is pure speculation whether the prices obtained by the defendants would have been higher or lower if the plan had not been in operation. At any rate, the Government offered no proof whatsoever on the subject. The undisputed proof adduced by the defendants in the court below was that the prices obtained by the defendants were

unusually sensitive to the supply and demand, as shown by the stocks on hand and unfilled orders of the defendants. The statisticians and economists who testified for the defendants stated that in their opinion the evidence showed that flooring prices had been fixed by supply and demand. The proof was undisputed that the prices of association members were generally lower than the prices of nonmembers, although association flooring was superior to the flooring manufactured by nonmembers. The proof also was that each defendant determined his own prices, and that at all times since the organization of the present association each member had been free to conduct his business as he saw fit, and that he had done so. In the face of all of this evidence it is worse than idle for the Government to assert that the prices obtained by the defendants were higher than they would have been if the present association had not existed.

The Government cannot take cover behind the Hardwood Company case, as it attempts to do, by the assertion that in that case "great reliance was had by the members of the association upon the fact that there was never a condition approaching uniformity." From the majority opinion it would appear that the petition in the Hardwood case differed essentially from the petition in the case at bar. On page 391 (257 U. S.) it is stated:

> "The bill alleged in substance that the plan constituted a combination and conspiracy to restrain interstate commerce in

> hardwood lumber by restricting competition and maintaining and increasing prices in violation of the antitrust Act of 1890, c. 647, 26 Stat. 209."

As we have heretofore pointed out, the essence of the petition in the case at bar is the practical uniformity of both "net f. o. b. selling prices" and "net delivered prices."

Contrary to the assertion of the writer of the Government's brief this court, in the Hardwood case, did not hold

> "that while it was perfectly apparent that there was no understanding to fix prices, yet the scheme when operated induced every one to get the highest prices he could and gave him the exact information which enabled him to extort the highest prices." (P. 184.)

As pointed out in our opening brief, the decision of this court in the American Column case turned upon the finding that the purpose of the combination was both to limit production and to increase prices, regardless of cost, and that such purpose had been consummated.

The writer of the Government brief also asserts that "the effort of the association members is to get all they possibly can and to aid each other in getting it."

There is no evidence whatsoever to justify any such assertion. The Government's own witnesses

testified that there was intense competition between nonmembers and members. Lumber dealers were unanimous in their testimony that intense competition existed among the defendants.

The writer of the Government's brief also says:

> "And when they all by tacit understanding have in mind a minimum price it will result in more or less uniformity at or about that price with now and then a sale below and more often a sale above that price. But there will generally be enough variation to enable them to 'point with pride and confidence' to the lack of uniformity and especially to the spread in prices. The spread, however, means but little, as a small sale for peculiar reasons may be made at a very high price while a very large sale may be made at a specially low price; thus making a very considerable spread between them." (P. 185.)

It would be difficult to imagine a more disingenuous argument than the argument above quoted. For Government's counsel to say that average costs were minimum prices, when the great bulk of all the flooring produced by the present association was sold at prices considerably below the average cost, is wholly inexcusable. In the second place, the *Government* and not the defendants raised the question of uniformity. The Government in its petition asserted that the defendants' activities had resulted in a "practical uniformity" of prices.

Moreover, the assertion of the writer of the Government's brief that the spread between the high and low prices received arose out of sales of small quantities at very high prices, "made for peculiar reasons," and sales of large quantities at specially low prices, is not true, as an inspection of Exhibits U, V, and W (pp. 25-64) of Appendices to Appellants' Brief will show. Of course it is true that retail sales of small quantities made by Chicago and St. Paul members were usually at higher prices than sales of larger quantities. But all such sales in the Lewis compilations are recorded as *mill* sales, as, for instance, pages 660-661, volume IV. The percentage of such sales is very small.

The writer of the Government's brief does not attempt to refute the soundness of our criticism of certain dicta appearing in the majority opinion of this court in the American Column and Lumber case, as well as some other *dicta* appearing in the opinion in the Linseed Oil case. It was apparently much more agreeable to the writer of the Government's brief to reiterate *dicta* which, we respectfully submit, are unsound. Inasmuch as the writer of the Government's brief has not attempted to answer our criticisms, there is no need of again going into the matter here.

The height of absurdity is reached in the assertion that

> "there the unnatural relationship was brought about by each member making an

> independent contract with the Armstrong Bureau; while here, as in the Hardwood case, it is consummated through an association composed of the individual defendants." (P. 187.)

The anti-trust act does not condemn unnatural relationships between business men. What is an unnatural contract?

It is asserted in the Government's brief:

> "5. If it be not shown that the necessary effect of the scheme or plan is to restrain interstate commerce, yet its operation should be enjoined if it be shown that it can be so used and that it is the intent of the parties to so use it." (P. 188.)

In the first place there is no proof whatsoever of the intent of the defendants to use their present plan for the purpose of violating the anti-trust act. In the second place, if the *necessary* effect of the plan is not to unreasonably restrain interstate commerce, how can such plan be used to restrain interstate commerce? And under such circumstances what difference does the intention of the parties make? As held by this court in the Steel Corporation case, *it is not the possession of power,* but the *wrongful exertion of it that counts.* If, as in the case at bar, a plan has been in operation for more than two years without resulting in an unreasonable restraint of interstate commerce, an injunction would not be justified, for the reason that the

anti-trust act condemns only contracts, combinations or conspiracies which do or which would if enforced unreasonably restrain interstate trade or commerce. The case of Patten *vs.* U. S., 226 U. S., 525-543, cited by the writer of the Government's brief, does not sustain the contention made in the Government's brief. Neither do the other authorities there cited, and it is unnecessary to criticize them at length. *The Government's petition does not allege that the defendants entered into the present plan with an unlawful intent.* The Government's failure to allege such unlawful intent was urged in the defendants' motions to dismiss said petition in the lower court (Vol. I, pp. 23-24).

It is also asserted by the writer of the Government's brief:

> "9. The contention that the association created only a reasonable restraint upon interstate commerce is devoid of merit." (P. 193.)

The appellants have never made any such contention. Our position is and always has been that the Government failed to prove that an unreasonable restraint of interstate trade or commerce has ever existed since the organization of the present association. We also contended in our opening brief that, inasmuch as the present articles of association do not expressly deal with output or prices, the Government's petition should have been dismissed because the undisputed proof showed

that the defendants' prices were and always had been fair and reasonable. In other words, our position is that in the absence of an *express* agreement as to prices or output or an express agreement which deprives the parties to it of their discretion as to output or prices, there cannot be an unreasonable restraint of interstate commerce, if each party to such an agreement fixes his own prices and determines his own output, provided output is not curtailed and the prices are fair and reasonable.

The Circuit Court of Appeals for the Sixth Circuit, in Addyston-Steel Company case, did not hold that whether a restraint is reasonable or not depends upon the character of the agreement or agency that brings it about, and not upon the extent of the restraint. Even if the court had so held, such a holding would be a pure *dictum* for the reason that the proof in that case showed an express agreement which unreasonably restrained interstate trade or commerce. In that case the agreement by its own terms did so. It was made for no other purpose. It necessarily could not have any other effect. The articles of association in the case at bar have various provisions relating to divers subjects, none of which expressly deal with output or prices. None of the provisions interfere with or in any wise limit the discretion of association members with respect to output or prices; and under these circumstances the test of the unreasonableness of restraint depends upon the extent or degree of the restraint.

Under the caption "10 The relief to which the Government is entitled" the Government asserts that the appellants' position is that

> "the court should specify what particular things the association can do, and so limit the injunction as to exclude such activities from its provisions. But to comply with such contention would be for the court to undertake to construct an association for the defendants which, according to the court's view, would be a legitimate one." (P. 196.)

The appellants have never made any such contention. The appellants do contend that if some part or parts of defendants' plan should be deemed objectionable the injunction should merely restrain the defendants from carrying out such part or parts. This court has frequently done this in cases arising under the anti-trust act and courts have been exercising similar functions since time immemorial, especially courts of equity.

The assertion that no property rights are involved in the case at bar is demonstrably unwarranted. At great expense the defendants have maintained a reinspection service and have standardized the flooring manufactured by them. The proof shows that the defendants have built up a good will of immense value. This good will should not be destroyed and the public should not be injured by depriving it of the benefits of the reinspection service and of standardized flooring. The

court will recall that the proof was that architects specify flooring manufactured by the defendants or flooring manufactured according to its grading rules; that a great many lumber dealers will not buy flooring from non-members, and that all the lumber dealers who testified stated that they preferred to deal with members of the association because of the superior quality of the flooring manufactured by them, and because of the protection that the reinspection service afforded buyers.

Respectfully submitted,

JACOB NEWMAN,
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Solicitors for Appellants.

MAR 6 1925
WM. R. STANSBURY
CLERK

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1924.

No. 342.

MAPLE FLOORING MANUFACTURERS ASSOCIATION, W. D. YOUNG & COMPANY, MITCHELL BROTHERS COMPANY ET AL., APPELLANTS,

vs.

THE UNITED STATES OF AMERICA.

APPEAL FROM THE DISTRICT COURT OF THE UNITED STATES FOR THE WESTERN DISTRICT OF MICHIGAN.

APPELLANTS' SUPPLEMENTAL REPLY BRIEF.

JACOB NEWMAN,
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May it please the Court:

The Government withdrew its original Reply Brief and filed in lieu thereof a so-called "Substitute Brief" on Saturday, February 28, 1925—only two days before the cause came on for reargument. Within the short time at our

disposal it will be impossible to prepare a complete brief in reply to the Government's Substitute Brief. Therefore we are able only to present, by way of a supplemental brief, our reply to the new matter contained in the Government's last brief; and we respectfully ask the Court to consider, not only this supplemental brief, but also our Original Reply Brief as our reply to the Government's Substitute Brief. The Court will please bear in mind that this Supplemental Reply Brief undertakes to answer only certain portions of the Government's Substitute Brief, and that we rely upon our Original Reply Brief as a complete answer to the remainder of the matter contained in the Government's Substitute Brief.

Average Costs.

We wish especially to call the Court's attention to pages 172 *et seq.* of the Government's Substitute Brief, where it is contended that the increase in the prices of maple flooring during 1922 and 1923 was due solely to the fact that the defendant Association distributed from time to time certain average cost figures.

The proof with respect to the ascertainment of average costs was as follows:

> "These average costs are determined from time to time *whenever there are changes in the cost of rough maple lumber* * * * *and also whenever there are changes in the average manufacturing and marketing costs. We might issue one every two or three months, or oftener if there are violent fluctuations in the cost of rough maple lumber.*" (Vol. 1, pp. 155-6; see also p. 110.)

We pointed out in our Opening Brief that the average costs could not have been recommended prices, for the rea-

son that the proof showed that 1922 was a year of advancing prices (p. 346). Prices obtained by individual members reflected to some extent the increased costs of production far in advance of the ascertainment of average costs by the Association. This was natural, in view of the facts that the prices obtained were *constantly* subject to the influence of increasing actual costs *as well as to an increased demand for flooring,* whereas the average costs were ascertained by the Association at *irregular intervals and only after a marked advance* in the market price of rough lumber. *Prices obtained by individual members for flooring also reflected the combined judgment of both buyers and sellers—members as well as nonmembers—with respect to future conditions. Average costs, however, reflected only actually existing conditions with respect to manufacturing and marketing costs.* We also pointed out that the alleged uniformity of prices did not exist. (See Appendices T, U, and V, pages 24-64, Appendices to Appellants' Brief.) It was also demonstrated that the average costs were not and could not have been *minimum* prices, for the simple reason that the undisputed proof showed that the great majority of the sales were made at prices substantially below the average costs. Even a greater percentage of the total quantity of feet was sold at prices below the average costs. The Government now attempts to meet these incontrovertible facts by the following sophistries:

> "When the first cost price list—really a minimum price list—was distributed some were selling below and some above the prices designated therein. Those selling above were not expected to, and did not reduce their prices to conform to the list, but those sell-

ing below raised their prices, probably gradually, until practically all sales were made at or above the designated prices.

"In the meantime the competition to obtain higher prices than their competitors had caused many members to advance their prices. And when a large per cent of them had made a substantial advance a new list was distributed with prices at a higher level. Of course, while the prices of many then conformed to or exceeded these new prices, some were selling below them, and a short time would be required for the prices of all to be advanced to the new level. New lists would be distributed just as often as the market would stand the strain. Therefore uniformity in figures need not be expected. But we may expect to find that a large per cent of the sales were made at the designated list prices, as it is only the bolder ones who take the initiative in advancing prices, and the others will not follow until they ascertain that the ground is secure. Furthermore, it may be expected that a number of sales will be found below the list prices, but they will gradually decrease after a new list has been adopted until another advance is announced."

The fact is that the year 1922 marked a general recovery after the terrific slump in 1921 (Vol. I, pp. 165-6). The prices of all commodities were advancing. Rough maple lumber increased in price continuously throughout the year. Inasmuch as flooring and all other commodities had sold for more than their intrinsic values during the inflation period that culminated in 1920, they sold for less than their intrinsic values during the deflation period that ended in 1921. Prices of all commodities and wages generally increased during 1922 and the early part of 1923.

The Government's theory is that the "average costs" *alone* account for the increase in the price of maple flooring during 1922 and 1923. Of course such a theory is absurd, as we shall now show in detail.

As shown on Appendix E (p. 5, Appendices to Appellants' Brief) Clear grade maple flooring reached the peak price of $225 per M feet during the month of May, 1920, from which it fell to $76.92 per M feet during September, 1921; the No. 1 grade maple flooring sold for as much as $197.50 per M feet in June, 1920, and for as little as $50.19 in October, 1921; the Factory grade maple flooring sold as high as $168 per M feet during May, 1920, and as low as $16.17 per M feet in October, 1921.

Stocks on Hand (of 15 members) amounted to more than 29,000,000 feet during February, 1922. Unfilled Orders then amounted to only 8,000,000 feet. By June, 1922, Unfilled Orders amounted to more than 19,000,000 feet, whereas in February, 1923, they were more than 30,000,000 feet, which was not far from the record. Stocks on Hand had in the meantime declined to less than 22,000,000 feet (Vol. V, p. 955, Grant Keehn Ex. 22). This, too, despite the fact that the production (22 members) during 1922 was approximately 38 per cent greater than the production during 1921.[1]

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[1] PRODUCTION OF ASSOCIATION MEMBERS.

	Quantity.	Number of members reporting.
1922	148,313,000 ft.	22
1921	107,719,000 "	22
1920	129,523,000 "	21
1919	119,451,000 "	21

(Vol. IV. fol. p. 5506; Vol. II, pp. 770-1, 861-2.)

See page 21, Appendices to Appellants' Brief, for a graph showing the relation of the prices to demand (Unfilled Orders) and supply (Stocks on Hand). When the demand skyrockets and the supply (despite increased production) crumbles, of course prices rise. They did not greatly increase, as the graph shows, and as Mr. Grant Keehn explained (Opening Brief, pp. 221-6). The increase in price would be the natural consequence of the great increase in demand, even if the price of rough maple lumber had remained stationary. But rough maple lumber did not stand still.

As shown on Defendants' Exhibit PP (Appendix N, p. 18, Appendices to Appellants' Brief), the index number of the prices of rough maple lumber for 1920 was 358; for 1921 it was 179; for 1922 it was 187, and for the early part of 1923 it was 233. These figures are based on actual purchases made by Association members. See also Appendix O (p. 19 of Appendices to Appellants' Brief) for a graph comparing the index of the prices of "The Product" with the index of the prices of Rough Maple Lumber. This graph is explained on pages 218-219 of Appellants' Opening Brief.

Defendants' Exhibit CC½ (Appendix L, p. 16, Appendices to Appellants' Brief) shows that the following prices were obtained for rough maple lumber during January, 1922; December, 1922, and July, 1923:

	No. 1 common.	No. 2 common.	No. 3 A common.
January, 1922	$45	$30	$17
December, 1922	52	32	20
July, 1923	60	40	25

(P. 5 of Appendix L.)

The same statement also shows that the defendant J. W. Wells Lumber Company was during January, 1922, paying common labor in its flooring mill $2.50 per day. In August of 1922 it was paying $2.75 per day. In December, 1922, $3.00 per day; in March, 1923, $3.25 per day, and in May, 1923, $3.50 per day. The statement also shows that the same company (which was a producer of rough lumber) increased the pay of its men in the lumber camps from $26 a month and keep to $50 a month and keep.

The wage index of the defendant Cummer-Diggins Company was as follows:

1920	221
1921	153
1922	171
Part of 1923	195

(Appendix H, p. 9, Appendices to Appellants' Brief.)

The experience of all members, however, was not identical with respect to wages. The prices of mill supplies were also higher in 1922 than in 1921 (p. 11, Appendices to Appellants' Brief).

As Appendix F clearly shows (p. 7, Appendices to Appellants' Brief), the indices of "All Commodities Prices," of "All Building Materials Prices," of "Lumber Prices," as well as the index of the prices of "The Product," advanced throughout the year 1922 and into 1923. (See pp. 210-211 of Appellants' Opening Brief.)

And yet the Government has the hardihood to argue to this Court that the increase in the prices of maple flooring was due solely to the fact that the defendants distributed from time to time statements with respect to the average manufacturing and marketing costs!

The utter unsoundness of this contention is also demonstrated by the facts that each member ascertained his own costs; that the prices obtained by members varied widely; that each member fixed his own prices; that the prices were fair and reasonable; that the prices of nonmembers were generally higher than those of Association members; that buyers generally prefer to deal with Association members; that the Government did not produce a single dealer or consumer to testify that he had been oppressed by the defendants, and that dealers all over the country, as well as nonmembers, unanimously testified to the existence of vigorous competition, not only between members and nonmembers, but among the defendants.

It is a striking fact that the Government's theory, heretofore discussed, consists of hasty generalizations predicated solely upon the market of 1922 and 1923, which happened to be an advancing one. That the market prices are absolutely independent of the average costs issued by the defendant Association or its predecessors is conclusively proved by the market of 1920 and 1921, which happened to be a declining market. As shown by Appendix E, page 5, Appendices to Appellants' Brief, 13/16 x 2¼ Clear grade maple flooring dropped from $225 per M feet in May, 1920, to as low as $99.24 in December, 1920. During the same period the No. 1 grade dropped from $189.87 per M feet to as low as $84.35. The Factory grade dropped from $168 per M feet to as low as $53.13. The market continued to decline throughout the entire year of 1921; and during the times above mentioned the Associations then in existence, strange to relate, were issuing their tables of values. According to the theory of the Government, these tables of

values should have made such a drastic decline absolutely impossible.

It should be borne in mind that the Government in its petition does not rely upon the illegality of the plan outlined in the articles of association, but predicates its right to the relief sought upon the alleged results flowing from the operation of the plan (Vol. 1, pp. 10-11).

The petition alleges that the distribution of average cost figures, the use of the freight-rate book, uniform terms of sale, and uniform commissions have produced a practical uniformity of net f. o. b. mill and net delivered prices for maple, beech, and birch flooring, and that the distribution of trade statistics among the members of the defendant Association has eliminated competition. But the Government, *having offered no evidence to establish the alleged results of the defendant Association's activities, now falls back upon the plan itself as being unlawful per se* and practically rests its case upon the unwarranted assumption that this Court has held in the American Column & Lumber case, that the distribution of trade statistics is inhibited by the Anti-trust Act. As pointed out in our Opening Brief this Court did not so hold. In the last analysis the Government asks this Court to condemn the defendants' plan notwithstanding the fact that the Government offered no proof to establish the alleged harmful results of the Association's activities and notwithstanding the undisputed proof by buyers and witnesses produced by the Government that there exists strong active and vigorous competition among the defendants.

On pages 177-8 of the Substitute Brief appears the following rather curious specimen of reasoning:

> "To determine whether the so-called 'average costs' have been maintained as minimum prices, either of two methods could have been adopted for the purpose of comparing the prices actually obtained (as shown on the sales reports) with the so-called average cost; either the average cost *plus* the freight could have been compared with the delivered price reported (as was done on the sales reports during the operation of the January 6, 1921, Minimum Price Basis, as described heretofore on p. 39), or the delivered price reported *less* the freight could have been compared with the average cost. The Government chose the latter method, perhaps unfortunately, as the use of the former would not have given the appellants an opportunity to claim, as is done on pages 336-348 of their brief, *that the commission allowed, if any, should also have been deducted in order to arrive at the Cadillac base price.*"

Even if the former method had been used, it would still be necessary to determine what was the "delivered price" where sales were made at a price subject to commissions of $1.50, $2.00, or $3.00 per M feet or to a 5 per cent commission after the deduction of freight.

Furthermore, we have never contended that the commission allowed, if any, should be deducted "in order to arrive at the Cadillac base price." We insisted that when allowed, the commissions should be deducted in order to arrive at figures to compare with the average costs, or what the Government calls the "Cadillac base price."

We pointed out in our Original Reply Brief (pp. 64-70) that the Government's theory in the trial court as to why the commissions should be deducted was squarely opposed to the theory advanced by it in this Court. We are now

met with still other theories, as the following parallel columns prove:

Government's Original Brief.	*Government's Substitute Brief.*
"However, no contention can possibly be made that the delivered cost or price at any destination as given by the rate books and tables of delivered values, consists of the average cost, plus the average freight, plus the commission, as no reference to commissions is made in the present articles of association, or in their rate books or tables of values distributed during their operation." (P. 163.)	"(1) *The commission is actually embraced in the estimate of costs.* The questionnaire answered by the members, upon which answers the manufacturing and distributing costs are estimated, contains the following inquiry: '6. Selling expenses, including commissions and advertising and office expenses including selling administrative expenses.' And in compiling the answers to the questionnaire sent out in May, 1922, the average of the replies to this question was $3.75. (See p. 69.) The manufacturing and selling expenses added to the costs of rough lumber, including the waste, constitute the 'average costs,' which are shown in the rate books—and the estimates of costs which are from time to time distributed." (Pp. 178-9.)

The Government failed to put in any evidence whatsoever with respect to what was included in the italicized phrase in the following paragraph:

> "Selling expenses, *including commissions* and advertising and office expenses, including selling administrative expenses."

Some of the defendants employ traveling salesmen on a salary basis; others on a *commission* basis. Others have no

traveling salesmen. Some have exclusive representatives; others have none (Vol. I, pp. 209, 210, 229, 261, 262, 288, 323, 384, 393). Whether the phrase "including commissions" covers *commissions allowed buyers generally, as well as the commissions paid to traveling salesmen who are employed on that basis,* does not appear. Certainly the commissions paid to traveling salesmen would properly be called *"selling expenses."* Commissions allowed to other purchasers would not necessarily be "selling expenses." They would be where a defendant like the Kneeland-Bigelow Company sold flooring through one of its exclusive representatives, who carried the account and who was paid a commission for selling the flooring and carrying the account (Vol. I, p. 393). They would not be *"selling expenses"* for a company like the Cummer-Diggins Company. That company has no traveling salesmen (Vol. I, p. 218), neither has it any representatives of any kind (Vol. I, p. 200). *Yet the company allows commissions* (Vol. I, p. 209). Hence, it cannot be affirmed that "the commission is actually embraced in the estimate of costs."

But what difference would it make if all commissions allowed under any circumstances were actually included in the "average costs"? *We are not concerned with any matter of book-keeping or problem in accounting.* We are concerned with the Government's contention that the "average costs" were actually used as *minimum prices. It therefore makes no difference what elements were included in the average costs.* The question is, *What is the relation between the average costs (regardless of their constituent elements) and the prices obtained by the several defendants?* It is manifest that where a delivered net price is quoted the freight

should be deducted from such price and the result compared with the average cost. *It is also obvious that where a delivered price is quoted subject to a commission of $1.00, $2.00, or $3.00 per thousand feet both the freight and the commission should be deducted from such delivered price. Otherwise we should be dealing with prices which neither the buyers paid nor the sellers received for the flooring in question.*

The Government's assertion that there is no evidence to support our contention that the allowance of commissions is merely a means of meeting competition or reducing prices is not supported by the facts. In the first place, the proposition is self-evident when the various quotations made by members and nonmembers to wholesalers, retailers, and brokers alike is considered. In the second place, there *is* evidence. Mr. Lester N. Godfrey, of the Godfrey Lumber Company of Boston, testified as follows *on cross-examination by the Government:*

> "We dicker with the different manufacturers as to *commissions and prices in order to obtain as low a price as possible* so that we may meet competition. Of course, if a manufacturer gives us a larger commission, his profit would be less. *The purpose of allowing a larger commission is to secure orders,* and the one allowing a *larger commission may underbid the other fellows.* * * * I buy all our flooring outright" (Vol. II, p. 538).

The Government's assertion that commissions are allowed to wholesalers only is inaccurate. Mr. J. L. Colby testified as follows:

> "We sell to both wholesalers and retailers, and allow from $1.50 to $2.00 commission. *We have no set rule that governs commissions.* We use our own judgment and decide whether *a buyer* is entitled to $1.50 or whether he is entitled to $2.00. It depends somewhat upon the volume of business he is turning our way and the length of time he has been soliciting business for our product. Sometimes we quote net instead of allowing any commission. I know of no rule of the present Association with respect to what commissions shall be allowed *or when commissions may be allowed*" * * * (Vol. II, p. 209).

But what if commissions were allowed only to wholesalers? *They are not always allowed to them.* The commissions allowed also vary. Contrary to the Government's contention, the allowance of commissions to wholesalers does not even tend to prove that the average costs were intended to be minimum prices.

On pages 181-2 of the Substitute Brief the Government's statements concerning the District Court's position with respect to the deduction of commissions are misleading. The District Court took the position that if the minimum-price plan or the minimum-price basis permitted the allowance of a commission of $2.00 per M feet the actual minimum price would be $2.00 less than the formal minimum price (Vol. II, p. 855). As pointed out in our Opening Brief, the present Association has never had any rules whatsoever with respect to the allowance of commissions; neither has it had any minimum-price plan or minimum-price basis (pp. 339, 109-112). Hence the reasons relied upon by the District Court do not apply to the sales made by members since the organization of the present Association.

Without giving any citation to the record for the District Court's position, the Government refers to a letter written long previous to the organization of the present Association, and then continues as follows:

> "An examination of all the Weekly Sales Reports for 1922 and 1923 which are printed in the record shows that the following commissions were allowed: 14 of $1.00; 344 of $1.50; 1,244 of $2.00; 3 of $2.50; and 3 of $3.00. The average of these commissions is $1.89, and that undoubtedly represents about the amount included in the average costs for commissions allowed. No average cost figure or price stated otherwise than in even dollars has ever been established, and therefore if the delivered prices less the freight *and less the commission, if any,* are to be compared with the average cost with any pretense of fairness, *two dollars must be deducted from the average cost. As stated by the trial court, therefore, the method actually adopted on the Lewis Exhibit was against the Government.*"

The method used was "against the Government" only upon the hypothesis that the minimum-price plan or the minimum-price basis (which had long since been annulled and abandoned) was still in existence.

In the weekly-sales reports for 1922 and 1923 there were *hundreds of sales made without the allowance of any commissions whatsoever. None of these were included by the Government in arriving at the average commissions of $1.89,* which the Government asserts "undoubtedly represents about the amount included in the average costs for commissions allowed". The foregoing quoted matter is a pure guess,

whereas the average costs are average costs per 1,000 feet of flooring.[2] (See Opening Brief, p. 252.) For instance, if a

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[2] SURVEY OF COSTS.

Manufacturing and Marketing Costs Per 1 M Feet of Flooring Produced During January, February, and March, 1922.

	Per 1 M ft. of flooring produced.
Average of replies received,—	
1. Labor taking lumber off of dock, car, pile or wagon and placing in dry kiln, including expenses of night fireman	$1.16
2. Cost of manufacturing into flooring and putting flooring in warehouse, including twine, oil, belting and other factory supplies, and factory repairs and including manufacturing administrative expenses	8.34
3. Warehouse expense and loading into cars or on wagons.	.90
4. Insurance and taxes. (Divide ¼ of annual amount by quantity of flooring produced during January, February, and March)	1.07
5. Interest at 6 per cent on value of plant and on value of average stock carried of rough flooring lumber and of finished flooring. (Divide ¼ of annual amount by quantity of flooring produced during January, February, and March)	1.92
6. Selling expenses, including commissions and advertising, and office expenses including selling administrative expenses	3.75
7. Cash discount	.80
8. Annual depreciation on flooring plant as is usually allowed by the United States Government. (Divide ¼ of annual amount by quantity of flooring produced during January, February, and March)	1.37
9. Total per M feet	19.31
10. Less net profit from wood and other by-products of flooring lumber, per 1 M feet of flooring produced during January, February, and March	1.32
11. Actual manufacturing and marketing costs per 1 M feet of flooring produced during January, February, and March	17.99

May 31, 1922.

(Vol. I, pp. 99, 104, 107; Vol. III, p. 279.)

member shipped 1,000,000 feet of flooring and paid a commission of $2.00 per M feet on only 500,000 feet, the *average commission* paid on the 1,000,000 feet sold would be only $1.00 per M feet.

Referring to the figures used by the Government in arriving at the so-called average commissions of $1.89, we find that there was a total of 1,608 sales on which commissions paid aggregated $3,034.50, or an average commission on the *1,608 sales* of $1.89 *per sale, and not* per thousand feet on *all* flooring sold. In other words, all sales of flooring—both where commissions were not allowed and where they were allowed—would have to be taken into consideration in order to arrive at the average commission per thousand feet of flooring. The average commissions only on sales where commissions were actually allowed is wholly irrelevant.

The truth of the matter is that Mr. Lewis first selected the true method, but when it was discovered that the results were unfavorable to the Government specious excuses were given for abandoning that method, and fallacious reasons (subject to change without notice) have since been advanced by the Government in support of its obviously unfair and baseless contention that commissions allowed should not be deducted from delivered prices quoted in order to arrive at correct figures with which to compare the average costs.

On page 62 of the Substitute Brief it is said:

> "And it was altogether improper and illegal to furnish the members with the average cost of production and distribution."

Of course the foregoing statement is inaccurate. As heretofore pointed out, each member determined his own costs

as well as his own prices. The announcement of the average costs did not equalize costs which were otherwise different. Neither did it eliminate competition, as is abundantly proved by the undisputed evidence of dealers in all the large centers of consumption. The great price range also proved that each member fixed his prices having in mind his own costs and not the average costs, which were distributed by the Secretary.

On page 63 of the Substitute Brief it is said:

> "Since the average cost was not the actual cost of any member, why furnish any of them with the average costs? How could it be of any use to any member in computing its costs?"

Of course the foregoing questions are beside the case. Each member ascertained his own manufacturing and marketing costs and reported them to the Secretary, who thereupon announced the average. Of course the average could not assist any member in ascertaining or computing his own costs, especially the members who had theretofore ascertained their own costs and reported them to the Secretary. *The information was of great benefit to all the members of the Association because individual costs were compared with average costs which resulted in the reduction of individual costs.* The proof is undisputed that the activities of the Association have resulted in reduced costs of production. (See Opening Brief, pp. 266-271.) That the Association has been able to reduce costs is also proved by the fact that prices charged by the Association members are usually lower than the prices of nonmembers, although Association flooring is superior to the flooring manufactured by nonmembers. (See Opening Brief, pp. 116-143.)

The Government does not allege in its Petition that the average costs were not honestly and accurately ascertained. All that is charged in the Government's Petition with respect to ascertainment of average costs was that the average costs "now represent all possible elements of actual costs, and also large profits to the defendant corporations." (See p. 8, Opening Brief.) *The Government offered no proof whatsoever that the average costs contained any profit or that any element of the average costs was improper. The proof was undisputed that the average costs were honestly and accurately made.* In view of the foregoing facts, it is too late for the Government to attack, by means of innuendo and interrogation, the average costs announced by the Association. In its latest brief the Government attempts to question the distribution of the average costs by the Secretary. *There is no proof whatsoever as to what method the Secretary used in making the distribution in question.* As pointed out in our Reply Brief, the distribution of average costs is immaterial in view of the undisputed proof that each member ascertained his own costs; that each member fixed his own prices, and that there was no agreement, either express or implied, that flooring should be sold at average costs. The wide range of prices completely refutes any such theory.

On page 3 of the Government's Substitute Reply Brief it is stated:

> "As is customary in this character of case, an effort is made to show that the industry involved is not important in comparison with others; that it is hedged about with competition which threatens its destruction, and can be saved only by drastic and concerted action by those engaged therein." * * *

No such contentions have ever been made by the appellants.

Control of Industry.

On page 4 of the Substitute Brief it is stated that the Maple Flooring Manufacturers Association was organized in 1905. This is not the fact. In paragraph V of the Government's Petition it is alleged that "the defendant Association has been in existence since 1895" (Tr., 4). The evidence shows that the first Maple Flooring Manufacturers Association was organized in 1897, and that in 1898 the Association then in existence "represented about 90 per cent of the supply of maple flooring" (Vol. IV, p. 827).

On page 5 of the Substitute Brief it is stated:

> "The fact is that it [the maple flooring industry] is an industry which nature has practically confined to Michigan and Wisconsin; and it is dominated by appellants, acting through their Association."

This statement is absurd in view of the undisputed proof that both in manufacturing capacity and in numbers the nonmembers greatly exceed the members of the defendant Association. The nonmembers are located in the New England States, in New York, in Pennsylvania, Minnesota, Illinois, Ohio, Kentucky, Tennessee, West Virginia, North Carolina, and Arkansas, as well as in Michigan and Wisconsin. The timber is widely distributed. (See pp. 24-36 of Appellants' Opening Brief.) The entire membership of the present Association numbers only 22; and, as shown on pages 5-7 of the Appellants' Reply Brief, there are in Michigan, Illinois, Wisconsin and Minnesota alone 17 nonmember

manufacturers of maple, beech, and birch flooring. Besides the Canadian manufacturers there are more than 400 manufacturers of rough maple lumber in the States of Michigan and Wisconsin alone, and some 3,000 of such manufacturers in the United States. In view of the foregoing facts and the undisputed proof that the members of the defendant Association own less than 2 per cent of the stand of maple, beech, and birch timber in the United States and less than 4 per cent in the Lake States, it is manifestly erroneous to assert that the maple-flooring industry is dominated by appellants.

If, as asserted by the Government, the defendant Association has had a continuous existence since its organization in 1897, then it has lost ground, even if it be true that it now manufactures about 70 per cent of the flooring produced in the United States. It formerly produced 90 per cent of the maple flooring manufactured in the United States (Vol. IV, p. 827).

Abandonment of Allotments.

On page 19 of the Substitute Brief it is said:

> "Therefore, if in fact the collection and paying out of the allotment fund ceased on March 1, 1920, defendants deserve no credit so far as this proceeding is concerned, as it was not done that their conduct might conform to the law; but it was a mere temporary suspension arising out of the general conditions of the lumber business."

The foregoing statement is demonstrably inaccurate. The undisputed proof is that the allotment plan then in force and all statistical activities were suspended by the Association

then in existence *upon advice of counsel, because of the decision by the District Court in the Hardwood Case. The allotment plan was never thereafter resumed* (Vol. III, p. 130; Vol. IV, pp. 447-449; Vol. I, pp. 77-78, 76, 146, 143-144, 165; Vol. II, p. 794).

Previous Activities.

In the Government's Substitute Brief much emphasis is placed upon the activities of previous associations for the purpose of prejudicing the present Association, which was organized on March 29, 1922. The Government apparently assumes that if it can convict some of the defendants of prior unlawful acts, or of merely an intention to violate the law anterior to the formation of the present Association, that such intention will be presumed to continue and will of itself render unlawful what otherwise would be lawful. Of course such a theory is unsound. The question for this Court to determine is: "Does the proof show an unreasonable restraint of interstate trade or commerce? In considering this question, the Court is confined to the allegations of the Government's Petition. In other words, the question is: *Has the Government proved the existence of the unreasonable restraint of interstate trade or commerce alleged in its Petition?*

The proof is clear that the practices of the different associations have been constantly changing. In other words, there has been a more or less orderly evolution of Association methods from 1897 to the formation of the present Association on March 29, 1922. The insistence of the Government upon the practices of previous associations demonstrates a weakness and expresses a hope. The argument is

that what is being done today is bad or unlawful because unlawful things were done some two or three years or decades before the organization of the present Association. In other words, that there is no such thing as evolution, but that what a thing was in the beginning it will be to the end of time. The same argument would utterly discredit the science of astronomy for the reason that it grows out of astrology. The same argument could also discredit the science and art of modern medicine because they have their source in the beliefs and practices of the ancient medicine man who resorted to amulets and incantations in order to exorcise supposedly evil spirits. The modern chemist is also merely the successor of the medieval alchemist. The proof in the case at bar demonstrates that the practices of the present Association are fundamentally different from the practices of previous associations, and that the present Association was organized in a *bona fide* effort to comply with the law. The Government apparently hopes to confuse the issues by continually harping upon the practices of previous associations. The weakness of the Government's case is strikingly demonstrated by the utter absence of documentary proof of unlawful conduct or intention subsequent to the organization of the present Association. In order to support its contentions as to the illegality of the present Association, the Government is forced to rely almost exclusively upon documentary evidence antedating the organization of the present Association.

The Law.

On page 214 of the Substitute Brief appear the following words—words, words!

> "It is believed that no principles of law can be better settled than those which control the questions involved in this case; and that to refuse to apply them to the facts proven in this record would be in effect to overrule the previous decisions of this Court, and to license trade associations to engage in every practice which they pretend is adopted as a reasonable regulation to promote the general welfare, regardless of how it may effect production and prices, and how oppressive it may be upon the public."

Not at all. This case has nothing to do with what trade associations may or may not do. The question presented by the record in the case at bar is a question of *fact,* viz., *Does the proof show an existing unreasonable restraint of interstate trade or commerce?*

And if the public has been oppressed, it is strange that the Government could find no one to testify to the fact!

With respect to prices, the undisputed proof is that they are now and have always been fair and reasonable.

With respect to production, there is not a scintilla of evidence that production has been curtailed.

The proof is also undisputed that the articles of association (the contract) do not undertake to control either prices or production. Each member is left perfectly free to produce as much or as little flooring as he pleases, and to sell it for as much or as little as he pleases.

Buyers generally prefer to deal with Association members, and all witnesses—including those produced by the Government—testified that competition among the defendants was strong, active and vigorous.

The Government finally falls back upon the defendants' plan. Can the *plan* be so obnoxious, in view of the foregoing results?

Moreover, the Antitrust Act does not concern itself with the *form* of any contract or combination. *The Antitrust Act does not condemn any contract or combination for the distribution of trade statistics.* This Court has no jurisdiction to declare unlawful any contract or combination for the distribution of trade statistics, *except where such contract or combination has caused, or where the Court is reasonably certain that it will necessarily cause, an unreasonable restraint of interstate trade or commerce.*

A contract or plan for the distribution of trade statistics is entirely a matter of *form*. The Antitrust Act concerns itself solely with *content—or, rather, with the effect of the contract or combination upon interstate trade or commerce. The Antitrust Act does not concern itself with whether a contract or combination is old or new. The effect upon interstate trade or commerce is the thing.*

We are fairly familiar with the histories of the common law, the Roman law, and the laws of the leading countries of continental Europe. During a busy practice we have endeavored to familiarize ourselves with the leading writers on theoretical and analytical jurisprudence and philosophy of law. But never yet have we come across any system of law where contracts were divided into *natural, unnatural, normal, old* or *new*. Counsel for the Government are simply attempting to exalt into fundamental principles a few unguarded and (we respectfully submit) manifestly unsound *dicta* which have crept into certain opinions written by members of this Court.

Of course the Roman jurists believed in natural law as opposed to positive law. So did certain medieval and 18th century theorists. But the natural law school is as obsolete

as trial by battle, and as dead as the dodo, so far as modern jurisprudence is concerned. Moreover, there can of necessity be no *natural* contracts, combinations or conspiracies. They must be entered into by personæ. They must be either lawful or unlawful, and whether they are either can not be determined by their "normality" or "newness." So far as this case is concerned, the legality of the contract or combination must be determined by the Antitrust Act, which inhibits only contracts, combinations and conspiracies which unreasonably restrain interstate trade or commerce.

We submit that the decree of the lower Court should be reversed with directions to dismiss the Government's bill.

Respectfully,

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CONRAD H. POPPENHUSEN,
HENRY L. STERN,
EDWARD R. JOHNSTON,
HENRY JACKSON DARBY,
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In the Supreme Court of the United States

OCTOBER TERM, 1924

MAPLE FLOORING MANUFACTURERS Association et al.
v.
UNITED STATES OF AMERICA
} No. 342

REPLY BRIEF ON BEHALF OF THE UNITED STATES

STATEMENT OF CASE

(Italics in quotations are ours, if not otherwise stated)

This is an action brought by the United States against the Maple Flooring Manufacturers Association and its several members to enjoin an alleged violation of the Sherman Antitrust Act. The original bill was filed on March 5, 1923, and it alleges in substance that the defendants, who manufacture a very large per cent of the maple, beech, and birch flooring marketed in the United States, fix minimum prices upon such commodity, and control its production and prices in the market by the observance of provisions contained in the plan of the association, which provide for the computation and distribution among the membership of alleged average costs, being in fact agreed minimum prices, for the

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adoption and distribution of freight rate books, for an open price reporting plan, and for meetings of the members of the association. (Vol. I, pp. 1–12.) For the reasons fully set forth in its opinion, a decree was entered by the District Court in favor of the Government (Vol. 1, pp. 52–60), wherein it was adjudged that the articles of association and activities thereunder were violative of the said Antitrust Act; and it was ordered that the association be dissolved, and that the defendants and their agents be enjoined from further engaging in the practices specifically described in the bill and also in the decree (Vol. I, pp. 60–61). Defendants assigned errors, and prosecuted an appeal to this court.

BRIEF AND ARGUMENT

The record is a voluminous one and contains a vast amount of evidence that is believed to be immaterial; and only such points will be discussed and evidence cited as will be sufficient to clearly show the principles and proof upon which the decree of the court below was rested.

I

Percentage of the commodity produced and controlled by the defendants

With but three exceptions the plants of the defendant corporations are located in the States of Michigan and Wisconsin; and the evidence shows that the maple flooring industry is centered in those two states. Some time before the hearing the defendants took the

deposition of Edward B. Gordon, who is on the Research Staff of the Bureau of Business Research of Harvard University; and Mr. Gordon testified that he had searched through the several governmental bureaus at Washington for statistics showing who were engaged in the production of maple flooring, but was unable to obtain any information upon the subject. However, he was finally referred by the Chamber of Commerce of the United States to Hendricks' Commercial Register; and from that he took a list of those engaged in the manufacture of maple, beech, and birch flooring whose names did not appear in a list prepared by Mr. Keehn, the secretary of the association; and the two lists, one prepared by Mr. Keehn and the other by Mr. Gordon, which together purport to show the nonmembers of the association engaged in the business, were filed as Exhibits 1 and 2 to Mr. Gordon's deposition. (Vol. II, pp. 626–7.) To secure accurate data as to the production of such flooring in Michigan and Wisconsin the Government subpœnaed representatives of the several manufacturers appearing upon these lists whose factories are located in those states. And there appears in the record, either by way of evidence given by such representatives or by stipulation, the quantity of flooring produced for the years 1918–1922, inclusive, by such manufacturers. See Vol. I, pp. 83–88, 91–94, 96–98, 119–120, 137, and 140–142. From the data thus obtained and that contained in the barometers issued by the association, which show the amount of lumber produced by the members of

the association, and information obtained from other manufacturers appearing in the lists filed by Mr. Gordon in response to questionnaires sent out by the Department of Justice, Mr. Hughes, an agent for the Government, computed the amount produced by members of the association and by nonmembers respectively, and the percentage produced by the members, and filed as Government Exhibit 68 a statement showing the result of his calculation. (Vol. II, pp. 798–802.) His calculations appear in Vol. IV, p. 518, side pp. 3553–3708, a number of side pages not being printed. Without going into details, it appears from these estimates that the percentage of production of maple, beech, and birch flooring in the United States by members of the association for the years mentioned is as follows: 1918, 78.1%; 1919, 78.9%; 1920, 75.2%; 1921, 71.0%; and 1922, 70.0%. Average for the five years, 74.2%. (Side p. 3556.)

In Michigan the production of members was: 1918, 96%; 1919, 94%; 1920, 92%; 1921, 92%; and 1922, 92%. Average, 93%. (Side p. 3553.)

In Wisconsin the percents produced by the members were: 1918, 47%; 1919, 70%; 1920, 42%; 1921, 31%; and 1922, 49%. Average, 50.8%. (Side p. 3554.)

The production in Michigan is so much greater than that in Wisconsin that the percentages of production by the members in the two states were: 1918, 91.6%; 1919, 89.3%; 1920, 85.6%; 1921, 82.7%; and 1922, 82.8%. Average, 85.8%. (Side p. 3555.)

Mr. Hughes' estimates show the quantities produced in each of the several states. The defendants filed as Exhibit CC a list which also shows the production by nonmembers by states. (Vol. IV, pp. 831–833.) A comparison of the estimates will show no great difference, the defendants' tables more generally showing less production by nonmembers than the estimates made by Mr. Hughes.

In the petition filed by the association in 1915 with the Federal Trade Commission it was said that the members of the association "represent about seventy per cent of the industry." (Vol. III, p. 76.)

A petition to the President of the United States with reference to the Canadian duty on flooring, which was incorporated in the Minutes of the Meeting held March 22, 1923, stated that the members of the Association produce about seventy per cent of all Maple, Beech, and Birch flooring manufactured in the United States (Vol. IV, p. 507), and the answer to a questionnaire sent out by the Department of Commerce, which was incorporated in the Minutes of the General Meeting held April 20, 1922, stated that *the members of the Association represent about 70% of the productive capacity of the industry.* (Vol. III, p. 166.)

These figures are conclusive evidence that the industry is wholly dominated by the association.

II

Plan under which the association was operating when bill was filed

The articles of association under which the defendants were operating when this action was begun purport to run from January 1, 1922, to January 1, 1925, and are filed as Government Exhibit 8. (Vol. III, pp. 64–74.) The parts of this plan which appear material are as follows:

It declared, among other things, that its object was "to exchange information concerning the character and nature of actually completed and closed business transactions of its members; to collect and disseminate statistics concerning the flooring industry"; but it was declared that the association should not, either directly or indirectly, fix, regulate, or control the price, output, purchase, or sale of flooring, or attempt to do so. (Vol. III, p. 64.) The officers are a president, a vice president, a treasurer, a secretary, and a board of trustees, which board consists of the president, vice president, and treasurer, and four members elected by the association. (Vol. III, p. 65.) The board of trustees is vested with practically all of the governing powers (p. 66). It is provided that an annual meeting for the election of officers shall be held on the third Wednesday in January of each year, and that regular meetings shall be held on the third Wednesday of April, July, and October, and that special meetings may be called by the president or by a majority of the board of trustees, and that a meeting of the board of trustees may be held at any

time called by the president or by a majority of the board (p. 67).

Article XIV, which relates to cost of production, reads as follows:

> SECTION 1. The sound business principle advocated by the Federal Trade Commission that manufacturers should carefully consider the question of cost in manufacturing and selling their product is recognized by the Association as the only scientific method of conducting the business of manufacturing and marketing Maple, Beech, and Birch flooring.
>
> SECTION 2. For the purpose of furnishing to its members information regarding the average cost of manufacturing and marketing Maple, Beech, and Birch flooring, Surveys of Costs to ascertain such average cost shall be made from time to time by the Association, and such Surveys of Costs shall be filed with the Federal Trade Commission at Washington, D. C.
>
> SECTION 3. In the judgment of the Association the following fundamental elements enter into and determine the average cost of Maple, Beech, and Birch flooring to the manufacturers when manufactured, sold, and delivered F. O. B. cars at the flooring plant:
>
> (*a*) The actual market value of the raw material, as established from time to time by current sales of rough flooring lumber on the open market;
>
> (*b*) The average cost and expense of manufacturing, selling, and delivering flooring F. O. B. cars at the flooring plant;

(*c*) Interest on the capital actually invested in the flooring business at the rate of six per cent per annum;

(*d*) Annual depreciation of plant as is usually allowed by the United States Government;

(*e*) The usual overhead charges in carrying on the flooring business; and

(*f*) A reasonable allowance to provide for contingencies and unforeseen hazards incident to manufacturing operations. This allowance is estimated at five per cent of the average total cost of Maple, Beech, and Birch flooring when delivered F. O. B. cars at the flooring plant. (Vol. III, p. 69.)

With reference to statistical reports, it is provided in Article XV as follows:

SECTION 1. In order that the relations of supply and demand and the statistical conditions existing from time to time in the Maple flooring industry may be known, the following statistical monthly reports shall be made to the Secretary by each member of the Association on or before the 5th day of each month:

(*a*) Report of Stocks on Hand of Maple, Beech, and Birch Flooring at the end of the previous month.

(*b*) Report of Unfilled Orders on Hand for Maple, Beech, and Birch Flooring at the end of the previous month.

(*c*) Report of the amount in feet of Shipments made during the previous month of all kinds of Maple, Beech, and Birch flooring for

use within the United States, except Maple, Beech, and Birch Flooring purchased from other members of this Association.

(*d*) Report of Production of Maple, Beech, and Birch Flooring during the previous month.

(*e*) Report of New Orders Booked for Maple, Beech, and Birch Flooring during the previous month.

(*f*) Report of Average Prices Realized F. O. B. flooring plant after deducting freight, for $\frac{13}{16}''$ x $2\frac{1}{4}''$ face Clear, No. 1 and Factory Maple Flooring, standard grades and lengths, sold during the previous month.

SECTION 2. *In addition to the foregoing monthly reports, each member of the Association shall send to the Secretary promptly at the end of each week a report of all sales made during that week of Maple, Beech, and Birch Flooring. These weekly sales reports shall state the quantity, kind and grade of flooring sold, the delivered price sold at, the average freight rate to destination of shipment, and the commissions paid, if any.* (Vol. III, p. 70.)

The Association adopted a trade-mark for the use of its members, and the articles set forth a trade-mark agreement whereby the member is permitted to use the trade-mark as long as he retains his membership, but such right shall cease immediately upon his ceasing to be a member. Every member is given a number which appears on the trade-mark for identification. Each member agrees that he will maintain the standard grades which the association may from time to time establish, that an inspector shall have

the right to visit the plant to see that the grades are properly maintained and to protect the association against damage shall the member fail to maintain the standard fixed; and a license fee of fifty dollars is paid for the use of the right to use the trade-mark. (Vol. III, pp. 72–73.) The members are required to pay to the association the following amounts:

1. All new members admitted after May 1, 1922, are required to pay for the benefits which "they will enjoy from the Association trade-mark" the additional sum of $100 for each matcher installed for the manufacturing of flooring, which is a part of the Advertising Fund. (Vol. III, p. 65.)

2. Each member pays a fee of $200 for each matcher, which constitutes a fund called "The membership fee fund." (Vol. III, p. 68.)

3. Each member pays 25c per M feet on all flooring shipped, except flooring purchased from other members, which goes into the "Expense Fund" to provide for the current running expenses of the association. (Vol. III, p. 71.)

4. Each member pays 10c per M feet on all flooring shipped, except flooring purchased from other members, which goes into the "Advertising Fund" (p. 71).

5. An annual fee is paid by each member of $50 as a license for use of trade-mark which also becomes a part of the "Advertising Fund" (p. 73).

These articles of association were actually adopted some time in March, 1922, but were dated back to

January 1, but the former association functioned up to the time of their adoption. (Keehn, Vol. I, pp. 78–79.)

III

Previous articles of association under which manufacturers of maple and beech flooring operated

So far as the record shows the first association was organized in 1905, with headquarters in Chicago. The members of that and subsequent associations manufactured maple, beech, and birch flooring, and some of them also manufactured oak flooring. The association of 1905 continued until 1907 or 1908, when it was succeeded by another association, the articles of which expired about 1909. That association was succeeded by another which lasted until either 1911 or the fall of 1912, when a successor was organized. The articles of that association bear date as of January 1, 1913, and are filed as Government Exhibit 1, being the first articles of association introduced. (Keehn, Vol. I, p. 72.)

There are twenty-two manufacturing companies who are made defendants, and they constitute the membership of the present association. Of these twenty-two members sixteen were members of the association which began to function January 1, 1913. There were thirty members of that association. (Keehn, Vol. I, p. 73.) Among other objects mentioned in those articles were "to exchange information; to collect and disseminate statistics concerning the flooring industry." The officers and their duties,

and the meetings specified, were substantially the same as those provided for in the present articles of association.

A special fund was created by those articles, which was deposited as a guaranty that the member would carry out all of its obligations and if it failed to do so its share of the special fund was forfeited. (Vol. III, p. 5.) There was also created a general fund; and for the purpose of securing moneys for that fund an assessment of $3 per M feet was levied each month on "all shipments during that month in excess of the allotted percentage set opposite the signature of each member"; and it was provided that from such fund each member who had shipped during the month less than its allotted percentage should be paid $3 per M feet on the quantity undershipped down to 75% of its allotment, and if a member shipped less than 75% of its allotment during any one month, it should receive $3 per M on the deficit down to 75% of its allotment, and that the balance should be held until the end of the year; and if at the end of the year it had shipped 75% of its allotment for the year it would be paid the balance, but if it had failed to ship as much as 75% of the allotment the amount retained would belong to the Association. (Vol. III, p. 6.)

It was provided that each assessment for that fund should be paid within five days after the assessment had been made and notice given, and if any member failed to pay his assessment within thirty days the trustee should draw upon the member's share of the

Special Fund, and if the amount was not restored to the Special Fund by the member within ten days after notice he should cease to be a member of the Association, and should forfeit all interest in both the special and general fund. (Vol. III, p. 6.) It was further provided that daily reports should be made by each member of the association to the secretary at the close of business of all deliveries and shipments of all kinds of maple, beech, and birch flooring for use within the United States, except that purchased from other members; and it was specified what such reports should include. (Vol. III, p. 7.)

These articles of association were continued with a few modifications for three additional years until January 1, 1919. (Keehn, Vol. I, pp. 74–75.) The articles in effect during that period are filed as Government Exhibit 2 (Vol. III, pp. 14–21). Of the twenty-two members of the present association seventeen were members during the existence of those articles of association, the membership then being twenty-eight. (Keehn, Vol. I, p. 75.) Those articles were succeeded by another set, which went into effect on January 1, 1919, and continued for six months, or until July 1, 1919. Those articles are filed as Government Exhibit 3. (Vol. III, pp. 25–32.) They contain precisely the same provisions as to allotment and statistical reports as those contained in the preceding articles (Vol. III, pp. 30–31), but a different method was provided for raising the special fund (Vol. III, p. 29). Twenty-one members of the present association were members of that

association, which consisted of twenty-nine members. (Keehn, Vol. I, p. 76.) Other articles of association were adopted and went into effect July 1, 1919, to be effective until July 1, 1922 (Vol. III, pp. 37–44); but Mr. Keehn testifies that the allotment feature was discontinued on March 31, 1920, and that there has been no general fund or allotment payments since that date. But, strange to say, there was no minute made by the association or by the board of trustees showing such fact. On being questioned by the court, the witness claimed that they took this action on advice of counsel, but admitted that he thought there was nothing in the minutes to show such fact. (Vol. I, pp. 76–78.) Instead of the articles adopted July 1, 1919, being continued to July 1, 1922, as was contemplated, as above stated the articles now in effect were adopted in March, 1922, but were dated back as effective January 1, 1922. In the meantime, however, a draft of articles was made, and was signed by a large number of the manufacturers, which purported to extend over the period from October 1, 1921, to July 1, 1922 (Gov. Ex. 5, Vol. III, pp. 49–56); but Keehn says that they did not go into effect because not signed by three or four of the manufacturers (Vol. I, pp. 78–90). Although Keehn says that the allotment feature was discontinued March 31, 1920, *yet it will be noted that in this tentative draft that feature was retained*, but instead of collecting three dollars per thousand on excess production, and paying the same amount on over-production, the amount to be collected and paid was four dollars per thou-

sand. (Vol. III, pp. 54–55.) If all but three or four of the members were willing to sign articles containing such an agreement to extend from October 1, 1921, to July 1, 1922, it can hardly be believed that the allotment feature ceased on March 1, 1920, especially in view of the fact that no record of any such action was made.

The fact of the matter appears to be that for some reason not disclosed by the record, the operation of the allotment articles was *suspended* for a period of 18 months from March 31, 1920, until October 1, 1921, so far as the collection and distribution of the General Fund was concerned. This is established by a number of letters in the record. A letter dated Nov. 22, 1920, from William Horner to Mr. Keehn stated:

> We note by your report of the General Meeting that you do not mention the resolution regarding the allotment plan at all. Please advise us by early mail, if you intend to put the allotment plan into force immediately or if this is to be held in abeyance for the present. (Vol. IV, p. 560.)

Mr. Keehn's answer dated November 29, 1920, said:

> The question of resuming the allotment payments, which have been held in abeyance since March 31st, will be taken up by correspondence with the Trustees and the entire membership in time so that some definite action can be taken at the next general meeting to be held on December 22d. (Vol. IV, p. 560.)

But another letter from Mr. Keehn to William Horner dated December 31, 1920, shows that the meeting on the 22d was a "mixed-up mess", and that nothing was accomplished. (Vol. IV, pp. 560–561.) Apparently nothing more was done about the matter until the proposed Articles of Association dated October 1, 1921 were under consideration, when under date of September 1, 1921, Mr. Keehn sent to each member a copy of the proposed revised articles, stated the changes incorporated in them, and in explanation of the allotment articles stated:

> It would seem that the allotments as agreed upon in our present Articles of Association, which allotments were to be in force from July 1, 1919 to July 1, 1922, should govern from October 1, 1921 to July 1, 1922, because each member has already agreed to his allotment to run to July 1, 1922, and if we begin changing allotments, there will be no end to it. Inasmuch as the allotments were suspended from April 1, 1920 to October 1, 1921, a period of 18 months or one-half of the three-year period originally agreed upon, there should be no particular hardship on any member to reinstate his allotment from October 1, 1921 to July 1, 1922, being the nine months remaining of the three years originally agreed upon. (Vol. III, p. 61.)

The proposed Articles of Association of October 1, 1921, apparently did not actually go into effect because of the refusal of the Nicholas & Cox Lumber Company and of the Holt Hardwood Company to

join with the other members who had expressed themselves in favor of reinstating the allotment feature, unless their allotted ratios in M feet were readjusted to be in harmony with the volume of their production and shipments during a more recent period than the one used in basing their allotted percentages, (Vol. III, p. 63.) In one respect, however, the allotment feature of the July 1, 1919, Articles of Association was actively in force and enforced until the present Articles of Association were adopted, as the first-named articles provided by Article XVI that:

> An Expense Fund to provide for the current running expenses of the Association shall be established and maintained by the payment, as often as required by the Board of Trustees, of assessments levied upon the members of the Association of Twenty-Five ($25.00) Dollars per each one (1%) per cent. allotted to each member under these Articles of Association. (Vol. III, p. 31.)

The Special Fund or Guarantee Fund by Article XIII of the 1919 Articles was also based on the allotted established percentages, and no change was made in the Special Fund or in the method of providing for the current running expenses of the Association, except in the case of one new member, until the 1922 Articles were adopted (Vol. IV, pp. 481–482.)

The provisions relating to determining average cost appeared for the first time in the proposed Articles of October 1, 1921, in practically the same

form as in the Articles under which the Association is now operating, except that the principles stated were recognized *and adopted* as the only scientific method of conducting the business of manufacturing and marketing Maple, Beech and Birch flooring. (Vol. III, pp. 53–54.)

There was an effort on the part of the witness Keehn, who is secretary of the defendant association, to make it appear that an entirely different association operated under each one of the plans above described; but he was forced to admit that he was the secretary of all the associations; that each one functioned until the articles of its successor were adopted; and he did not deny that the office was continued at the same place; and, as above shown, nearly all the members of the present association were members of each one of its predecessors. (Keehn, Vol. I, pp. 73–76.) The continuity of these associations is also undisputably shown in Keehn's cross-examination. (Vol. I, p. 143.)

IV

Minimum price plan and minimum price basis

In addition to the articles of association above described, on August 27, 1915 (Gov. Ex. 10, Vol. III, pp. 76–78), a petition dated July 14, 1915, was filed with the Federal Trade Commission, and on June 27, 1916, an agreement between the petitioners designated as a "Minimum Price Plan," to which a copy of the petition was attached, was also filed with the Commission. (Vol. III, pp. 78–81 and Vol. IV, p.

798). The signatures of twenty-eight manufacturers were attached to the petition, and the signatures of twenty-three were attached to the plan. Fourteen of the defendants signed both the petition and the plan. The plan provided for an amendment to the articles of association, to be operative from July 1, 1916, to November 1, 1917, and Article I of the proposed amendment provided that:

> Pursuant to the petition dated July 14, 1915, which the Maple Flooring Manufacturers' Association submitted to the Federal Trade Commission at Washington, D. C., on or about the 27th day of August, 1915 (a copy of which petition follows this supplemental agreement), the members of the Maple Flooring Manufacturers' Association *hereby agree to establish minimum prices for the sale of Maple, Beech, and Birch Flooring, and agree not to sell any Maple, Beech, or Birch Flooring during the period beginning July 1, 1916, and ending November 1, 1917, below such minimum prices.* (Vol. III, p. 78.)

Article II provided that in order that the minimum prices might be fair and reasonable, the actual average cost of flooring should be determined by the following elements, to wit:

> (*a*) The actual market value of the raw material;
>
> (*b*) The average cost and expense of manufacturing and selling flooring;
>
> (*c*) Interest on the capital actually invested in the flooring business at the rate of five (5) per centum per annum;

(*d*) Annual depreciation of Plant; and

(*e*) The usual overhead charges incurred in carrying on the flooring business. (Vol. III, pp. 78–79.)

Article III provided that minimum prices should from time to time be established under the agreement, but that they should not exceed an amount which would give the member an average net profit over the average actual cost to be determined, in excess of ten per cent.

By Article IV a scale of minimum prices to be observed until altered was established.

By Article V the members were prohibited from selling during the period mentioned flooring at less than the minimum prices established, or to be established, and it was provided that if any member should sell for less than the minimum price, it should pay to the association a sum equal to 10% of the amount received for the lumber so sold.

By Article VI each member was required upon the request of the secretary to furnish a report showing its sales and to whom, and the prices at which made; and the secretary was given the right to examine the records of the members.

Article VII provided that if a member had on hand flooring which it was unable to market at the minimum price, or to any other member of the association without regard to such price, it should offer the flooring to the members through the secretary; and in case it was bought by a member, it should not be resold by the purchaser at a price less than the

minimum; but if not bought by some member within thirty days, then the owner might sell the flooring in open market at any price, not less than the price at which he offered it to the members of the association; and that if a member should violate such provision he should pay the association a sum equal to 10% of the amount received for the lumber.

Article VIII provided that if a member did not pay the 10%, the secretary should cause the same to be paid from any funds standing to the credit of such member. The agreement was signed with the understanding that it should be signed by all the members, and that it should be filed with the Federal Trade Commission. (Vol. III, pp. 78–81.) The petition was attached to copies of different plans, and appears in the record [1] Vol. III, pp. 76–78; [2] pp. 82–84; [3] pp. 89–91; and [4] pp. 95–97.

As stated in the following paragraph from the report of the Market Conditions Committee (the functions of which committee are explained in detail hereinafter on p. 126) dated June 22, 1916, the Minimum Price Plan Agreement was finally signed by all the members, and became effective from July 1, 1916, until November 1, 1917:

Minimum price plan

> The Special Committee is indeed happy to report that Mr. I. N. Bushong, of the Northwestern Cooperage & Lumber Company, attended the meeting and signed the Minimum Price Plan Agreement in behalf of his company.

> *The Minimum Price* Plan Agreement is, therefore, consummated, and will take effect July 1st, 1916, as telegraphed yesterday. The duration of the agreement is from July 1, 1916, to November 1, 1917. As the time between now and July 1st is quite short, and as members may have quotations out which they may not hear from before July 1st, it is understood that any bona fide outstanding quotations may be protected up to July 10th. (Vol. IV, p. 430.)

Even at the time they first adopted and operated under the Minimum Price Plan, some of the defendants were rather uncertain as to its legality, or perhaps quite certain as to its illegality. Under date of September 1, 1916, the East Jordan Lumber Company advised Mr. Keehn that in the opinion of their attorneys the plan was in direct violation of the Federal Statutes and also of the Michigan Statutes (Vol. IV, pp. 545–546), but this difficulty was ingeniously answered by Mr. Keehn in his reply dated September 7, 1916, part of which reads as follows:

> Replying to your letter of the 1st, the submission of the Minimum Price Plan to the Federal Trade Commission takes care of all legal questions pending the reply of the Commission, and if the Commission decides that the Plan is not legal, they will, no doubt, tell us to discontinue its operation.
>
> When the Plan was under consideration, the Association requested its attorney, Mr. Newman, to handle the legal details, and it was understood that the members of the Association would leave it to him instead of each mem-

ber consulting his own attorney. If all the members submitted all Association questions to their attorneys we would have such a diversity of opinion that nothing could be accomplished, and for that reason it has been an advantage to the Association to have an able attorney like Mr. Newman to advise us.

Inasmuch *as the Minimum Price Plan is an amendment to the Articles of Association, and is consequently now a part of that contract,* all I can do, it seems to me, is to send a copy of your letter to the Board of Trustees. (Vol. IV, p. 546.)

Mr. Keehn's letter of September 7, 1916, also shows that the problem had been presented by the Wisconsin members of making the affidavit required by the laws of that State in answer to the question "whether such corporation has entered into any combination, conspiracy, trust, pool, agreement, or contract," etc., and although Mr. Keehn first stated in a letter dated January 17, 1917, that the affidavit could not be signed while a corporation was a party to the Minimum Price Plan, this difficulty was also solved, and under date of February 7, 1917, Mr. Keehn advised the Foster-Latimer Lumber Company that inasmuch as the Association had never received the approval of the Federal Trade Commission to the Minimum Price Plan, and as the matter was still pending, the Plan had never been consummated and had never been in effect. The Foster-Latimer Company nevertheless made its report to the State with the notation: "We are members of Maple Flooring Manufacturers

Association and all matters pertaining to that organization are submitted to Federal Trade Commission." (Vol. IV, pp. 546–548.)

The original Minimum Price Plan was extended from November 1, 1917, to January 1, 1919, to run concurrent with the duration of the allotment articles, by a resolution adopted at the meeting held July 20, 1917, in accordance with a recommendation of the Market Conditions Committed. (Vol. IV, pp. 436–437.)

In a letter to members dated October 14, 1918, Mr. Keehn stated that the allotment contract and Minimum Price Plan would both expire by limitation on December 31, and made the following suggestions as to the renewal of the Plan:

> 6. The M. P. P. to be rewritten to include all modifications adopted to date and its duration to run concurrent with the Allotment Articles.
>
> It would be my thought not to incorporate the Allotment Articles and the M. P. P. in one document, but to have the M. P. P. supplemental to the Allotment Contract as at present, so in case the Federal Trade Commission should advise the cancellation of the M. P. P. it can be done without disturbing the Allotment Contract or vice versa. (Vol. IV, p. 444.)

The plan was accordingly revised as of January 1, 1919, to be in effect from January 1 to July 1 of that year; and it was recited that the revised plan was made pursuant to the petition filed with the Federal Trade Commission on July 14, 1915. (Vol.

III, p. 84.) This plan contained the same provisions as the former, with the addition that each member might register special representatives; who were required to be wholesalers or commissioned salesmen, and whose registration should be confidential, and that a concession of one dollar per thousand might be made to such representatives, and further, that a list of wholesalers and commission men should be adopted to whom a like concession might be made as soon as such list should have been published to all the members of the association, and that nominations for registration should be made in writing to the secretary by members of the association, and all nominations should be bulletined to the members by the secretary, and if no objections were filed within ten days the registration should automatically become valid. Thus a favored class of dealers was provided for. (Vol. III, pp. 88–89.)

The Minimum Price Plan was continued after July 1, 1919, and was finally vacated by the following resolution adopted at the Annual Meeting held February 12, 1920:

> M. P. P. Vacated.—On motion, the following resolution was adopted by unanimous vote:
>
> "Whereas the Minimum Price Plan was submitted to the Federal Trade Commission for its approval on June 27, 1916, and the Commission has taken no action with respect to the same, neither approving nor disapproving the Plan; and

"Whereas said Plan has never been enforced by the Association;

"*Therefore be it resolved,* That said Minimum Price Plan and all resolutions relating to the same, be and they are hereby vacated." (Vol. IV, p. 529.)

This action was undoubtedly taken because recommendations or agreements as to *minimum* prices were a futility in February, 1920, as the annual report of the Secretary which was read at the meeting before the resolution quoted above was adopted, commented at length upon conditions in the industry, and then stated that the time was rapidly approaching, if it had not arrived, when concerted action should be taken by the Association to stabilize the price of flooring, and that *maximum* prices could be established from time to time. At the same meeting, however, the Association adopted the resolution instituting the weekly sales reports which is quoted hereinafter (p. 86) and also the following resolution:

New Table of Values.—On motion, the Secretary was instructed to compile for the information of the members a Table of Values showing what the selling prices of flooring should be if based scientifically upon actual average cost and if a profit is included of 10% reckoned upon selling prices F. O. B. the flooring mill.

It was the sense of the meeting that the following fundamental elements constitute the basis of cost in ascertaining what the selling prices of flooring should be:

(*a*) The actual market value of the raw material.

(*b*) The average cost and expense of manufacturing and selling flooring.

(*c*) Interest on the capital actually invested in the flooring business at the rate of five (5) per centum per annum.

(*d*) Annual depreciation of Plant; and

(*e*) The usual overhead charges incurred in carrying on the flooring business. (Vol. IV, pp. 528–529.)

Conditions in the industry during the latter part of 1920 were not as favorable for the manufacturers as they had been in February, and under date of December 16, 1920, Mr. Thomas, the Chairman of the Market Conditions Committee, wrote to Mr. Keehn and stated:

> From present indications I assume that there will be an insistent demand for the resumption of our M. P. P. at the time of our next meeting, December 22. It seems to me desirable to work out an adjustment of the plan so it can be put into effect the first of the year providing the members all agree to it. (Vol. III, p. 97.)

Then on January 6, 1921, a plan, known as the "Minimum Price Basis," was adopted, which was to be effective from that date to July 1, 1922. This purported also to be based upon the petition filed with the Federal Trade Commission on July 14, 1915; and it was stipulated that "the members of the Maple Flooring Manufacturers' Association hereby estab-

lish a Minimum Price Basis for the sale of maple, beech, and birch flooring." (Vol. III, p. 92.) The elements which entered into the computation of cost were the same as in the former stipulation, except the interest allowed was six per cent on capital invested instead of 5%, and the minimum price should not give a member an average net profit in excess of 5%, instead of 10% as specified in the former agreement. (Vol. III, pp. 92–93.) A table of values was agreed upon, subject to change; and it was stipulated how much commission might be allowed each member's special representatives and also the amount allowed those registered as wholesalers and commission men, and what the terms of sale should be. The only difference between this plan and the "minimum price plans" previously adopted was, that this one did not prescribe a penalty for violation, or provide a method to enforce its observance. It was recited that the plan should be filed with the Federal Trade Commission for its approval, and that *in the event of its disapproval* it should be void. Of course, the Commission expressed no opinion upon the subject, and by its very terms it became effective. This plan was signed by twenty-three manufacturers, of whom eighteen are defendants in this litigation. (Vol. III, pp. 92–94.)

It was first claimed by the witness Keehn that neither the Minimum Price Plan nor the Minimum Price Basis ever went into effect, and when shown the Plan revised as of January 1, 1919, and asked "Did that go into effect on that date?" he replied,

"No minimum price ever was enforced or was consummated. (Vol. I, p. 80.) Later, on cross-examination, he made a distinction between the plans being "in force" and "enforced" and stated:

> Q. When you said in your direct examination that it was never enforced will you explain just what you mean by that? What was done by the association then existing under this minimum price plan, government exhibit 11, if anything?
>
> *A.* Some of the statistical data and lists of surplus stock, etc., were submitted to the association, but no penalties or fines or assessments of any kind were ever made upon or claimed for or ever paid into the general fund or the treasury of the association or were demanded by the association. In other words, the members continued on and so far as my judgment and opinion goes they sold their flooring at whatever prices they pleased. (Vol. 1, p. 144.)

His attention was called to a recital in the minutes of a meeting held January 6, 1921, as follows:

> The committee then made its report and the plan as formulated, to be known as the minimum price basis, was read and fully discussed by the meeting, *and on motion was accepted;*

and the witness drew a distinction between "accepted" and "adopted" (Vol. I, p. 148), as he had previously done between its being "in force" and "enforced" (p. 146).

That the Minimum Price Plan was "in force" and at least in a measure "enforced" ever since it was first devised in shown by many of the exhibits introduced by the Government. Exhibit 31 M (Vol. III, side p. 533) is a page dated July 1, 1916, entitled "Application of Minimum Prices," which was combined with the Table of Values of May 15, 1916, and which reads as follows:

> The Delivered Prices in the Table of Values of May 15, 1916, in the Association Rate Book and Index of Towns, are the basis of the Minimum Prices—not F. O. B. mill prices.
>
> Minimum Prices of $1\frac{1}{16}''$, $1\frac{5}{16}''$, and $1\frac{11}{16}''$ Maple, Beech, and Birch Flooring are based on the Rate Book Full List Delivered Prices of $1\frac{3}{8}''$ D. & M. Maple.
>
> Minimum Prices of $1\frac{3}{8}''$ Jointed Flooring are based on the Rate Book Full List Delivered Prices of $1\frac{3}{8}''$ D. & M. Maple.
>
> Prices of $2\frac{1}{2}''$ face D. & M. or Jointed are based on $2\frac{1}{4}''$ face D. & M.
>
> Prices of $3''$ or wider faces D. & M. or Jointed are based on $3\frac{1}{4}''$ face D. & M.
>
> *A Minimum Price is the bottom price, not an average price.*
>
> *Don't stay at the bottom.*
>
> *When your stock conditions and sales opportunities will not warrant your holding for top prices, insist at least on getting a substantial advance over the Minimum Price.*

That some at least of the members did not ignore their agreement to maintain the minimum prices (which were apparently also the actual current

selling prices) is shown by a letter from the Bigelow-Cooper Company to Mr. Keehn, which the latter circularized to all the members under date of September 14, 1916, and which reads in part as follows:

> We received the following letter from our New England salesman, which we thought would interest you:
>
> "I was very much surprised this morning in trying to secure an order from Blacker & Shepard Co. for a carload of 13/16 x 2¼" No. 1 Maple flooring, *that I was the only one quoting on new basis of prices* . . . I did not get the names of any of the concerns bidding, but it surprised me to think that not one of them was over $41.00, whereas our quotation was $42.50."
>
> The writer does not know of six concerns quoting in Boston Territory who are outside of the Association. It would look as though all your good members are not sticking. *We are continuing, however, to ask the prices.* (Vol. IV, p. 431.)

Action taken by the Association to establish new minimum prices or new spreads in accordance with Articles II and IV of the Plan is shown by the January 26, 1917, Table of M. P. P. Values (Vol. III, p. 245); the minutes of the meeting held July 20, 1917 (Vol. IV, pp. 434–435); the letter to members dated May 23, 1918 (Vol. III, p. 299); the Market Conditions Committee Report dated June, 1919 (Vol. III, p. 246); and the Market Conditions Committee Report dated August 21, 1919 (Vol. III, p. 249). A report entitled

"Listings of M. P. P. Surplus Stocks" illustrates the method of operating under Article VII of the Plan. (Vol. III, pp. 256–260.) The June, 1919, Report illustrates in detail the method of determining and establishing minimum prices and is therefore quoted at length:

> *Current Net Values.*—Current Net Values for June reflect the advance adopted in May, but as the advance adopted in June did not take effect until June 19th, with the customary ten days in which to protect outstanding quotations, it was not to be expected that a large volume of new orders would be booked in June at the new June prices. Current Net Values for July, however, will reflect the June 19th M. P. P. Basis.
>
> *Survey of Costs.*—Surveys of Costs for the 2nd quarter of 1919 were received from ten members whose flooring operations are typical of the average of the industry. Their reports indicate an advance in Manufacturing and Marketing Costs of $1.29 over the previous survey. The gross cost is $22.14 less wood $2.22, leaving the net cost $19.92 compared with $18.63, according to the preceding survey. The market value of rough flooring lumber has also advanced. The Committee felt that it should be conservative and that it would be better to be too low than too high regarding the average current market value of lower Michigan, upper Michigan and Wisconsin 4/4 Maple Flooring stock. Based upon information regarding recent sales, not asking prices, the Committee concluded that $3.00 would represent the advance on the flooring lumber.

This would equal $3.66 advance in the cost of 1,000 ft. of flooring (counting 18% waste) in arriving at the selling basis of the product. Using the composite results of the seven test runs, as per our revised statement of May 15, 1919, it works out as follows:

Cost of 1,000 ft. of flooring sold	$56.34	
To cover $3.00 advance on flooring lumber, counting 18% waste. Add	3.66	
Add increase in Manufacturing and Marketing Costs from $18.63 to $19.92	1.29	
		$61.29
Add one-ninth to give 10% profit on sales		6.81
		$68.10
Value of Seven Test Run flooring product per statement of May 15th.	$58.98	
Add advance of June 19th	6.00	
		64.98
Horizontal advance required		3.12
		68.10

Committee's Recommendations.—In view of cost conditions the Market Conditions Committee recommended a horizontal advance of $3.00 and the recommendation was immediately telegraphed to all the other members of the Association as follows:

"Because of increased costs Market Conditions Committee recommends horizontal advance of Three ($3.00) Dollars effective today. Please wire approval today."

At this writing we have received affirmative replies from all but one member of the Association, and we are expecting to hear from him during the day.

Some of the replies which we quote below favored a larger advance than $3.00. (Vol. III, pp. 246–247.)

After quoting some of the replies favoring a large advance the Report continued:

> So, if any members of the Association feel that the recommendation of the Committee is too low or is at a lower basis than they wish to take new orders at, they can, of course, pursue the same course and ask more than this new M. P. P. Basis.
>
> It should always be remembered that the M. P. P. is a minimum price not a maximum price.
>
> *Values of* 3/8".—The Committee discussed the market value of 3/8 flooring, which is also oversold to a greater extent than ever before in the records of the Association, especially the Clear grade. It was the view of the Committee that a horizontal advance of $5.00 on 3/8" Clear and No. 1 be recommended, and the Secretary was instructed to have a new Table of Values covering the 3/8" printed and mailed to the members. Please bear in mind that the 3/8" prices do not carry any concession, but are net, being subject only to commissions to your Registered Special Representatives and to Registered Wholesalers and Commission Men. (Vol. III, p. 248.)

No report of individual sales were furnished to the members by the association during the life of the Minimum Price Plan, but while the Minimum Price Basis of January 6, 1921 was in force the regular weekly sales reports were being prepared and distributed. Exhibits 20, 20 A, 21 and 22 (Vol. III, pp. 261–76) are the reports dated January 13,

January 20, January 27 and February 3, 1921. Each report gives in successive columns from right to left the date of the sale, the quantity, the dimension, the grade and wood, the delivered price, the new index letters (freight rate symbols), the M. P. B. (the Minimum Price Basis delivered price), the commission, and the identification number of the mill, except that there are not in all cases M. P. B. prices to compare with the actual prices. A tabulation of all the comparisons given, however, shows the following results:

Report dated	Actual prices exactly equal to M. P. B. prices	Actual prices over M. P. B. prices	Actual prices under M. P. B. prices
January 13, 1921	14	20	5 (1 explained as per note 1).
January 20, 1921	31	22	8 (3 explained as per note 2).
January 27, 1921	21	10	11 (10 explained as per note 3).
February 3, 1921	50	20	11 (5 explained as per note 4).

(1) Quotation lowered to meet competition.
(2) One sale to association member, two sales on quotation made prior to Jan. 6, 1921.
(3) Nine sales to association members, ones ale price reduced because of cancellation after car loaded.
(4) Three sales made to association members, two sales made with 50¢ error in freight rate.

Mr. Keehn stated with reference to the Minimum Price Basis:

> The minimum price basis never provided for any penalty of any kind. A man could do just as he pleased about it. It was without force or effect. It was simply a statement of business policy. (Vol. I, p. 82.)

We did not exact any penalties of any kind under the Minimum Price Plan, but in the Minimum Price Basis no penalties of any kind were even prescribed. *It is simply a statement*

operation. I hope some new plan can be worked out that will improve conditions. Vol. IV, p. 563.)

The minutes of the special meeting held April 27, 1921, contain only the following brief reference to the "new plans" under consideration:

> The statistical reports for the month of March, 1921, were submitted to the meeting and briefly discussed, and several plans to remedy the present deplorable conditions in the industry were suggested and considered, but no definite conclusions were arrived at.
>
> It was suggested that the plans proposed be given further thought and that the meeting adjourn subject to the call of the President with the understanding that the President would call such meeting to be held at as early a date as possible. (Vol. III, p. 134.)

But in a letter to Mr. Earle, Mr. Thomas, and Mr. Whedon, dated April 30, 1921, Mr. Keehn stated:

> GENTLEMEN: We have prepared a rough draft of new Articles of Association, effective from May 1, 1921, to July 1, 1922, and are sending each of you a copy for such suggestions in the way of revision as you may wish to make.
>
> Several new features have been incorporated as the result of experience, etc., since the old Articles were formulated. You will note that in Article II, "Objects" we have included some of our creed as it appears in our advertising literature, and that we have inserted a clause regarding actually completed and closed busi-

ness transactions, which, of course, refers to our Weekly Sales Reports; we have also declared our intention regarding Surveys of Cost and what we consider the fundamental elements to be used in arriving at the basis of ascertaining cost to the manufacturer of producing and placing on the market Maple, Beech, and Birch flooring.

It is my thought, when we prepare an Average Cost Chart, that Frame A will represent the average cost F. O. B. cars at flooring plants and subsequent frames will show the cost of delivering to destination, which would mean Frame A plus average cost of freight, and this average cost of freight would be based upon the freight rate from Cadillac, Mich., which we consider represents the average freight rate from all the flooring mills to all the destinations. I thought it unnecessary to mention delivered values in the Articles of Association, as whatever Average Cost Charts are compiled to show the delivered prices would be simply mathematical and a supplemental detail, which would not in any way be contrary to the principles outlined in Article XIV.

We are waiting to hear from Mr. Thomas before proceeding further with the other plan discussed at the meeting, and in this connection, perhaps it would not be out of place for me to say that, in view of the representations made by Dr. Earle as President of the Association, in his last letter to Mr. Nebeker (a copy of which you have), and also in view of the resolution adopted at the general meeting held on February 25, and approved at the meeting

held on April 27, we should carefully consider any new plan, the adoption of which might raise a doubt in the mind of Mr. Nebeker as to the sincerity of the representations in Dr. Earle's letter, evidence of which sincerity the Department of Justice may call upon us for at any time, and also as to the sincerity of the resolution adopted February 25, and approved April 27.

By the way, I see by the newspapers this morning that the Federal Trade Commission has again attacked the Pittsburgh base used by the steel industry and that the Commission is also going into the question of fixing prices by all the steel manufacturers by using the Pittsburgh base. It seems the Commission is divided on the question, three of the members opposing the Pittsburgh base and two of them not opposing it. (Vol. IV, pp. 534–535.)

The record does not contain the minutes of a meeting held May 20, 1921, but in a letter to members dated May 26, 1921, Mr. Keehn stated:

GENTLEMEN: Only three of the members who attended the general meeting on the 20th and who promised then to make the weekly reports of sales did not make their reports for the week ending May 21st. No doubt they are under the impression that the *new Plan under which these reports are to be made by every member of the Association*, would begin with the week ending May 28th, instead of with the week ending May 21st. (Vol. IV, pp. 451–452.)

The record does not definitely establish the nature of the "new plan" referred to, but Exhibit 43 JJ (Vol. III, side pp. 2394–2399) is a report dated October 6, 1921, entitled "Audit Changes, June 2 to July 8, 1921, In Members' Weekly Sales Reports," so it is apparent that the "new plan" required all the members to report all their sales, and provided for an audit to make certain that was done.

In a letter to Mr. Keehn dated May 26, 1921, which was circularized to the members under date of May 28, 1921, the East Jordan Lumber Company stated:

> *We have your favor of the 21st and are exceedingly sorry that the minimum price plan did not go through, as we feel this is the only plan which has ever worked out satisfactorily, and that it would be especially valuable to us at this time.* (Vol. III, p. 313.)

Whatever may have been the fate of the Minimum Price Plan at the May 20, 1921, meeting, the record contains a table dated May 21, 1921, entitled "Concessions and Additions—Table of Values May 21, 1921," which states "13/16" Maple and Birch D. & M. All Grades and Faces, Full List," gives the concessions and additions for other faces, grades, and woods, and also stated the rules with reference to commissions and terms of sale. (Vol. III, p. 326.) A letter to members dated June 3, 1921, shows that this concession sheet had been sent out the preceding day with Tables of Values for 13/16 and ⅜" flooring as new fillers for the Rate Books, and also that the

list of wholesalers and commission men was being revised and reprinted and that the names of unclassified dealers would be passed upon by the committee the same as theretofore before being listed. (Vol. III, pp. 313–314.) Apparently the Trade Relations Committee had charge of that matter, as the call for a meeting to be held July 8, 1921, stated that that committee might have a report to make regarding the list of wholesalers and commission men. (Vol. IV, p. 452.)

A letter to members dated August 11, 1921, calling a meeting to be held August 19th stated:

> Our weekly Sales Reports indicate considerable demoralization in the flooring situation and it seems absolutely necessary that every member should be represented at the meeting so that greater cooperation can be assured and conditions in the industry, which are now much disturbed, can be stabilized. (Vol. IV, p. 567.)

And the action taken at the meeting with reference to that matter is stated in the following paragraph in the minutes:

> *Revise Articles of Association.*—After a prolonged discussion of the demoralized conditions in the flooring industry, the Secretary was instructed to prepare a draft revising the Articles of Association with the view of securing greater cooperation in the industry, and to have the draft of the revision ready to submit to the next general meeting of the Association. (Vol. III, p. 138.)

A letter to members dated September 16, 1921, transmitted to the members the proposed articles of association dated October 1, 1921, the principal features of which have been explained heretofore on pages 14 and 17, and stated:

> GENTLEMEN: In accordance with your instructions at the last general meeting of the Association, the proposed revision of the Articles of Association has been drafted and in order that you may have an opportunity to study them before the next meeting is held, we are enclosing a copy which, for your greater convenience, is in printed form. The printer is holding the type set up so that further revisions can be made, if desired.
>
> Several changes are suggested in this proposed revision, namely:
>
> Article II, "Objects," have been made more general and include "the exchange of information concerning the character and nature of actually completed and closed business transactions of its members." This refers to the Weekly Sales Reports, etc.
>
> Article XIV, "Determining average cost" is entirely new. (Vol. IV, pp. 568–569.)
>
> It is now expected that a general meeting of the Association will be held on Friday, the 23d and that a meeting of the Special Committee will be held on Thursday, the 22d, in order to draft some simple memorandum along the lines suggested at the last meeting and submit same to the general meeting on the 23d.
>
> Conditions in the industry as reflected in the Weekly Sales Reports are greatly demoral-

> ized, as all of you, of course, know, and if any progress whatever is to be made in the work of the Association, it is absolutely necessary that every member be represented at the next meeting, with full power to act, so that definite conclusions can be arrived at then and there. (Vol. IV, p. 570.)

The above letter also appears in the record as Exhibit 6 (Vol. III, p. 61), but as cited under the above quotation the letter is a part of Exhibit 77, and it was introduced in evidence in connection with three undated "Rough Drafts," each entitled "Declaration of Our Business Policy." The three forms are substantially the same, so only Form 2, which is as follows, need be quoted:

> Believing that the sale of any commodity below the cost of production is unfair competition and is certain to be ruinous and destructive to any industry and consequently is detrimental in the long run to public welfare, we hereby voluntarily agree, regardless of what other manufacturers of flooring may do, to pay into the Treasury of the Maple Flooring Manufacturers Association, Ten per cent (10%) on any and all sales we may make of Maple, Beech, and Birch flooring, 13/16" and thicker, of standard grades and lengths at values below the average cost of production, plus the average cost of freight to destination, as ascertained from time to time by the Maple Flooring Manufacturers Association's Survey of Costs and Tables of Values Based Upon Average Cost, after allowing for com-

missions not exceeding $2.00 per M feet to Wholesalers and Commission Men and to our own Special Representatives. And the said Ten per cent (10%) shall be reckoned upon the average cost of said flooring delivered at destination as indicated by the Maple Flooring Manufacturers Association's Rate Book. (Vol. IV, p. 568.)

The record does not contain any other evidence with reference to new plans or proposed Articles of Association until the Articles of January 1, 1922, were under consideration. The provisions of those Articles relating to "Determining Average Cost" have been quoted in full on page 7. Accepting Mr. Keehn's statements with reference to the Minimum Price Basis, that it was simply a statement of business policy and that the Association did not advise it but gave it to the members to use in such way as they wished, the January 6, 1921, Minimum Price Basis and Articles XIV, Determining Average Cost, in the January 1, 1922, Articles of Association, would be identically the same thing except for the omission of the rules with reference to commissions and to terms of sale. Considering all the evidence, however, it appears that the Minimum Price Plan established minimum prices by agreement and prescribed penalties (which may or may not have been enforced) for their nonobservance; that the Minimum Price Basis established minimum prices by agreement without providing for their maintenance except through the comparisons made in the weekly

sales reports, and that the present Articles of Association establish minimum prices without an *express* agreement for their observance, and without the direct comparison being made on the sales reports, while nevertheless making it impossible for any member to prevent his deviations becoming known by requiring such member to report every sale. The evidence with reference to the various "new plans," "declarations of business policy," and proposed Articles of Association considered by the defendants during 1921 after their abandonment of the Minimum Price Basis, establish clearly that it was their purpose and intent to reinstate the Minimum Price Plan in a form which would not be the Minimum Price Plan, and that the present Articles of Association are the result of their efforts along those lines.

V

Construction and circulation of list or base prices

In fact the Minimum Price Basis Plan has been in operation, though not under that name, ever since 1913. The members of the Association during the entire time since that date have distributed among themselves by the secretary lists designating what are called "Cost Prices" of the various grades and dimensions of flooring, *but which are nothing more nor less than minimum prices that are intended to be, and actually are, observed.* Mr. Keehn says:

> I think we commenced, originally, in 1913 under what we termed "scientific list." That

was based on the old work of the Market Conditions Committee.

We are using it to-day. (Vol. I, p. 110.)

The preparation and distribution of the first so-called "cost list" which is variously referred to in many of the circulars, reports, and minutes in the record as the "Scientific List" or "Scientific Price List" (Vol. III, p. 114, p. 207, p. 228, p. 230), the "Recommended List" (Vol. III, p. 205), the "Logical Basis of Values Table" (Vol. III, p. 211) and the "Delivered Table of Values" or Table of Values (Vol. III, p. 213, p. 215, p. 222, p. 238) was authorized at the annual meeting of the association held January 22, 1913 (Vol. III, p. 106 and p. 108). The portion of the memorandum of the meeting covering this matter reads as follows:

> It was the opinion of the members present that considering the present market values of rough lumber and the actual costs of manufacturing and selling flooring, the present values of flooring are entirely too low, and it was suggested that at the next meeting of the Market Conditions Committee, the Committee figure out what the selling values of flooring would be if a logical and scientific method of determining values of flooring were used, that is, if the selling values of flooring were based upon the cost of raw material plus manufacturing and selling costs and plus a reasonable profit. (Vol. III, p. 106.)

The references heretofore given to the first "Scientific List" or "Table of Values" establish that it

was printed under date of May 21, 1913. No other such list or table was prepared and distributed to the members until the Minimum Price Plan was adopted in 1916, when a new rate book containing the Index of Towns and Table of Values of May 15, 1916, referred to in the Plan (Vol. III, p. 79) was printed (Vol. III, p. 242). The memoranda of Association meetings and the Reports of the Market Conditions Committee contained in the record for the period from 1913 to May, 1916, are not complete, but they disclose only one instance during that period, in January, 1915, when a change in the delivered values was recommended on the basis of new data covering manufacturing and selling costs and the current value of the raw material (Vol. III, pp. 230–231), whereas they disclose ten instances where recommendations as to the current price obtainable (in terms of additions to or concessions from the list of May 21, 1913) were made by the Market Conditions Committee solely on the basis of analyses of the association statistics as to stocks, shipments, and production, new business booked, and current net values. These instances are shown by the Reports of the Market Conditions Committee dated respectively March 25, 1914 (Vol. III, pp. 204–205), June 25, 1914 (Vol. III, pp. 210–211), August 22, 1914 (Vol. III, pp. 214–215), September 24, 1914 (Vol. III, pp. 216–220 at 219), October 30, 1914 (Vol. III, pp. 220–222), November 20, 1914 (Vol. III, pp. 222–224), December 18, 1914 (Vol. III, pp. 225–226),

February 25, 1915 (Vol. III, pp. 231–233), April 15, 1915 (Vol. III, pp. 237–239), and May 26, 1916 (Vol. III, pp. 240–242).

That general market conditions had a more controlling effect than actual costs in determining minimum prices even during the time when the Minimum Price Plan was in effect, is shown by the recommendation of the Market Conditions Committee under date of August 21, 1919, for an advance in the minimum price in accordance with the procedure established by Article IV of the plan. This recommendation reads as follows:

> *Raw Material Higher.*—Since the last meeting of the Committee there has been an advance in the market value of rough flooring lumber, according to reliable information given to the Committee in regard to several recent sales on the open market. *If the advance in the rough lumber and the steady increases in Manufacturing and Marketing costs were fully met, an advance of $10.50 in the M. P. P. Basis would be required, but in view of all conditions, the Committee recommends horizontal advances of $6.00 on Clear, $6.00 on No. 1, and $5.00 on Factory* $\frac{13}{16}$″ and thicker Maple, Beech, and Birch floorings, effective immediately with the understanding that old quotations now outstanding may be protected, if desired, up to August 30th, inclusive.
>
> Please advise the Secretary immediately upon receipt of this report whether or not you concur in the recommendation of the Committee, and if the recommendations are

> adopted, new Concession sheets will be printed and mailed you at once. (Vol. III, pp. 250–251.)

And with reference to the computation of costs, Keehn says:

> This same method has been pursued at different times and we have a number of those calculations going way back to 1913. (Vol. I, p. 109.)

There are three general elements that enter into the computation of these so-called cost prices:

> 1. Manufacturing costs;
> 2. The cost price per thousand feet of rough lumber out of which the flooring is made; and
> 3. The percentage of waste in converting the rough lumber into flooring.

With reference to manufacturing costs, the secretary, Keehn, says:

> The information from which we figured out the cost of production came from the members of the association. We had no information from nonmembers regarding their cost of production. Referring to Gov. Ex. 23 (a sheet entitled "Survey of Costs, 3rd Quarter, 1922") we use the same form but employ different calculations. We are still sending out the questionnaire above referred to and by means of them ascertain the average of actual costs. (Vol. I, pp. 104–105.)

The questionnaire now sent out was read into the record by this witness and appears on page 108, Vol. I. The secretary takes the replies from the

several members and makes an average of them all; and a questionnaire with a composite of answers as to marketing costs of lumber produced during January, February, and March, 1922, is filed as Gov. Ex. 25 (Vol. III, p. 279) and is as follows:

	Per 1 M Ft. of Flooring Produced
1. Labor taking lumber off of dock, car, pile, or wagon and placing in dry kiln, including expenses of night fireman	$1. 16
2. Cost of manufacturing into flooring and putting flooring in warehouse, including twine, oil, belting, and other factory supplies, and factory repairs and including manufacturing administrative expenses	8. 34
3. Warehouse expense and loading into cars or on wagons	. 90
4. Insurance and taxes. (Divide ¼ of annual amount by quantity of flooring produced during January, February, and March)	1. 07
5. Interest of 6% on value of plant and on value of average stock carried of rough flooring lumber and of finished flooring. (Divide ¼ of annual amount by quantity of flooring produced during January, February, and March)	1. 92
6. Selling expenses, including commissions and advertising, and office expenses including selling administrative expenses	3. 75
7. Cash discount	. 80
8. Annual depreciation on flooring plant as is usually allowed by the United States Government. (Divide ¼ of annual amount by quantity of flooring produced during January, February, and March)	1. 37
9. Total per M feet	19. 31
10. Less net profit from wood and other by-products of flooring lumber, per 1 M feet of flooring produced during January, February, and March	1. 32
11. Actual Manufacturing and Marketing Costs per 1 M feet of flooring produced during January, February, and March	17. 99

MAY 31, 1922.

The questionnaire read into the record (Vol. I, p. 108), which appears to have been in use in 1923 some time after this action was begun, contains two queries not included in this composite questionnaire, to wit, "Quantity of flooring produced by us during July,

August, and September" and "Our percentage of waste in manufacturing flooring during July, August, and September," but the information thus asked for was obtained in other ways. With reference to the cost of rough lumber, Mr. Keehn says:

> When an estimate of cost was made we also had the market value of the rough lumber as established by sales in the open market. We might have such information from the lumber trade papers or from sales made by sawmill operators of flooring lumber on the market or from members of the Association who had purchased the rough lumber on the open market. We used all sources of information. This information was sent in by members of the Association, sometimes to me, sometimes to the Market Conditions Committee, all for the use of the Market Conditions Committee. Sometimes during the past year we would get this information at meetings of the Association by asking each one what he was paying for rough maple lumber on the open market, actual sales. The Committee on Cost Surveys ordinarily came to the conclusion as to what information was to go out in my reports to the members. The cost of rough maple lumber was taken by using several purchasers—five, six, eight, or ten—and we might take the average the same as the Government does in compiling its data regarding the value of rough maple lumber on the open market. (Vol. I, p. 104.)

From the beginning there has been a Committee who had special duties to perform in regard to con-

structing these price lists of flooring. Formerly it was called the "Market Conditions Committee," but now is known as the "Cost Surveys Committee." With reference to the functions of this Committee, Mr. Keehn says:

> The Cost Surveys Committee does not perform exactly the same function as the Market Conditions Committee did. The Committee on Cost Surveys simply go into the cost of the raw material, the cost of marketing and manufacturing, and takes no notice of any kind of the selling price of flooring. (Vol. I, p. 105.)

However, it is apparent from Mr. Keehn's testimony (Vol. I, pp. 104–110) that the information was all gathered and the computations made by himself, and that the actual work done by the Committee was but perfunctory. In fact, Mr. Dewey, Chairman of the Cost Surveys Committee, testifies to that effect. (Vol. I, pp. 396–399.)

The information as to the amount of waste resulting from converting rough lumber into flooring is obtained by one or more members making what is known as "Test Runs." Sometimes the same member makes several runs, and at other times the runs are made by different members, and the estimates are based upon the average waste resulting from the several runs. The manufacturer making the run keeps a record of the quantity of each grade of rough lumber used and also of the quantity of each grade and dimension of flooring produced, and, of course, the difference is the amount of waste.

The final result is obtained by putting together the three elements mentioned, and then determining the alleged cost price of each grade and dimension. A careful study of the table will show that this work, especially that of distributing the cost price between the various dimensions, is done by a genius. With reference to how often the estimates are made, Mr. Keehn says:

> We make those estimates from time to time according to when the market changes on rough lumber or according to when the manufacturing and marketing costs are changed. There is no definite period. We make them at very irregular intervals. I would say without looking it up we made perhaps three or four during 1922. (Vol. I, p. 110.)

This witness undertook to explain how the estimates are made (Vol. I, pp. 105–106), but, presumably through error of the stenographer in taking figures, but few of the results stated can be obtained from the quantities given, and the estimates can be more readily understood from a study of the tables themselves. Exhibits 25–A, 26, 27, and 28–N (Vol. III, pp. 280–289 and 315–317) are four estimates, all based on "the three test runs of 1921, made by North Branch Flooring Company, Chicago, in January, 1921, and between May 1 and September 10, 1921." For the element of manufacturing and marketing costs the first of these estimates (Exhibit 28–N) was based on an estimate of average of such costs for the first half 1921; the second estimate (Exhibit 25–A)

was based on such costs for the first quarter of 1922 (p. 280); the third estimate (Exhibit 26) was based on such costs for the third quarter 1922 (p. 284); and the fourth estimate (Exhibit 27) was based on such costs for the last quarter 1922 (p. 288).

Taking the first estimate (Exhibit 28–N, Vol. III, p. 315) as an illustration, it may be helpful to separate the table into its three essential parts, the first part of which, showing the amount of waste, is as follows:

Rough Lumber Used

No. 1 Common	792 M Ft.	51.5%
No. 2 Common	562 M Ft.	36.5%
No. 3 Common A	185 M Ft.	12.0%
	1,539 M Ft.	100.0%

Flooring Product

Clear	646 M Ft.	52.0%
No. 1	383 M Ft.	30.7%
Factory	215 M Ft.	17.3%
	1,243 M Ft.	100.0%
Waste	296 M Ft.	19.2%
Lumber Used	1,539 M Ft.	

This part is, of course, the same in all of the estimates.

It appears strange, however, that such a large percentage of No. 1 Common lumber is used in making the test runs, as Mr. Saunders testified that the better end of No. 1 Common rough maple lumber is not generally used in the manufacture of maple flooring because it is not profitable to do so as a better price can be obtained for it on the market than can be obtained by working it through the flooring factory. (Vol. I, p. 197.)

The second part, which purports to show "Average Cost f. o. b. flooring plant of 1,000 feet of flooring sold," is as follows:

51. 5% No. 1 Common, @ $39.50		$20. 34
36. 5% No. 2 Common, @ $24.50		8. 94
12. 0% No. 3 Common A, @ $11.50		1. 38
100. 0%		
1,000 Ft. Lumber Cost		30. 66
800 Ft. Flooring Costs		30. 66
1,000 Ft. Flooring Costs		37. 95
Manufacturing and Marketing Costs, Average First half 1921:		
Avge. of 8 Reports	$22. 28	
Less Value of Wood ——— Average	1. 24	
		21. 04
		58. 99
Add 5% for Contingencies		2. 95
Average Cost F. O. B. Flooring Plant of 1,000 Ft. of Flooring Sold		61. 94

Mr. Keehn claims that by resolution of July 19, 1923, four and a half months after this action was begun, it was directed that the element of 5% for contingencies be eliminated from the calculations. (Vol. I, p. 152.)

In the other estimates the results are different because based on different prices of rough lumber, and different estimates of average manufacturing costs.

There is a fourth section which shows the quantity of each grade and dimension produced. But those figures also appear in the third section, which purports to show the cost price per thousand of each grade and dimension, and is as follows:

Clear:			
11/16 x 1½"	2.5%	$85.00	$2.13
2"	3.3%	83.00	2.74
2¼"	41.7%	90.00	37.53
3¼"	2.1%	80.00	1.68
⅜" All Faces	2.4%	60.00	1.44
	52.0%	------	$45.52
No. 1:			
11/16 x 1½"	1.3%	53.00	.69
2"	2.5%	53.00	1.33
2¼"	24.9%	60.00	14.94
3¼"	.7%	60.00	.42
⅜" All Faces	1.3%	45.00	.59
	30.7%	------	$17.97
Factory:			
11/16 x 1½"	.7%	15.00	.11
2"	.9%	23.00	.21
2¼"	14.7%	25.00	3.68
3¼"	.8%	27.00	.22
⅜" All Faces	.2%	10.00	.02
	17.3%	------	4.24
Total	100.0%	------	$67.73

The first division of this table is easily understood, as is also the second, assuming that the cost prices of rough lumber and cost of manufacturing are correct. But on what principle are the prices divided between the different grades and dimensions of flooring, so as to make up approximately the average cost shown by the second part of the table? There is nothing to show that the waste of manufacture of one grade of rough lumber is greater than that of another, and the cost of manufacturing the different grades of flooring is the same, or practically so. Therefore the only element upon which to base a difference in the *cost* prices of different dimensions of flooring is the difference in the prices of the

grades of rough lumber; and it does appear that the *average* of the grades of the finished product bears about the same relationship to the prices of the grades of rough lumber. That is, the average prices of the different dimensions of "clear" flooring is a little more than twice as much as the price of "No. 1 Common" rough lumber, and the same is true as to No. 1 and Factory grades of flooring and No. 2 Common and No. 3 Common A of rough lumber. But in estimating *costs* why should $\frac{13}{16}$ x 1½" Clear be put at $85 while the same thickness, face 2", is put at $83, that facing 2¼" at $90, that facing 3¼" at $80, and all faces of ⅜" Clear is put at only $60? Here is a spread of $25 between the several dimensions of the same grade. In No. 1 there is a spread of $15, all faces of ⅜" being estimated at $45, while 2¼" and 3¼" face of $\frac{13}{16}$ flooring is estimated at $60. And why should $\frac{13}{16}$" x 3¼" Factory be estimated to cost $27, while ⅜" all faces is computed at $10? *Necessarily these are not COST figures at all, but are the prices the Committee or Secretary Keehn advised the members they should charge for different grades and dimensions of lumber.*

This is further manifested from a comparison of the advances made in the prices of the several grades and dimensions in the four estimates above mentioned. For convenience of comparison a table showing such advances, and also the prices of rough lumber upon which the several estimates were based, and the average prices of manufacture, is here given.

First part

[Showing prices of different grades and dimensions of flooring in the four estimates based upon the three runs made by North Branch Flooring Company in 1921]

	First Est.	Second Est.	Increase	Third Est.	Increase	Fourth Est.	Increase
Clear:							
½ x 1½"	$85	$85	$0	$90	$5	$90	$0
x 2"	83	87	4	90	3	95	5
x 2¼"	90	90	0	95	5	100	5
x 3¼"	80	85	5	80	−5	85	5
¾ All Faces	60	60	0	65	5	65	0
No. 1:							
½ x 1½"	53	68	15	78	10	78	0
x 2"	53	72	19	80	8	85	5
x 2¼"	60	75	15	85	10	90	5
x 3¼"	60	75	15	75	0	80	5
¾ All Faces	45	45	0	45	0	45	0
Factory:							
½ x 1½"	15	20	5	25	5	30	5
x 2"	23	28	5	35	7	40	5
x 2¼"	25	30	5	40	10	45	5
x 3¼"	27	35	8	45	10	50	5
¾ All Faces	10	10	0	15	5	20	5

Second part

[Showing estimated average cost of flooring and the prices of the three grades of rough lumber entering into said estimates]

	First Est.	Second Est.	Increase	Third Est.	Increase	Fourth Est.	Increase
Average cost of flooring per M	$61.94	$73.53	$11.59	$80.33	$6.80	$84.00	$3.67
Price No. 1 Com	39.50	51.00	11.50	56.00	5.00	61.00	5.00
Price No. 2 Com	24.50	36.00	11.50	41.00	5.00	41.00	0.00
Price No. 3 Com. A	11.50	22.00	10.50	26.00	4.00	30.00	4.00

It might be claimed that the prices of the several grades of flooring should be increased or diminished according to the advance or fall of the prices of the corresponding grades of rough lumber. In other words, there are three grades of rough lumber used in the manufacture of the three grades of flooring; and no doubt most of the clear flooring is manufactured from No. 1 Common, and No. 1 flooring is made from No. 2 Common, and the factory flooring is

made from No. 3 Common A lumber. The witness Green testifies in effect that such is the fact (Vol. I, p. 386). Therefore there may be reason in increasing or diminishing the prices of clear flooring in proportion to the advance or fall of the price of No. 1 lumber, and the same is true as to No. 1 flooring and No. 2 Common lumber, and factory flooring and No. 3 Common A lumber. But in estimating costs, what justification is there for making *a difference in the advance of the different dimensions of the same grade? A study of the foregoing table will show that the increase of prices on lumber has no relationship whatever to the advance of the prices of the grades of flooring.* In the second estimate there was an average increase of $11.59 in the price of lumber over the first estimate, and the increase in prices of the *grades* of rough lumber were:

No. 1 Common	$11.50
No. 2 Common	11.50
No. 3 Common A	10.50

But prices of three dimensions of clear *flooring* were not increased at all, while 1¼ x 2″ was increased $4, and 1¼ x 3¼″ was increased $5. Moreover, there was no increase in No. 1, ⅜ All Faces, but the prices of the several faces of 1¼ were increased: 1½″, $15; 2″, $19; 2¼″, $15; and 3¼″, $15; and the prices of factory were increased 3 faces of 1¼, $5; and 3¼, $8; and there was no increase in ⅜ All Faces.

The increase in the third over the second estimate of the average cost of rough lumber was $6.80, this estimate being based upon an increase of price of

$5 each of No. 1 and No. 2 Common, and $4 in the price of No. 3 Common A. In distributing this increase among the grades and dimensions, *three of the dimensions of the Clear grade, including 3/8 all faces, were advanced $5 each, one, 2" face, was advanced $3, and one, 3¼", was reduced $5.* And in No. 1 Flooring, two dimensions were advanced $10 each, one dimension $8, and the other two remained the same. And the prices of two dimensions of factory were advanced $10 each, two $5 each, and the other dimension $7.

The estimated average increase of cost in the fourth estimate was $3.67, which was based upon an increase in cost of $5 for No. 1 Common, no increase for No. 2 Common, and $4 for No. 3 Common A. But distributing this among the several dimensions of *flooring*, three dimensions of Clear were advanced $5 each, and two remained the same, three dimensions of No. 1 were advanced $5 and two remained the same, while all dimensions of factory were advanced $5.

It is perfectly apparent, therefore, that the distribution of the increase or decrease of the so-called cost of production between the different grades and dimensions has no relationship whatever to the advance or decrease in cost; but is based entirely upon other influences, which unquestionably are the prevailing and prospective conditions of the market. In other words, the secretary of the association, aided to some extent by the Committee, surveys the entire situation and makes up a price list which, so far as the relative price of grades

and dimensions is concerned, is wholly arbitrary and not controlled in the least by any of the elements that appear in the cost of production.

In fact Keehn incidentally admits as much. The court pointed out a differential of $10 between "beech, 13/16th dressed" and "matched, all faces" and asked if that was substantially a continuing differential, and Keehn replied:

> Not at all times. *It depends upon the supply and demand of these different floorings, to what a man's stock conditions are,* and the cost of it, too. (Vol. I, pp. 153, 154.)

It is this pretended cost price list that is distributed among the members to be observed as the minimum prices at which the flooring is to be sold.

That the manipulation of the spreads between the different sizes and grades of flooring and between the different woods is not based on cost but is purely arbitrary and designed to reflect current market conditions, is clearly established by the following quotations from letters sent out to the members by the Secretary, from Reports of the Market Conditions Committee, and from minutes of meetings during the period from 1913 to 1922.

M. C. C. Report, March 25, 1914

> The better movement in Factory should be noted because it indicates that better prices should now be obtainable for this grade, especially in view of the fact that 70% of the 2¼" Factory was sold on March 1st as against only 39% on January 1st. (Vol. III, p. 204.)

M. C. C. Report, January 29, 1915

Early in 1913 a Scientific Price List was made which represented a profit of 10% on F. O. B. mill prices. *This was based on the then current values of lumber, the cost of labor, and the selling expense.* The Price List has not been changed since that time. During 1914 it was decided to revise the data to show the present cost of manufacturing and selling flooring. This has been done, and the result is given in our monthly report of this date.

In our monthly reports of market conditions we have endeavored to reflect, as accurately as the available data would permit, what has seemed to us a conservative average of conditions. Based upon statistical information and the prices you have reported, your Committee has made from month to month an estimate of the prices obtainable. (Vol. III, p. 228.)

Letter, Keehn to John Schroeder Lumber Co., Jan. 30, 1915

I would like to urge upon you to carefully read and study the annual reports reviewing the work of the Association during the year, and especially the report of the Market Conditions Committee for December, which covers the data collected regarding manufacturing and selling costs, and to which is attached a table illustrating our so called Scientific List brought up to date. *This table is figured on the basis of the present market value of the raw material, manufacturing and selling costs, and present selling values for flooring as applied to the six test runs which were used in the construction of the original Scientific List in 1913.* (Vol. III, p. 234.)

M. C. C. Report, May 18, 1917

In exchanging trade experiences, members of the Committee report the demand strong for Factory and No. 1, particularly for Factory, and it is their opinion that this demand will continue strong and grow stronger on account of the class of buildings now in course of construction and which are likely to be built during the summer and fall. *It is the view of the Committee that on account of the oversold condition of Factory and the heavy prospective demand for it that much higher prices than present values can be readily obtained.* As the No. 1 grade moved up 62 points during April and as the demand for it seems likely to increase, it should also command higher levels of value.

The opinion was expressed that the present Spreads between Clear and No. 1 and between No. 1 and Factory are larger than are justified by market conditions, and we would be glad to have your views on this subject. The Secretary will send you blank forms requesting an expression from you in the form of a vote for our guidance, so we can consider the question at our next meeting and make some recommendation to the Association. (Vol. III, pp. 243–244.)

Memo. of Meeting, Nov. 17, 1921

Stronger Market.—Trade conditions and our statistical reports for the month of October were discussed. Clear and No. 1 Maple Flooring $\frac{13}{16}''$ x $2\frac{1}{4}''$ face are both in a very strong position, as indicated by their oversold condition, the Clear being sold 232% and the

No. 1 sold 208%. The improvement in the demand for No. 1 is particularly noticeable, as it was sold only 45% on August 1st compared with 208% sold on Nov. 1st.

In view of recent advances in the market value of rough Maple Flooring lumber and taking into account Manufacturing and Marketing Costs and the relations of supply and demand as indicated by the heavily oversold condition of Clear and No. 1, it was the consensus of opinion as follows:

1. That present market values of Maple Flooring $\frac{13}{16}$" are represented by Frame "A" Basis, Table of Values dated 5–21–21, at Full List for Clear and No. 1 and a concession of $5.00 on Factory.

2. That the spread of $7.00 between 2" and 2¼" in Clear and No. 1 is excessive and that a spread of $3.00 would be more representative of the difference in the intrinsic value of the two faces.

3. That the spread between Clear 3¼" and 2¼" be reduced from $10.00 to $5.00, and the spread between Factory 3¼" and 2¼" be changed from $2.00 to $5.00.

4. That the market values of Birch are equal to Maple, and that Beech Clear and No. 1 are $10.00 less than Maple and Birch, and that Beech Factory is equal in value to Maple and Birch Factory.

5. That the Table of Values dated May 21, 1921, covering ⅜" represents the present market value of ⅜". (Vol. III, p. 141.)

The action taken at the November 17, 1921, meeting was recommended by the Market Conditions Committee in a report dated October 28, 1921 (Vol. III, pp. 253–255, at 255), and is shown by circular letters from Mr. Keehn to the members dated November 17, 1921, and December 1, 1921, to have been used as the basis of a new "Table of Values" printed under the same date (Vol. III, pp. 142–143 and p. 318.)

The Government filed a number of other estimates based upon varying numbers of runs made by members, which are:

Exhibit No. 28, Vol. III, p. 291.
Exhibit No. 28A, Vol. III, p. 294.
Exhibit No. 28B, Vol. III, p. 296.
Exhibit No. 28D, Vol. III, p. 300.
Exhibit No. 28E, Vol. III, p. 302.
Exhibit No. 28F, Vol. III, p. 304.
Exhibit No. 28G, Vol. III, p. 307.
Exhibit No. 28H, Vol. III, p. 310.

The first of these was dated January 29, 1915 (p. 293), and the last March 1, 1920 (p. 312). In each of them there was added 10% profit on selling prices f. o. b. mill, and to some a note was added, as, for illustration, to Exhibit 28G, to wit (Vol. III, p. 309):

> To Realize a Profit of "Cost Plus" 10% (the method frequently used by the Government during the war in making its purchase contracts) instead of a 10% Profit on Sales, the profit would be $5.63 instead of $6.26, a difference of 63 cents; in that case the flooring manufactured in these Seven Test Runs,

which have been consolidated and considered one run, should sell for $61.97 instead of $58.98, or $2.99 more than selling basis of May 13, 1919.

In the estimates made during 1922 this 10% profit is omitted, and the witness Keehn says that the estimate as now made contains no element of profit (Vol. I, p. 107). But it will be observed that the answers to the questionnaire, from which the average manufacturing and marketing costs are estimated, add 6% on the value of the plant and the average stock carried of rough lumber and of finished flooring, and, until after this action was begun, in each of the estimates 5% was added for contingencies. *But what difference can it make whether any per cent is allowed on the average estimated cost or not, when the prices upon the several grades and dimensions are manipulated at will?* The advance may be far beyond 10% on those dimensions for which there is a demand and which are being sold in large quantities, and be reduced to nothing on the dimensions for which there is no demand at all.

There is another feature which shows that this estimated cost has really but very little to do with the actual cost of flooring that is manufactured and sold upon the market. In the test runs a record is kept of the relative amounts of the different grades of rough lumber that are used, and the estimates are all based upon the average price of the lumber for those three grades. *But manifestly in the operation of their mills, the relative quantity of these grades is not observed*

at all, and therefore the cost of the lumber actually produced does not correspond at all with the costs upon which the estimates are based. For instance, suppose there is a greater demand in the market for No. 1 flooring than for Clear, then the rough lumber used will be more of No. 2 Common and less of No. 1 Common; or if there is a greater demand for Factory and less for Clear and No. 1, then a very large percentage of the rough lumber will be No. 3 Common A; and the estimates all show that the price of such lumber is less than half of the price of No. 1 Common. Undoubtedly after the second estimate had been sent out, there was a great increase in the quantity of No. 1 flooring produced, and but little, if any, in clear, as the great increase in the prices of No. 1, as compared with the increase in prices of clear, no doubt resulted from the increased demand for No. 1. Therefore, there was a much greater relative quantity of No. 2 rough common lumber used, and a corresponding decrease in the cost of production. And the same may be said as to No. 3 Common A rough lumber after the third price list was sent out, in which there had been a large relative increase in the price of factory flooring.

A thorough analysis of these pretended estimates of cost of production and the formulation of price lists based thereon demonstrates beyond a shadow of controversy that they were a mere device used for the fixing of minimum prices to be observed by the members of the Association.

But let it be supposed that these estimates were based upon actual figures and that the correct average estimates were made. In other words, that the price of each grade and dimension of flooring given in these tables was the exact average cost price of production of such grade and dimension, yet it would destroy some of the essential elements of competition, and would be violative of the Antitrust Act. The foundation upon which competition rests is the ability of one manufacturer to produce his article cheaper than another, which enables him to sell it at a less price than that at which his competitor can sell his product. Necessarily there must be a difference between the actual cost of production by the several manufacturers who are engaged in producing the same article; in fact, half of the members of this association produce their own rough lumber (Keehn, Vol. I, p. 178); and necessarily have an advantage over those who purchase their raw material. But in these pretended cost prices those differences are entirely disregarded. And the price lists distributed among the members, and which they are expected to observe, are not based upon the actual cost of production of any one of the members. Each member fixes his selling price upon *a common* cost of production and not upon *the actual cost to him;* and this within itself is a regulation by combination of the price of flooring, and is a restraint of trade within the meaning of the Antitrust Act.

VI

Book showing estimated freight rates and values of flooring at points of delivery

A further evidence that the members of the defendant association agreed upon and maintained uniform prices is their system of computing freight rates to various points of delivery, and distributing among the members books which not only show such rates, but also contain the prices of lumber delivered at thousands of designated points. In describing the book which was prepared in 1916, the witness Keehn said:

> The index letter following the name of each town indicates the rate of freight from Cadillac, Michigan, to the various points. We do not consider that Cadillac is taken exactly as the base. The rate of freight from Cadillac to about thirty or forty or fifty representative markets in the United States happens to be about the same as the average rate of freight from the seventeen producing points in Michigan and Wisconsin. In this particular book it is true that all the freight rates are estimated from Cadillac because we simply took the rate of freight from Cadillac in having it compiled. It shows the rate of freight from Cadillac to five or six thousand points or seven or eight thousand points, scattered all over the United States. (Vol. I, p. 112.)

From the whole of Mr. Keehn's testimony (pp. 112–117) it appears that the following is the method used in computing rates. Nearly all of the factories belonging to the members of the association are

situated in Michigan and Wisconsin. Three mills are located at or near Cadillac, Michigan; and the rates from that point are about the average of the rates from all of the factories to the numerous points in the United States. Therefore Cadillac is fixed as the arbitrary point from which the freight rates are computed. But the rate charged is not always the actual rate from Cadillac to the point of delivery, as Mr. Keehn testified (Vol. I, p. 114) that the rates take a certain grouping, so that the index letters representing 45, for instance, might also represent 44½ or 45½.

That Cadillac has been adopted and used as a common freight basing point is shown by a number of exhibits in the record. In a letter to members dated December 7, 1917, with reference to establishing a uniform custom among the members of the association in respect to the war tax on freight charges, Mr. Keehn said:

> *As our delivered prices are based upon Cadillac, it would not work out to mention the rate of freight in cents per 100 pounds, because the local rate of freight from points other than Cadillac, to the point of delivery would not be according to our basis used in arriving at delivered prices.* (Vol. IV, p. 433.)

And in a letter dated August 23, 1921, to the Oval Wood Dish Corporation, which had just joined the Association, Mr. Keehn stated:

> We are inclosing the following:
>
> "1. Minutes of Meeting of August 19, 1921.

"2. Copy of letter to members dated August 20th, regarding the consensus of opinion as to the current market value of flooring.

"3. Rate Book containing Tables of Values Based upon Average Cost and index to towns showing the delivered values based upon the rate of freight from Cadillac, Mich. Cadillac is our basing point, as it is practically the geographical center of the production and distribution of flooring, and the rates of freight in a general way from Cadillac would be about the average rate of freight from all the Association flooring mills." (Vol. IV, p. 481.)

For some reason, which Mr. Keehn does not explain (Vol. I, pp. 113–114), the rates in the book are given in letters instead of figures, A representing 1, B, 2, etc., down to J, which represents O.

After the rates from Cadillac to the numerous points are thus ascertained, they and the prices of lumber, determined by the method heretofore detailed, are added together, *and the delivered price of lumber at each of the thousands of points mentioned in the rate book is thus obtained and is given by the rate book.*

The system is fully illustrated by reference to Gov. Ex. 35, Vol. III, p. 328, side pages 737–905. This exhibit is the freight rate book which bears date of May 31, 1922, and which was compiled and distributed about that date. Only enough of this exhibit is printed to fully illustrate the character of the book. The first page, after giving the title, contains a

key showing to what figures the letters correspond, and then explains:

> To ascertain delivered costs at an unlisted point allow 25 cents for each one cent difference in the rate of freight between the nearest listed point and the unlisted point from point of shipment. (Vol. III, side p. 738.)

Then follows the freight rates, designated in letters, to numerous points in each State, which are computed in the manner above described. For instance, in Illinois the freight rate to Abingdon is BG, or 27 cents; to Annapolis, Maryland, DD, or 44 cents; to Middletown, New York, it is DA, or 41 cents, and to all points in Massachusetts it is DC, or 43 cents. There is then given (side pages 881–882) an Average Cost Chart, which shows the average cost of the three grades and four dimensions of flooring ascertained by the method heretofore described. This chart contains costs of only Maple lumber 13/16" in thickness, but there also appears on side pages 878–879 a Table of Differentials, which shows the difference between the flooring described in the Average Cost Chart and—

(1) Average cost of Beech, 13/16, All Faces.
(2) Average cost of Birch, 13/16, All Faces.
(3) Average cost of Wide Faces.
(4) Average cost of Thick Flooring.
(5) Average cost of Jointed Flooring.
(6) Average cost of Special Grades.
(7) Average cost of Extra Shorts.

Then follows what is designated as a "Delivered Cost Chart," which contains the delivered costs as above

described of 13/16″ flooring of the several faces computed upon every rate given in the freight rate chart. For illustration, take the first item appearing on side page 883, where the freight rate is AE, or 15 cents, the delivered prices for the various dimensions of Clear flooring are: $88, $90, $93, and $88.50. The delivered prices of No. 1 are: $71, $75, $78, and $78.50, respectively. The delivered prices of Factory are $23, $31, $33, and $38.50, respectively; and generally with each advance in freight of one cent, there is 25 cents added to the price, although this does not always hold good. If the manufacturer is shipping other varieties of flooring than maple or other dimensions of maple, he has to make his own computation from the table of differentials described. *Thus there is in the possession of each member the exact price which it is intended that he shall charge at the point of delivery for every shipment made by him.* And not content with this, the book specifies (Vol. III side p. 880) what the terms of sale are to be as follows:

> Sixty days net or 2% discount for cash in 15 days, or 1% discount for cash in 30 days from date of invoice after deducting freight.
>
> If the car has not arrived, the discount may be deducted on 90% of the invoice less estimated freight, for cash within proper discount period, the balance with original paid freight bill to be remitted net within 5 days after arrival of car. No cash discount will be allowed after 30 days from date of shipment.

Of course, it would be expensive to have printed and distributed books containing so much matter

every time there is a change in the price. With reference to what is done when a change in price is made, Keehn testifies:

> Q. Now, when another estimate of costs has been made before the issuance of another freight-rate book, what did you do?
>
> A. Well, we might have put in a sheet or might have issued a new table of values.
>
> Q. Well, you would do one or the other?
>
> A. One or the other, ordinarily.
>
> Q. That is, you would send to each member a sheet showing this new estimate?
>
> A. New estimate; yes, sir.
>
> Q. So he could use that in connection with his freight-rate book?
>
> A. He could make such use of it as he desired. Simply sent to him for his information. (Vol. I, p. 114.)

The book of 1922 was made up of loose leaves; and direction was printed in the book showing how the old leaves could be removed and new ones inserted (Vol. III, side p. 738).

When this book was issued in 1922, Mr. Keehn, the secretary, sent out to the membership, under date of June 24, 1922, the following letter:

> GENTLEMEN: 1. For the information of the members of the Association the Committee on Cost Surveys has made a careful analysis and survey of the Average Cost of Manufacturing and Marketing Maple, Beech and Birch Flooring.
>
> 2. The Survey was made in accordance with Article XIV, "Determining Average Cost,"

of the Articles of Association and the results of the Survey are given in the inclosed schedules, which, for brevity, are called "Average Cost Chart" and "Differentials."

3. For the further information of the members, so-called "Delivered Cost Charts" have been compiled. These Charts include the Average Cost of Freight to destination of shipment; in other words, the Average Cost of Freight is added to the Average Cost of the flooring F. O. B. cars at flooring mills to illustrate what the Delivered Cost would be at destination.

4. Copies of the foregoing under date of May 31, 1922, are inclosed herewith.

5. We are also inclosing statement "Survey of Costs" for first quarter of 1922 and an analysis of the "Three Test Runs of 1921" which are also dated as of May 31, 1922.

6. Under the new Articles of Association the new Rate Book will be made up as follows, and will contain only the following matter when completed:

(*a*) Title Page. As per enclosed copy.

(*b*) Key to Freight Rates and Index Letters. As per enclosed copy.

(*c*) Average Freight Rates and Index of Towns. Being the equivalent approximately of the freight rates from Cadillac, Michigan.

Remarks: The freight rates are all being revised to give effect to the reduction ordered by the Interstate Commerce Commission to take effect July 1st.

(*d*) Average Cost Chart. Showing approximate relative Average Cost of the different

grades and faces of 13/16″ Maple Flooring F. O. B. cars at flooring mills.

(*e*) Differentials from Average Cost of 13/16″ Maple Flooring.

(*f*) Delivered Cost Charts 13/16″ Maple Flooring.

(*g*) Average Cost Chart 3/8″ Maple, Beech and Birch Flooring.

(*h*) Delivered Cost Chart 3/8″ Maple, Beech and Birch Flooring. (Vol. III, pp. 318–319.)

Apparently the last book issued before the filing of the bill on March 5, 1923, was dated February 15, 1923, and a copy was filed as Gov. Ex. 37, Vol. III, p. 330, side p. 910, et seq., but only enough pages are printed to illustrate its character. This book contains a table of differentials similar to those above described, and also the same directions as to terms of sale. About 7,600 different points are designated therein (Keehn, Vol. I, p. 118). For convenience of inspection the first three sheets of this exhibit are here reproduced as follows:

Differentials

[From Average Cost Charts of Maple ¼″ D. & M.]

FEBRUARY 15, 1923

Average Cost of Beech $\frac{13}{16}$″ *D. & M., all Faces:*

Clear—$10.00 less than Maple.

No. 1—$5.00 less than Maple.

Factory—Same as Maple.

Average Cost of Birch $\frac{13}{16}$″ *D. & M., all Faces:*

Clear—$10.00 less than Maple.

No. 1—$5.00 less than Maple.

Factory—Same as Maple.

Average Cost of Wide Faces, D. & M.:

2½″ face same as 2¼″ face; 3″, 3½″, and 4″ faces same as 3¼″ face, of same wood, grade, and thickness.

Average Cost of Thick Flooring, D. & M.:

1 1/16″—$5.00 more than 13/16″ D. & M.

1 5/16″—$7.00 more than 13/16″ D. & M.

1 11/16″—$10.00 more than 13/16″ D. & M., of same wood, grade, and thickness.

Average Cost of Jointed Flooring:

13/16″—$5.00 more than 13/16″ D. & M.

1 1/16″—$10.00 more than 13/16″ D. & M.

1 5/16″—$12.00 more than 13/16″ D. & M.

1 11/16″—$15.00 more than 13/16″ D. & M., of same wood, grade, and thickness.

Average Cost of Special Grades:

White Clear Maple, 13/16″, $20.00 more than Clear Maple, 13/16″, same face.

Red Clear Beech, 13/16″, $20.00 more than Clear Beech, 13/16″, same face.

Red Clear Birch, 13/16″, $20.00 more than Clear Birch, 13/16″, same face.

White Clear Maple, 3/8″, $15.00 more than Clear Maple, 3/8″, same face.

Red Clear Beech, 3/8″, $15.00 more than Clear Beech, 3/8″, same face.

Red Clear Birch, 3/8″, $15.00 more than Clear Birch, 3/8″, same face.

Average Cost of Extra Shorts:

Clear Maple, Beech or Birch, 13/16″ x 2″ or 2¼″ Face, under 22″, $35.00 less than standard lengths of Clear, same wood and face.

Clear Maple, Beech or Birch, $\frac{13}{16}$" x 1½" Face, under 22", $40.00 less than standard lengths of Clear, same wood and face.

No. 1 Maple, Beech or Birch, $\frac{13}{16}$" x 2" or 2¼" Face, under 16", $40.00 less than standard lengths of No. 1, same wood and face.

No. 1 Maple, Beech or Birch, $\frac{13}{16}$" x 1½" Face, under 16", $40.00 less than standard lengths of No. 1, same wood and face.

TERMS OF SALE

Sixty days net or 2% discount for cash in 15 days, or 1% discount for cash in 30 days from date of invoice after deducting freight.

If the car has not arrived, the discount may be deducted on 90% of the invoice less estimated freight, for cash within proper discount period, the balance with original paid freight bill to be remitted net within 5 days after arrival of car. No cash discount will be allowed after 30 days from date of shipment.

AVERAGE COST CHART

Average Cost of $\frac{13}{16}$" Maple Flooring F. O. B. cars at Flooring Mill

Maple D. & M.	$\frac{13}{16}$" x 1½" Face	$\frac{13}{16}$" x 2" Face	$\frac{13}{16}$" x 2¼" Face	$\frac{13}{16}$" x 3¼" Face
F. O. B. Mill:				
Clear	$90.00	$95.00	$100.00	$85.00
No. 1	78.00	85.00	90.00	80.00
Factory	30.00	40.00	45.00	50.00

DELIVERED COST CHART

Includes Average Cost of Freight to Destination—Freight Rate, 15 cents to 26 cents

Freight Rate Index	Maple D. & M.	11/16" x 1½" Face	11/16" x 2" Face	11/16" x 2¼" Face	11/16" x 3¼" Face
A. E	Clear	93.00	98.00	103.00	88.50
	No. 1	81.00	88.00	93.00	83.50
	Factory	83.00	43.00	48.00	53.50
A. F	Clear	93.25	98.25	103.25	88.50
	No. 1	81.25	88.25	93.25	83.50
	Factory	83.25	43.25	48.25	53.50
A. G	Clear	93.50	98.50	103.50	88.75
	No. 1	81.50	88.50	93.50	83.75
	Factory	33.50	43.50	48.50	53.75
A. H	Clear	93.50	98.50	103.50	89.00
	No. 1	81.50	88.50	93.50	84.00
	Factory	33.50	43.50	48.50	54.00
A. I	Clear	93.75	98.75	103.75	89.25
	No. 1	81.75	88.75	93.75	84.25
	Factory	33.75	43.75	48.75	54.25
B. J	Clear	94.00	99.00	104.00	89.50
	No. 1	82.00	89.00	94.00	84.50
	Factory	34.00	44.00	49.00	54.50
B. A	Clear	94.25	99.25	104.25	89.75
	No. 1	82.25	89.25	94.25	84.75
	Factory	34.25	44.25	49.25	54.75
B. B	Clear	94.50	99.50	104.50	90.00
	No. 1	82.50	89.50	94.50	85.00
	Factory	34.50	44.50	49.50	55.00
B. C	Clear	94.50	99.50	104.50	90.25
	No. 1	82.50	89.50	94.50	85.25
	Factory	34.50	44.50	49.50	55.25
B. D	Clear	94.75	99.75	104.75	90.50
	No. 1	82.75	89.75	94.75	85.50
	Factory	34.75	44.75	49.75	55.50
B. E	Clear	95.00	100.00	105.00	90.75
	No. 1	83.00	90.00	95.00	85.75
	Factory	35.00	45.00	50.00	55.75
B. F	Clear	95.25	100.25	105.25	90.75
	No. 1	83.25	90.25	95.25	85.75
	Factory	35.25	45.25	50.25	55.75

KEY

Freight Rates	1	2	3	4	5	6	7	8	9	0
Index Letters	A	B	C	D	E	F	G	H	I	J

Mr. Keehn claims that there has been a modification of the information thus sent out after the bill was filed and before the trial, in that the book now in use does not show the delivered cost; that is, the

items of freight and the cost of the manufacturer *are not actually added together*, but both items are contained in the book, and all the shipper has to do is to make the addition. As said by the court, "In other words, instead of having a four, he (the manufacturer) has two and two." (Vol. I, p. 118.)

Keehn also claims that the rate book or tables do not now include the differentials and terms of sale. (Vol. I, p. 153.) But he admits that the terms of sale prescribed have generally prevailed in the lumber industry (Vol. I, p. 155), and the differentials as to 70% or 80% of the business are shown in the reports sent to the members (Vol. I, p. 177). And it is not claimed that the association has ceased sending out the so-called cost prices, which show the differentials between the different dimensions of maple flooring, which represents 90% of the business. (Keehn, Vol. I, p. 131.)

Special attention is called to the fact that in the books issued in 1922 and 1923 the tables of delivered prices are designated as "Delivered *Cost* Chart." Prior to that time these tables had been designated "Table of *Values*." See Table issued January 6, 1921 (Ex. 34, Vol. III, p. 322, side p. 554, et seq.). In this book, after the "Concessions and Additions—Tables of Values January 6, 1921," appears the statement "*Established* for First Quarter, 1921." (Side p. 694.) These words were used advisedly, and refer to the values, terms, etc., "*established*" under the minimum-price plan and the minimum-price basis. It was

under those plans that the delivered prices were *fixed;* and they were therefore designated as "*values*" and not "*costs*". Apparently in these charts, the delivered prices were not designated as "*values*" before 1916, the date when the minimum price plan originated. On p. 320, side pp. 419 and 420, appears a number of pages of a book dated May 21, 1913, which is improperly designated as "Gov. Exhibit 26," but which is probably a part of Gov. Exhibit 30 f. They show delivered prices, but are not designated "Table of Values," as appears in the table issued May 15, 1916. (Side pp. 513, 514–521.)

A method of determining the freight rate which the members have included in the price of flooring has been in existence ever since the first association was organized in 1905. Mr. Keehn says, "I was connected with the association on April 1, 1905. I am very familiar with this paper 'Prices on Maple Flooring, effective April 1, 1905,'" and that the paper was a table of prices on maple flooring by geographical zones. (Vol. I, p. 111.) The document spoken of is filed as Gov. Ex. 29. (Vol. III, p. 320, side p. 408, but improperly numbered 498.) That was a simple document as compared with subsequent tables; but it showed the prices which were expected to be charged for lumber delivered at various points in the United States. Some specific points were mentioned, but generally a specified delivered price applied to all, or the greater portion of a state. It appears, however, that by 1911, a table of the nature of those used in recent years and now in use had been devel-

oped. (See Gov. Ex. 30E, Vol. III, p. 320, side p. 417.) And in 1913 the system had about reached perfection. (Gov. Ex. 30f [not 26] Vol. III, p. 320, side pp. 418, 419.)

In order for those producing and selling an article to observe uniform prices, or a minimum price, and thus avoid competition, it is essential that some method be devised whereby they can easily ascertain what the delivered prices of the article are at the various points to which the commodity is shipped.

Different methods have been devised, but this court has so far had presented to it no method so complete in all of its details as the one adopted by this association. Here in most instances no computation was left to be made by the manufacturer; and all he had to do was to turn to his book and find the point to which the shipment was destined, and he had the price before him.

If it was not intended by the members that the prices of lumber should be controlled or in some way affected by this organization, why was each member furnished with a list of fixed or designated prices? To say that these elaborate calculations and their distribution among the members were not intended to have, and did not have, any effect upon the prices charged by the members is to disregard absolutely every element of common sense in determining facts.

VII

Statistics

In the Articles of Association in existence from January 1, 1913, to January 1, 1919, the article relating to reports provided that reports should be made by each member to the secretary at the close of business each day of all deliveries and shipment of all kinds of maple, beech, and birch flooring within the United States except flooring purchased from members of the association: and the secretary was given authority to examine the books and papers of the members to verify statements; and it was also required that a sworn statement showing total deliveries and shipments for each month should be rendered on or before the fifth of the following month (Vol. III, p. 7); but there was no provision made for the distribution of statistics by the secretary among the members of the association. The articles which were in existence for the first three months in 1919 had a similar provision (Vol. III, pp. 20–21). The articles relating to statistical reports in the Articles of Association which went into effect January 1, 1922, and continued until January 1, 1925 (Vol. III, p. 64), have heretofore been copied in full (p. 8); and, briefly stated, they provide that each member shall report monthly on or before the fifth day of each month (a) stocks on hand of the three varieties of flooring; (b) unfilled orders; (c) amount in feet of shipments made during the preceding month within the United States except purchases made from other

members; (d) production for previous month; (e) new orders booked during month; and (f) average prices f. o. b. flooring plant for 13/16" x 2¼" Clear, No. 1 and Factory; and that each member shall report promptly at the end of each week all sales made during the week of the three varieties of flooring, the reports stating quantity, kind, and grade of flooring sold, the delivered price sold at, the average freight rate to destination, and the commission paid, if any; and that all the statistical reports shall relate solely and entirely to past and completed transactions and shall be mailed "by the members to the Secretary, *who shall report the same to the members.*" (Vol. III, p. 70.)

Monthly statistical reports of stocks on hand, of unfilled orders, of shipments, of production, and of average prices realized have apparently been made by the association to its members at least since January, 1912. (Government Exhibit No. 40, Vol. III, side pages 956–960.) The earliest such report printed in the record is dated January 18, 1913. (Gov. Ex. 40A, Vol. III, side pages 1003–1009.) This report gives practically the same bare statistical information as does the report dated April 17, 1923, which is fully described below (p. 97), but it does not give the information in as great detail as does the later report, nor does it contain any of the elaborate comparisons in percentages and by the graphic representation, called a barometer, which the later report makes between the current statistics and those for earlier months and years.

With the exception of a few months during 1914 and during 1916, when an exchange of quotations was operated through the association (Vol. III, pp. 209 and 227, and Vol. IV, p. 430), no detailed reports of actual prices were furnished the members by the association until the weekly sales reports were started in 1920. During this period the only reports of actual prices were the monthly reports of average prices f. o. b. cars at the factory of $\frac{13}{16}$" x 2¼" face maple flooring. Specimens of these reports, then called Current Net Values, dated January 18, 1913, October 28, 1913, and September 19, 1916, are printed in the record. (Vol. III, side pages 1004, 2130, and 1322.) The earliest of these reports merely gives the average price realized for five groups of mills and the general average, but the later reports are in the same form as the report of Average Prices Realized, dated April 17, 1923, which is described below (p. 98).

Mr. Keehn says that he doesn't recall exactly when the weekly reports of sales were started, but that it may have been some time in 1920. (Vol. I, pp. 176–7.) The minutes of the annual meeting held February 12, 1920, establish definitely, however, that the collection and distribution of weekly reports of sales were authorized at that meeting. The pertinent portion of those minutes reads as follows:

> *Weekly Sales Reports.*—In view of the extraordinary business conditions now existing, it was the sense of the meeting that weekly reports of sales should be made in order that

the members of the Association may have as much information as possible regarding current market conditions.

On motion the following resolution was adopted by unanimous vote:

"*Resolved*, 1. That the members make reports to the Secretary on Saturday of each week, giving a complete record of all sales made during that week of one carload or more of Maple, Beech, or Birch Flooring, the reports to give date of sale, quantity sold (if one carload or more), the thickness, face, grade and wood, the delivered prices sold at, and the Rate Book index letters to indicate destination, but the names of towns to be omitted.

"2. The information contained in the reports to be tabulated by the Secretary and exchanged by him among the members only who make the reports." (Vol. IV, p. 528.)

The earliest weekly sales report secured under subpœna and introduced as evidence is dated March 2, 1920, but it indicates that similar reports had been issued for at least several weeks preceding that date. (Vol. III, pp. 356–359.)

Because of the decision in the United States District Court at Memphis in the Hardwood Case, on advice of counsel the entire reporting system was suspended from April 1, 1920, to August 1920. (Vol. I, pp. 146–7.) The weekly sales reports were also omitted for a few weeks in December, 1921, and January, 1922, because of the decision of the Supreme Court in the same case. (Vol. III, p. 152.) The Government filed as exhibits statistical reports which cover

practically the entire period from 1913 to 1923, and weekly sales reports which cover practically every week of the period from January, 1921, to October, 1923, but has had printed only a sufficient number to fully illustrate the entire reporting system from its inauguration down to the present time. As we are now especially concerned with the manner of reporting at the time the original bill was filed, we call special attention only to such reports as illustrate the system then in use, and also to one or two reports made since the filing of the bill which indicate a slight change which Mr. Keehn claims has been made in the system since the institution of the suit.

Government Exhibits 44 to 48, inclusive (Vol. III, p. 404, side pp. 2852–2858), are forms for individual reports to be made by members to the secretary of the association. The first form (Exhibit 44) is for a report showing (1) date, (2) quantity, (3) thickness and face, (4) grade, (5) wood, (6) delivered price at which sold, (7) average freight rate to destination, and (8) rate of commission paid, if any, as to each shipment, and at the bottom the member is asked to report every Saturday, and if no sale has been made during the week, to send the blank in with such notation. (Vol. III, side p. 2852.) Government Exhibit 45 is a form for reporting the average prices realized f. o. b. plant for $\frac{11}{16}$ x 2¼" face Clear, No. 1 and Factory maple flooring, and it shows the number of feet, the delivered price, the quantity, and freight to destination of each grade (side p. 2853). Exhibit 46 is a form showing (1)

maple flooring on hand of each dimension and grade and (2) the unfilled orders on hand of each dimension and grade (side p. 2854). Exhibit 46A gives similar information with reference to beech flooring, and Exhibit 46B the same with reference to birch flooring (side pp. 2855 and 2856). Exhibit 47 is the form of a report showing the amount of production of each grade and new orders booked for each variety of flooring, and Exhibit 48 is a summary of shipments showing quantity of each variety shipped (side pp. 2857 and 2858). Exhibit 44 is a weekly report, while the remainder are reports made at the end of each month.

From the information obtained by these reports the secretary compiles the information which he sends out to the various members.

Government Exhibit 43–FFF (Vol. III, pp. 377–384) is the report of all sales made by every member during the week ending April 1, 1922. As heretofore shown, this was sent out to each member about the middle of the following week. It is dated April 6, 1922. This report shows the date of each sale, the exact quantity of each dimension and grade, the delivered price, the Cadillac freight rate, the commission allowed, if any, and the member by which the sale was made, the member being indicated by its identification number. Government Exhibit 43–ZZZZZ (Vol. III, p. 390) is the report for the week ending July 14, 1923. It was made nearly four and a half months after the bill was filed, and is in precisely the same form as the one made at the end of

April 1, 1922. But Mr. Keehn says that at the meeting held July 19, 1923, the form of this weekly report was so changed that it no longer identifies the particular mill reporting each sale. Government Exhibit 43–AAAAAA (Vol. III, pp. 398–402), the report distributed among the members for the week ending July 21, 1923, which is the first report made after the alleged change, contains exactly the same information as the previous reports except that the number of the member reporting each sale is omitted, but in this report the groups of mills are designated so as to show that the first ten sales were made by members of eastern lower Michigan mills, that the next eight sales were made by the western lower Michigan mills, and the remaining seven were made by the upper Michigan and Wisconsin mills.

It appears from defendants' exhibit G I (Vol IV, side pp. 5340–5342), a weekly sales report dated November 9, 1923, that other changes in the form of the report were made between July 27, 1923, and that date, as the later report has a different grouping system, which is described below (p. —), and also the July, 1923, reports have the following additional information appended, which does not appear in the report dated April 6, 1922:

Averages of Sales Week Ended November 3, 1923

	Clear	No. 1	Factory
¾ x 2¼" face Clear, No. 1 and Factory Maple Flooring, Standard Grades and Lengths:			
Averages of Delivered Prices	$98.62	$87.57	$52.58
Averages of Average Freight Rates	.29	.26	.32
Average Cost of Freight	5.80	5.20	6.40
Averages of Prices Realized F. O. B. Flooring Mill Basis	92.82	82.37	46.18

Total Sales of 13/16 x 2¼" Face Maple Flooring

Clear	620 M feet.
No. 1	416 " "
Factory	260 " "
Total	1,296 " "

(Vol. IV, side page 5342.)

In fact the reports had formerly separated the sales according to the geographical groups of members. The sales reports dated March 2, March 16, and April 20, 1920 (Vol. III, pp. 356–367), separate the sales made according to the groups of the members, but do not show the individual member making each sale. The reports dated January 13, January 20, January 27, 1921 (Vol. III, pp. 261–276), and October 6, 1921 (Vol. III, side pp. 2394–2396), give the identification number of the member making each sale and also separate the members according to groups, although in the last-mentioned report the separation into groups is only indicated by lines across the report. The small volume entitled "Additional Exhibits" contains weekly reports distributed by the secretary beginning with the week ending March 4, 1922 (p. 1), and continuing to the report dated February 24, 1923 (p. 41), although reports are not printed for all the weeks. In the first of these reports the mills were divided into groups, but in the report for the week ending May 20, 1922, and in the succeeding reports they are not so divided. Manifestly the resumption of this division after it had been determined to omit the number of the member reporting was to enable the members to

identify as nearly as possible the members by whom the sales were made.

That this may be done with considerable certainty is manifest from an analysis of the manner in which the sales reports are prepared. The following table shows that a definite and unvaried sequence was used prior to July, 1923, in reporting the sales made by the different members.

Analysis of order in which identification numbers appear on sales reports

Apr. 6, 1922, Vol. III, p. 377	May 24, 1922, Add. Ex.	June 8, 1922, Add. Ex.	June 21, 1922, Add. Ex.	Oct. 4, 1922, Add. Ex.	Oct. 21, 1922, Add. Ex.	Nov. 4, 1922, Add. Ex.	Dec. 7, 1922, Add. Ex.	Feb. 8, 1923, Add. Ex.	Mar. 1, 1923, Add. Ex.	Mar. 21, 1923, Add. Ex.	July 10, 1923, Vol. III, p. 392
2	2	2	2	2	2	2	2	2	2	2	2
24	24	-----	24	24	24	24	24	24	24	24	-----
33	33	-----	33	33	33	33	33	33	-----	-----	33
-----	49	-----	49	49	-----	-----	49	49	49	49	49
3	-----	3	3	3	3	-----	3	3	3	3	3
5	5	5	5	5	-----	5	5	5	5	5	5
14	14	14	14	-----	14	14	14	14	14	-----	14
26	-----	26	26	26	26	26	-----	26	-----	26	26
30	-----	30	30	-----	30	30	30	30	30	30	30
37	37	37	37	37	-----	37	-----	37	37	-----	37
47	47	47	47	47	47	47	47	47	47	-----	47
-----	4	-----	-----	-----	4	4	4	4	4	4	-----
7	7	7	-----	7	7	-----	7	7	7	7	7
-----	-----	-----	-----	23	-----	-----	23	23	-----	23	23
34	34	34	34	34	34	34	34	34	34	34	34
42	42	42	42	42	42	42	42	42	42	42	42
44	44	44	-----	44	44	44	44	44	44	44	44
-----	-----	-----	-----	45	-----	-----	-----	45	-----	-----	-----
-----	-----	-----	50	50	50	-----	-----	50	50	50	50
22	22	-----	-----	-----	-----	-----	-----	-----	-----	-----	22
48	48	48	48	48	48	-----	-----	48	48	48	48
51	51	-----	51	-----	51	-----	51	51	51	-----	51

A comparison of this table with the reports such as the "Record of Average Prices Realized" dated April 17, 1923 (Vol. III, side p. 2051), and the "Record of Completed Transactions" dated October

6, 1921 (Vol. III, side pp. 2401–2405), in which the individual identification numbers are given under the several groups, shows that this sequence in reporting has always followed the group system even when the groups were not otherwise designated, and has always given the reports for the members in each group in the numerical sequence of their identification numbers. The several groups have therefore been indicated by the lines across the above table. Until some time after July, 1923, the several groups and the numbers of the members in each group were as follows:

Grouping prior to July, 1923

Eastern lower Michigan mills	Western lower Michigan mills	Upper Michigan and Wisconsin mills
2	3	4
24	5	7
33	14	[1] 23
49	26	[1] 34
	30	42
	37	44
	47	[1] 45
		[1] 50

[1] Wisconsin.

One of the pages of the Monthly Barometer Report for September, 1923, dated October 19, 1923 (Vol. III, side p. 2863), shows that after the use of the identification numbers was abandoned, the Upper Michigan mills and the Wisconsin mills were placed in separate groups, and another page of the same report gives in a footnote the following explana-

tion of the present grouping system (Vol. III, side p. 2866):

Group 1.	Eastern Lower Michigan Mills	4
2.	Western Lower Michigan Mills	6
3.	Upper Michigan Mills	4
4.	Wisconsin Mills	4
5.	Chicago, St. Paul, Tupper Lake Mills	3
	Total Mills	21

The record does not contain any statement as to the present grouping of the members, but it appears quite obvious that No. 47, William Horner, with a plant at Reed City in the Upper Peninsula of Michigan, has been transferred to the Upper Michigan group, and that the members constituting each group are now as follows:

Grouping after July, 1923

Eastern Lower Michigan Mills	Western Lower Michigan Mills	Upper Michigan Mills	Wisconsin Mills	St. Paul Chicago Tupper Lake
2	3	7	23	22
24	5	42	34	48
33	14	44	45	51
49	26	47	50	
	30			
	37			

It is only necessary to assume that the same reporting sequence has been followed since July, 1923, to ascribe with absolute certainty the figures as to average prices realized as given by the report dated October 19, 1923 (Vol. III, side p. 2863), to the several members of the association. A footnote to this report states that No. 3, which according to the sequence should appear first in Group 2, made no sales, and that no reports were received from Nos. 23, 37,

and 45, which according to the sequence should appear, respectively, last in Group 2 and first and third in Group 4. Any member of the association could therefore readily complete this report so as to make it read in part as follows:

Range of average prices realized F. O. B. Michigan and Wisconsin Flooring Mills in September, 1923, for New Orders Booked for 13/16" x 2¼" Clear, No. 1 and Factory Maple Flooring, Standard Grades and Lengths, after deducting Freight

	Clear September
Group 1—Eastern Lower Michigan Mills:	
2	$95.00
24	96.42
33	100.33
39	101.15
Average	98.23
Group 2—Western Lower Michigan Mills:	
3	No sales.
5	93.73
14	94.89
26	95.01
30	95.91
37	No report.
Average	94.89
Group 3—Upper Michigan Mills:	
7	96.40
42	97.85
44	98.14
47	102.18
Average	98.64
Group 4—Wisconsin Mills:	
23	No report.
34	97.17
45	No report.
50	102.36
Average	99.77
All Michigan and Wisconsin Mills, average	97.61

Includes reports from 14 Members.
OCTOBER 19, 1923.

Under these circumstances the additional statement in the footnote to this report of Average Prices Realized that "Reports of Nos. 48, 22, and 51 omitted to

avoid disclosing their identity" appears to be a magnificent gesture but to mean nothing.

The individual sales appearing on the weekly sales reports as now made up can not always be attributed with mathematical certainty to the several members of the association. Nevertheless, the creation of a separate group for the Wisconsin mills so that one group only includes three mills, three groupes only include four mills apeice, and the other group only includes six mills, must render it comparatively easy for any person well acquainted with the industry to determine with reasonable accuracy which member has made each sale reported. A weekly sales report dated November 9, 1923, is printed in the record. (Vol. IV, side pp. 5340–5342.) It shows for the week ending November 3, 1923, that group 1, the Eastern Lower Michigan Mills, made ten sales divided among the four members of the group; that group 2, the Western Lower Michigan Mills, made fifteen sales divided among five members of the group—No. 37 having made no report; that group 3, the Upper Michigan Mills, made fifteen sales divided among the four members of the group; that group 4, *the Wisconsin mills, made four sales divided among three members of the group,* No. 23 having made no report; and that group 5, *the St. Paul, Chicago and Tupper Lake mills made two sales divided among two members of the group,* No. 22, the St. Paul mill, having made no report. At least the first and last sales in each group can be definitely ascribed to the first and last reporting members of the group, and

there can be very little doubt as to which member made every sale in some of the groups, *as an inspection of the report indicates that it is the present practice to report all sales made by each member in the numerical sequence on their order dates, so that a change from a late to an earlier date indicates a change in the reporting member.*

The monthly reports are illustrated by Government Exhibit 40–5R, Vol. III, p. 350, side pp. 2049–2059. The first page is entitled "Stock Conditions and Barometer for March, 1923," and is dated April 17, 1923. It gives a complete analysis of current market conditions. The first table on the page gives the percentage sold of the available stock of each of the three varieties of flooring and of each grade of each of the three varieties as of March 31, 1923, March 1, 1923, and March 31, 1922, and the second table gives the increases in the percentages sold (stated as "points up") of the three varieties of flooring, of maple flooring, and of maple 2¼" flooring as compared with the same day the preceding month and with the same date the preceding year. Under these tables is a column of statistics as to stocks on hand, unfilled orders, shipments, production, and new orders booked, as of March 31, 1922, and March 31, 1923, and as to each the increase or decrease as of the latter date stated both in actual amounts and in percentages. At the bottom of the page is a comparison of the average values of 13/16" x 2¼" face Clear, No. 1 and Factory Maple Flooring for March,

1922, and March, 1923, and the increase as of the latter date stated both in dollars and in percentage. On the right-hand side of the page are seven columns which illustrate the stocks and unfilled orders on hand March 31, 1923, and the shipments, the production, the new orders booked and the average values for March, 1923, compared with March, 1922, as the measure.

The second page of this exhibit shows the following data as to each member individually for March, 1922, and March, 1923, to wit: "Stocks on Hand," "Unfilled Orders," "Shipments," "Production," "New Orders," and "Stock Changes," showing the increases and decreases. The third page is a record of the average prices realized f. o. b. flooring mills for new orders booked for $\frac{13}{16}''$ x $2\frac{1}{4}''$ Clear, No. 1 and Factory maple flooring, standard grades and lengths, after deducting freight, the members there appearing in groups and the average price being given for each member and for each group. On the next page appears, first, "Shipments of each wood March, 1922–1923," showing the increase, both actually and in percentage; second, "Production by Grades" of each variety of flooring and for all three varieties for the years 1916 and 1922; and, third, the average prices realized f. o. b. Michigan and Wisconsin mills for $\frac{13}{16}''$ x $2\frac{1}{4}''$ face maple flooring, after deducting freights and commissions, for each of the three grades and for the product for March of each year 1916–1923, and the averages for that period, and also for March, 1923, and compares the figures for March of

each later year, with March, 1916, as 100% (side p. 2052). The next page shows, first, flooring of each grade and dimension, all varieties, on hand March 31, 1923, and, second, unfilled orders on hand March 31, 1923, for each grade and dimension (side p. 2053).

Side page 2054 shows, first, maple flooring of each grade and dimension on hand March 31, 1923, and second, unfilled orders for maple on hand March 31, 1923. Side page 2055 shows the surplus maple flooring stock on March 31, 1923, of each grade and dimension. By "surplus" is meant an excess of 100,000 feet. Page 2056 shows maple flooring surplus in M feet March 31, 1923, and also the "Summary of Surpluses." Page 2057 shows, first, beech flooring on hand March 31, 1923, giving each grade and dimension, and second, unfilled orders for beech on hand. Page 2058 gives the same information with reference to birch flooring, and page 2059 is a record of the receipt of March, 1923, reports, and shows the date of the receipt of each report as to stocks and unfilled orders, shipments, production, and new orders, and average prices realized. Monthly reports for other dates are printed, but a study of those cited as Exhibit 40–YYY, p. 346, side p. 1620–1629, which is for May 17, 1919, shows that there is no substantial difference in their contents.

Exhibits 40 and 41–2 U (Vol. III, side pages 991–996 and 2107–2108) are respectively the Annual Statistical Report for the year 1921, dated February

17, 1922, and the Semi-Annual Statistical Report for the first half 1923, dated July 14, 1923. It is not necessary to describe these reports in detail as they are in the same general form as the monthly report. Briefly stated, they summarize and consolidate the monthly statsitics and compare the totals and the averages for the half year and the year with the statistics for the first half of the preceding year and with the preceding year.

An analysis of the reporting system clearly shows that there is no information withheld by one member from another, and that everyone is perfectly familiar not only with summaries which show the market conditions generally but also with the exact condition of the business of each of his fellow members.

The reporting system here in effect is more complete in its details than that used by the Hardwood Association, which organization was held to be illegal in *American Column & Lumber Company* v. *United States,* 257 U. S. 377.

The importance that is attached by the members to the information contained in these reports is not a matter of conjecture or inference as the witnesses in this case have testified with a considerable degree of frankness upon the subject. This will appear from the following citations and quotations from the evidence of a number of the witnesses:

J. L. Colby, of Cummer-Diggens Company, after being cross-examined at length upon the subject (Vol. I, pp. 215–218), on re-examination says: "I don't want to give anyone the impression that we

don't pay any attention to the statistics distributed by the association. I do want to state that the statistics are not the primary consideration with us" (pp. 221–2); and to the question "Why is that price always exchanged between you members if it is not worth anything?" he answered, "It is a matter of statistical information, some members might consider it worth more than others. I assume that the member can consider it or not just as he likes when he gets it" (Vol. I, p. 224). This witness probably was the least willing of all the witnesses to admit the manifest use of the statistics made by the members.

Mr. McLurg, of Kneeland-McLurg Lumber Company, testified as follows:

> Q. You say, Mr. McLurg, that you consider those statistics when you go to make up prices?
>
> A. Yes, sir.
>
> Q. Are you the sales manager?
>
> A. No, sir.
>
> Q. You consider them pretty carefully, don't you?
>
> A. I don't. My sales manager watches them. I pay very little attention to the selling.
>
> Q. You examine and consider those weekly sales reports?
>
> A. He does; yes, sir.
>
> Q. And they show the prices?
>
> A. Yes, sir.
>
> Q. At which the sales were made?
>
> A. Yes, sir.
>
> Q. And you regard that as of value?

A. *Very valuable.*

Q. And you also regard it as very valuable, the reports as to production?

A. Not so much production as I do stocks on hand.

Q. Stocks on hand.

A. I don't care so much about production as I do with what they have on hand.

Q. Why is that valuable if it does not enter into the making of the price?

A. *I said it did enter into my making the price.*

Q. If those statistics showed that those competitors were getting a good, big, high price, why, you follow, don't you?

A. If our stocks are such that we can, and if they are low, we buy from them, try to find out who it is and buy some stock.

Q. But if they get a good high price you follow, don't you?

A. We try to get all we can; yes, sir.

Q. Well, you follow them?

A. We don't follow that as a lead.

Q. If they get a higher price than you do, you try to follow them, don't you?

A. Try to get all we can for our stock.

Q. Mr. McLurg, if they are selling higher than you are, you try to follow them, don't you?

A. Yes, sir. (Vol. I, pp. 229–230.)

Mr. DeWitt, of Holt Hardwood Company, when asked on examination in chief what the advantages of being a member of this association were, said:

Well, one of the big advantages is the statistical reports that we get; it enables us to find out

what the market is doing, and as I testified before on that, then we can put the proper grade of lumber into our mills to produce the grade of flooring that is demanded by the market, and it is not only an advantage to the manufacturers but it is also an advantage to the consumer. If we did not do that there would be times when there would be a great shortage of some particular kind of flooring, naturally the price of that would be high and the consumer would suffer, but from the fact that we have that information it gives us a chance to keep our stock pretty well balanced with the requirements of the market; *also that same report gives us the prices being obtained by other members of the association, although that information is generally about two weeks old when we get it, it is valuable to us.* The standardization has been a very valuable thing. (Vol. I, p. 252.)

And on cross-examination this witness said:

Q. And that is the very reason you take those statistics, isn't it; you want to know what your competitors are getting for their lumber?

A. That was one of the reasons.

Q. Well, that is your main reason, isn't it?

A. No; the other parts of the statistics is also very valuable to us as I have already testified.

Q. It is all valuable.

A. It is all valuable, that part too.

Q. When you go to make your price you consider all those statistics, don't you?

A. Yes, sir.

Q. And you fix the price very considerably by what you learn from these statistics, don't you?

A. That is one of our sources of information.

Q. An important one, isn't it?

A. Important one; yes. (Vol. I, p. 257.)

Mr. Shepeck, of I. Stephenson Company, Trustees, on examination testified:

> The statistics issued by the Association are a big benefit to us. The information that we gather from these statistics as to stocks on hand, production, new orders booked, also the weekly sales reports, are of considerable benefit to us. They enable us to form an opinion as to what the conditions are and assist us in intelligently handling our flooring business.
>
> Q. How do you handle your flooring business, whether you consider present prices or future prices, or both?
>
> A. We are concerned with both. (Vol. I, p. 264.)

And on cross-examination he testified:

> Q. Isn't your dollars and cents in the price which you are able to make on account of these statistics, there are your dollars and cents?
>
> A. Sometimes the statistics cost us money, in order to get out.
>
> Q. How do you lose money out of these statistics?
>
> A. I feel pretty good sometimes, until the statistics come along, and then I feel sick and cut my price.

Q. If you didn't get the sickness you might have to cut more; sickness helps you in that case. If it wasn't for the statistics you wouldn't belong to that Association right now?

A. *No; I don't think we would; we might.* (Vol. I, p. 266.)

And again:

Q. But anyway, you do say that these statistics showing demand and supply and stocks on hand and all those things, and prices paid, are of very great value to you?

A. Yes, sir.

Q. And, of course, that means that they are of great value to you in that they enable you to get more money out of your lumber?

A. Not necessarily; no, sir.

Q. Isn't that what you are striving for, to get more money for your lumber?

A. To a certain extent; yes, sir.

Q. Would you be in business if it was not for the money you get out of it?

A. No, sir.

Q. You are striving for profits?

A. Yes, sir.

Q. And that is all you are striving for, profits?

A. Oh, not entirely; no.

Q. You are not doing it for exercise, are you?

A. No.

Q. Or amusement; you could get amusement somewheres else?

A. I get amusement out of my business.

Q. You are just the same as other men in business; you are in business to make money out of it?

A. Yes, sir.

Q. And the thing that is valuable to you is that which enables you to make more money?

A. It enables us to keep from going broke.

Q. That is the same thing?

A. Yes; to a certain extent.

Q. That is, it keeps you from losing money?

A. Yes, sir. (Vol. I, p. 267.)

Mr. Hodges, of the Oval Wood Dish Corporation of Tupper Lake, New York, who is the only member in or near that locality, testified in chief:

I think the statistics that are furnished our Company by the Secretary of the Maple Flooring Manufacturers' Association are very valuable.

The weekly reports are valuable as showing a trend of the market, whether the prices are going up or going down and another valuable feature is the amount of sales, that enable us to know approximately how much of each grade, for instance, has been sold within a certain time.

Q. Do you regard the prices there more or less important than the statistics with regard to volume?

A. I think the statistics in respect to volume are fully as valuable as the price statistics, because oftentimes it does not matter to me what somebody in Michigan is getting in prices; if I know my competitor who lives eleven miles from me is getting two dollars less than my

figures show, that would influence me more than what I might see in the sale reports. (Vol. I, p. 291.)

And again:

Well in the first place I think I would take into consideration the economic situation, that is, the general trend of the market, whether it was up or down, and then I would take into consideration my own particular stock conditions. If I had a surplus of some one item and wanted it moved, why I would be apt to make a lower price, *particularly if I saw that some one else was making a lower price on that same item.* On the other hand, if the general trend of the market was upward and I had no accumulation of that stock *and I saw somebody was getting more money than I was, it may tend to influence me to raise my prices.* (Vol. I, p. 292.)

And—

The mere fact that some one else was charging higher prices or lower prices than I had been would not automatically cause me to lower or increase my prices. I would consider my own stock and the other conditions above mentioned. The fact that some one else was charging higher or lower prices than I was would be considered as one factor and would be given consideration by me. (Vol. I, p. 293.)

On cross-examination this witness said:

Q. Now, in regard to those statistics, didn't you join this Association very largely to get the information that is contained in those statistics?

A. Yes, sir.

Q. Don't you use it all the time?

A. What do you refer to?

Q. I mean all the statistics; don't you use them all?

A. Why, yes; certainly.

Q. Aren't you studying them continually with reference to your changing prices?

A. I wouldn't say that; but we do study them; we look them over whenever we get them and take them into account. *That is one of the factors that determine our price.*

Q. If it wasn't for those statistics you wouldn't belong to the Association, would you?

A. *I don't think so; it would be of no value to us.* (Vol. I, p. 300.)

Mr. Ralston, formerly Sales Manager for the Receiver of William Horner, in chief testified:

A. The Statistics, as a rule, *are very, very, valuable,* especially as regards the production and the stocks on hand and the general information given in these statistics that we received from time to time. (Vol. I, p. 324.)

And on cross-examination he testified as follows:

Q. You said these statistics that you get from the Association you regard as very valuable?

A. In the main; yes.

Q. And you emphasized the "very"—as a matter of fact, you repeated it. You regard that as one of the most valuable activities in which the Association engaged, don't you?

A. The statistics?

Q. Yes.

A. Yes; as to costs and production, and etc.

Q. Taking statistics as a whole, regardless of prices and production?

A. I said before that there are some features of those statistics that I don't regard of any value at all, and never did.

Q. And there are some other features that are more valuable than other features?

A. Absolutely.

Q. And of course those statistics are valuable in that they aid you in getting more money for your lumber?

A. For our flooring?

Q. More money for your flooring?

A. Some cases, and some cases the opposite.

Q. If it didn't aid you in getting more money for your flooring, they wouldn't be of any value, would they?

A. There is something in that; true.

Q. Isn't that absolutely true?

A. Not always. (Vol. I, pp. 329–330.)

Mr. Klesner, the representative of the receiver for William Horner, testified as follows on cross-examination:

Q. If you were selling at 90 and they were selling at 95, and you got the information through that report of the fact that they were selling at 95, you would go up to 95 at once, wouldn't you, or you will go at least to 94?

A. Well, possibly.

Q. Well, wouldn't you do it, isn't that common sense?

A. Yes; that is common sense.

Q. Why, of course, and that is the way you run your business, isn't it?

Q. I will tell you, as I say, we pay very little attention to the report; we are simply governed by the market conditions, the price for lumber, the cost of manufacture, we try to get as near that price as we can, but if we can't get our price and we have to meet legitimate competition, naturally we do it if we need the business.

Q. When you speak of market conditions the price is a part of the market condition?

A. Yes, sir.

Q. And the price revealed in those statistics is a part of the market conditions, isn't it?

A. Yes, sir.

Q. And the stock on hand is a part of the market conditions; that is true, isn't it?

A. Yes, sir.

Q. That is, the stock that belongs to everybody else and the stock that you have got is a part of your market conditions?

A. Yes, sir.

Q. And you are controlled by all of those things; as a matter of fact, you are controlled by the stock on hand and the price at which the flooring is moved—that is the fact, isn't it?

A. That is the fact.

Q. And all those things are revealed by those statistics, aren't they?

A. Yes, sir. (Vol. I, p. 338.)

Mr. Greene, of the West Michigan Flooring Company, after a lengthy cross-examination upon the subject, said:

Q. Let us see about working both ways. As a matter of fact you always want to get all you can for your lumber?

A. We are in the business for that purpose.

Q. And now after you get those reports, and those reports show, say, that you are selling at 95 and that your competitors are selling at 90, just as long as you can get 95 you will get it, won't you?

A. I presume I would; yes, sir.

Q. Yes; of course you will; never come down until you have to, of course.

A. But it is fair to say——

Q. Is that true?

A. I come down to meet market conditions.

Q. You never come down until you have to, until pressure is brought to bear on you from the demand; isn't that true?

A. That is usually immediately; yes, sir.

Q. Whether it is usually immediately or not, just as long as you can get your 95 you are going to get it, aren't you?

A. Yes, sir.

Q. But if you examine those reports and you are selling at 90, and they are selling at 95, you immediately are going to get your 95 if you possibly can, aren't you?

A. Not necessarily, if my stock condition does not warrant it.

Q. Not necessarily, but you are going to get it if you can, aren't you?

A. Within a period of time; yes, sir.

Q. Just as quick as you can?

A. I presume so.

Q. Don't you know? You run your business that way to get all the money you can out of it?

A. Yes, sir. (Vol. I, p. 391.)

Mr. Dewey, of Bigelow-Cooper Company, described his use of the statistics as follows:

> I analyze the statistics that are furnished us from time to time by the Secretary of the Association so as to get as intelligent an idea as possible of the condition of the industry. These statistics throw a great deal of light on that subject. I use the statistics in the same way as I use other information regarding general conditions. I prefer light rather than darkness, so far as business conditions and the conditions of the industry are concerned. (Vol. I, p. 397.)

The exhibits introduced in evidence by the government also contain many statements showing the great value and importance attached by the members to the information contained in the statistics, and especially in the price statistics, furnished to them by the association. As stated heretofore, no detailed reports of sales were furnished to the members until March, 1920, and the statements made prior to that date with reference to the current net-values reports, which were monthly reports of average net prices f. o. b. mills and to their effect in stabilizing, maintaining, and increasing prices, must be much more applicable to the effect of the present

detailed weekly reports of individual sales. Some of these statements are as follows:

Market Conditions Committee Report, December 19, 1913

As the present method of reporting Current Net Values was adopted by the Association, it is a matter of deep regret to the Committee that all the members do not make this report, as the Committee would then have complete data upon which to base its conclusions. As it now stands, the 23 members who exchange this report are advised of the prices obtained by each other, but they have no knowledge of the prices obtained by the six members who do not report, while each of the six members is traveling along, and in the dark as to the prices obtained by the other 28 members of the Association. These conditions can not but have a depressing effect upon values, as all the members are not in the position to refute statements made by buyers regarding low prices, which they would be in if they knew from the reports of the member himself the prices he is getting for his Flooring. *All the steps taken during the past two years in the work of the Association, tending to greater publicity and a freer and franker exchange of information among the members themselves, have been of benefit to them, and in times of slackened demand and stories and rumors of low prices team-work among those who are vitally interested in maintaining stable conditions in their own industry has the greatest value to them.* (Vol. III, p. 203.)

Market Conditions Committee Report, January 28, 1914

The improved method of reporting current net values should also be noted. The old plan was to report the sales during the month which were shipped during the same month. Now all of the sales of the specified items during the month are reported, regardless of when shipment is made. This covers a larger range of transactions and more clearly indicates the trend of prices from month to month. (Vol. III, pp. 207–8.)

Market Conditions Committee Report, February 13, 1914

It has been hoped that the few members who do not make the Current Net Values report would conclude to do so in order that every member may have the benefit of knowing what every other member is getting for his Flooring, as there is no question but that some of the members, who do not make this report, are led to believe that other members are selling for less than they are actually getting, and the same condition applies to the members who do report, respecting the prices the members who do not report are said to be selling at. This, as you will readily see, can cause much demoralization in values, because if a buyer tells you that so-and-so is selling his Flooring at such a price, you are not in a position to refute his statement because you are not fortified with the information from the member himself of what he is getting for his Flooring. Whether or not all the members report, it would seem

that the interests of the Association can be best served by sending to every member the individual reports of Current Net Values, so I trust the members who are making these reports will waive the reciprocal conditions under which their reports are made and permit the information to be sent hereafter to the entire membership with the other regular monthly reports. (Vol. III, pp. 331–332.)

Market Conditions Committee Report, March 25, 1914

In view of this data, the present selling values of flooring may be considered $3.50 off on Clear, $2.00 off on No. 1, and $3.50 off on Factory from the Recommended List of May 21, 1913, and while these values are lower than our statistics, the demand for our goods and the market price of the raw material warrant, *the Committee is convinced that without the exchange from month to month of the information in the individual reports of Current Net Values prices would have gone much lower because of the dull season of the year and the general uncertainty and apprehension regarding the business outlook for 1914.* (Vol. III, p. 205.)

Market Conditions Committee Report, September 24, 1914

In view of the complicated situation it would indeed seem prudent to go slow and be guided by a careful study of our statistics from month to month, pursue a policy of "watchful waiting" in respect to production, and safeguard ourselves all we can by a liberal exchange

among ourselves of all available information regarding trade conditions as they develop. (Vol. III, pp. 219–20.)

Tenth Annual Report of the Secretary, January 29, 1915

You have already received the annual statistics, and while they will be reviewed in detail in the report of the Market Conditions Committee, I would like to submit a contrast of stock conditions and current net values during the past three years. It proves beyond a doubt that cooperation can be made helpful in bad times as well as in good times. (Vol. III, p. 116.)

Market Conditions Committee Report, February 25, 1915

Because of the critical situation we are now in it is of the utmost importance that our statistical reports be in the hands of the membership very early in the month in order that the information in the reports may be of greater value to the association.

May we not depend upon your cooperation in this respect, because after all it takes no more time to make out your reports on the 2d or 3d of the month than it does to make them out two or three weeks later, and at this particular time of all times there is nothing more important to us all than to have accurate information as quickly as possible regarding conditions which have such a direct bearing upon our own welfare. (Vol. III, p. 233.)

> The members who make the monthly reports of Current Net Values are in a position to analyze in detail the net prices obtained by other members and by each geographical group. If you are not making this report you are missing information that has proven to be of great value in handling sales. (Vol. III, p. 124.)

The great value both of the weekly sales reports and of the statistical reports, and the importance of their analysis by the members before attending the association meetings, were emphasized in the Report of the Market Conditions Committee dated October 28, 1921, part of which reads as follows:

> *Weekly Sales Reports.*—The importance of making the Weekly Sales Reports regularly and promptly was discussed and the great value of the information contained in the reports regarding the current state of the market was conceded, and three of the members of the Committee who are not making these reports promised to do so. All the other members of the Association who are not making these reports are earnestly urged to do so, in order that every member of the Association may keep in close touch with conditions instead of working in the dark.
>
> *More Cooperation.*—We wish to make the following recommendations in order that there may be more cooperation in the work of the Association:
>
> 1. That Dr. Earle, as President of the Association, is requested to call a general

meeting of the Association to be held as early in November as possible.

2. That all the members of the Association make their Weekly Sales Reports regularly and promptly.

3. That all the members send in during the first week in November their statistical reports for the month of October so that a conference can be held on November 16th or 17th.

4. That if the Secretary receives by November 7th all the October reports from all the members, that his report be made out and mailed to the members on November 10th or 11th, so they will receive the October statistics in advance of the meeting and have an opportunity to analyze them and can come to the meeting fully informed respecting trade conditions as reflected by the statistical reports. (Vol. III, pp. 254–255.)

A letter from Mr. Keehn, dated December 3, 1921, to the three members who were not then contributing to the weekly sales reports, again emphasized the value of the information contained in them, and especially of the information as to the current movement of flooring—a feature of the reports to which great importance was attached by several of the witnesses examined. This letter reads as follows (Vol. IV, pp. 535–536):

DECEMBER 3, 1921.

HOLT HARDWOOD COMPANY,
Oconoto, Wisconsin.

GENTLEMEN: One of the members of your Market Conditions Committee, writing about our latest weekly Record of Completed Trans-

actions, states that it is very gratifying to note the number of members who are now reporting regularly. They feel confident that the members who do not report, evidently having discontinued their reports because other members had neglected to report, now fail to realize the importance of the valuable information contained in our weekly reports and that all but three of the members are reporting.

We believe our Weekly Sales Reports to the members have a number of very good features. Aside from their indication of the current trend of the market, the demand for each grade, face and thickness in each wood, the total volume alone of weekly bookings in each group, and the total of all groups, is enlightening.

You probably had an unusually large volume of flooring orders for the week ended November 16th, and assumed that the experiences of the other members were similar, but could any member have known (or estimated) without the existence of our Weekly Sales Reports that the total New Business Booked of 19 members for the week ended November 19th was very close to five millions? Without these reports they could have knowledge only of an increased demand for Maple, Beech, and Birch Flooring, but the real extent of this demand as affecting the different grades and sizes of our flooring in combined volume would not be known until weeks later, upon the compilation of our November statistical reports.

It has occurred to us that you may feel that you can not afford to be without this exchange of information when you learn that all but three of our members have indicated they want this information by taking a minute or two of their time to daily record all sales on the blank forms provided and mailing them to us at the close of each week. And we and the reporting members would like to have our weekly reports show our members' sales 100% reported. We can do this if you, and the other two missing members we are writing to-day, will kindly send us the report of sales for week ended to-day. May we count on your cooperation?

Yours very truly,

GEORGE W. KEEHN,
Secretary.

The entire matter of the analysis and interpretation of the monthly, semiannual, and annual statistical reports which the members have regularly received from the association for many years, and of the value of those reports as a basis for estimating future conditions, is fortunately covered very adequately and fully in the Semiannual Report of the Market Conditions Committee dated July 20, 1917, and no comment other than to quote that report in its entirety is necessary. The report is as follows (Vol. IV, pp. 438–440):

To members:

GENTLEMEN: The statistical reports prepared by Mr. Keehn for the first half of the

year give all the available data of that character. Whether such reports are regarded as merely a comprehensive review and record of a past period or whether they have an additional value as a guide for the future, depends largely upon the method of their analysis and interpretation. When the significance of each of the various factors of the statistical data is determined and the influence of other factors, such as outside competition, building activity, and manufacturing costs, buying seasons and the character of the demand, is properly estimated, we have acquired the Eyes of Business, can see ahead with greater clearness, and can plan for the future with greater confidence of success.

As an aid in the analysis of statistics a barometer has appeared in our monthly reports during the past year to show a graphic comparison of conditions with the corresponding month of the previous year. The barometer gives a birdseye view of conditions but does not estimate the comparative value of its various factors. However, before discussing this feature, an explanation of the construction of the barometer, how and why it is thus made, may be informative and increase its value.

During January and February we had 25 members, during March 24, and during April, May, and June 23. The barometer is adjusted to these changing conditions in the following manner:

The first shaft is the Measure, and you may have noted that it is always the same height. It is an arbitrary yardstick.

The relative heights of the other shafts are determined by the percentage of increase or decrease of the various factors based on the reports of the same members for corresponding periods. Consequently the June, 1916, business of the two members who have dropped out since the first of this year was not considered in making the barometer for June, 1917.

The barometer each month reflects a comparison under like statistical conditions with the same month of the previous year.

Returning now to the comparative values of the various factors of the barometer:

The factors are:

Stock on Hand.
Unfilled Orders.
Shipments.
Production.
New Business.
Average Values.

Inasmuch as the value of any factor may change with the changes in surrounding conditions, it is impossible to formulate any arbitrary or fixed rules for determining market conditions. The monthly combination of factors is kaleidoscopic—never twice the same. Consequently the significance of the various factors of the barometer must be estimated by judgment based on experience.

This may be illustrated by the barometer for June. Based on the half year, it shows slightly less than the average "Stocks on

Hand," the lowest "Production," and the highest "Average Values" of the period. These are important factors and if considered by themselves would seem to foreshadow good results for July. But the other statistical factors show that relatively "Unfilled Orders" fell 26 points in June and that "New Business" and "Shipments" are the lowest in six months. This gives us comparative results based on corresponding periods last year.

To show the trend of current conditions, a comparison of May and June this year indicates that during June:

Stocks on Hand decreased 1 Point.
Unfilled Orders decreased 11 Points.
Shipments decreased 15 Points.
Production increased 4 Points.
New Business decreased 36 Points.
Average Values increased 3 Points.

The reduced volume of New Business in June may be due to earlier booking in anticipation of advancing prices, but the falling off in Shipments should be seriously considered. And it should also be noted that the first of this month records the smallest volume of Unfilled Orders shown this year.

It is obvious that right here the nonstatistical factors demand attention. These are:

1. Building Activity.
2. Character of Demand.
3. Manufacturing Costs.
4. Outside Competition.
5. Buying Seasons.

We know (1) that there is a material decrease in building activity that requires hardwood flooring; (2) that the demand for Clear is relatively less than for No. 1 and Factory; (3) that the manufacturing cost of flooring was never before so high as it is now and that costs are increasing; (4) that outside competition is active and aggressive; and (5) that July is normally a quiet month for new business and is more likely to be so under present conditions.

The foregoing brief analysis of conditions the first of this month affords a basis for the conclusion that the volume of Shipments and New Business for July will be less than normal, but that the special demand for No. 1 and Factory may support some advance in prices of those grades. It is also evident that at present the demand can not be increased by price concessions. Also that prices are not likely to be reduced on account of high manufacturing costs and easy warehouse conditions. The present manufacturing plan should be to reduce the output of Clear flooring and increase the output of No. 1 and Factory.

This is not a Semiannual Report in conventional form. It is rather a report and explanation of methods, and your committee has taken the liberty of offering it with the hope that it may suggest ways of analyzing our statistical reports from month to month

so that they may be more valuable to you as a basis for estimating future conditions.

Respectfully submitted.

MORRIS E. THOMAS, *Chairman*,
E. HARVEY WILCE,
B. P. WHEDON,
WILLIAM E. COX,
GEORGE STRABLE,
C. H. LAW,
J. D. STAPLE,
Of Market Conditions Committee.

VIII

Association Meetings

Article IX of the Articles of Association under which the defendants were operating when the petition was filed provides that an annual meeting for the election of officers and trustees and the transaction of other business shall be held on the third Wednesday of January of each year; that regular meetings for the transaction of business shall be held on the third Wednesday of April, July, and October of each year; and that special meetings may be called by the President or a majority of the Board of Trustees on not less than five days' notice. (Vol. III, p. 67.) Each of the Articles of Association under which the defendants operated from 1916 to 1922 contained a similar provision (Vol. III, p. 17, p. 28, and p. 40), but the Articles in effect from January 1, 1913, to December 31, 1915, provided that there should be five regular meetings in addition to the annual meeting (Vol. III, p. 4).

Mr. Keehn testified that he never kept a minute book, but that he made rough notes and wrote them up and mimeographed them and sent the reports to the members as memoranda of the proceedings of meetings. He also testified that he did not have any of the minutes of the meetings during the period when the Articles of Association dated January 1, 1913, or any of the succeeding articles were in effect, other than those he had given to the Department of Justice. (Vol. I, p. 79.) All those minutes or memoranda, and all other minutes, reports of the Market Conditions Committee, and reports and circular letters to members from the secretary, which the Government secured under subpœna duces tecum to each member of the association, were introduced in evidence and appear in various portions of the record. With reference to the Market Conditions Committee, Mr. Keehn stated:

> These associations at one time had a committee called "Market Conditions Committee," with, I think, about 7 or 8 or 9 members. The functions or rather the duties of that committee were in a general way to find out the state of the market, the trade conditions, and to make an analysis of conditions generally and report to the association as to their findings. They sometimes made their reports to the association in the meetings, sometimes by mail to the association. I sent out the reports of that committee to the members of the association, and when the reports were made verbally at association meetings I

might reduce them to writing or they might be referred to in the minutes of the meetings. Anyway, I circulated them among the members of the association.

I couldn't say positively from what sources this committee got its information. I suppose from all sources. The committee ascertained from past transactions what the prices were at which maple flooring was being sold. (Vol. I, p. 95.)

The last report of the Market Conditions Committee which was introduced in evidence is dated October 28, 1921, and according to Mr. Keehn that committee was not succeeded by another committee, but a new committee was created called the "Cost Surveys Committee," and it has been operating since in accordance with the articles of association of January 1, 1922. (Vol. I, p. 96.)

With reference to the number of meetings held, Mr. Keehn testified:

Q. Now Mr. Keehn, going on to another matter, you held meetings?

A. Yes.

Q. How often were those meetings held?

A. *During the past year I think they were held about monthly, there may have been months they were not held. In former years they were held quarterly and semiannually and annually.*

Q. When did you begin holding those meetings monthly?

A. I would say from memory some time late in 1921 or during the year 1922.

Q. It is a circuitous track. *Anyway, those meetings began to be held monthly after the decision in the Hardwood Lumber Company case.*

A. *Not in every case monthly, but I would say in a general way monthly.*

Q. Before that they had been held quarterly?

A. There were sometimes special metings, and semi-annual meetings and annual meetings.

The Court: Haven't you the records here that show the proceedings of these meetings?

A. We have many of them, but not any of the old ones.

Q. Did you keep minutes of all the meetings?

A. *We kept minutes of all meetings but didn't keep all minutes of all meetings.*

Q. What did you do with the minutes that you haven't got?

A. That we have got or haven't got?

Q. Haven't got?

A. They go back for a long period of time, and we don't keep all those things.

Q. Have you got all minutes for the last two years?

A. I think probably we have. (Vol. I, pp. 132–133.)

The first meeting in 1922 was held January 12th. Other meetings were held during that year on February 25th, March 9th, March 29th, April 20th, May 17th, June 21st, July 19th, August 16th, October 24th, November 15th, and December 19th.

We held meetings subsequent to that and are holding them now. (Vol. I, p. 134.)

And with reference to the proceedings and discussions at meetings of the association, Mr. Keehn testified:

We had no stenographer present at the meetings and didn't undertake to take down just what was said and done.

Q. You just made a memorandum of some things?

A. Made a memorandum of all things that were talked about in these meetings and wrote them up afterwards.

Q. Do you mean to swear that your minutes of those meetings show everything that was talked about?

A By the Association as an Association meeting, with the exception of the details of the defense of this suit. That was not written out.

Q. Well, I believe you swore the other day that you didn't have, or didn't record the action of the meeting with reference to a discontinuing of that allotment?

A. No; we didn't record that. That was in 1920.

Q. In those meetings what did you discuss?

A. *Well, discussed trade conditions generally, as reflected by statistical information; they discussed the market prices of rough maple flooring or lumber; they discussed manufacturing and market conditions;* they sometimes discussed labor conditions; they would devote a large amount of time to discussing the adver-

tising campaign which the Association has had under way during the last year and a half or two years; spent considerable time on Grade Committee work, also on the petition presented to President Harding when he was alive about doing something on the duty on Canadian flooring; all those things were fully outlined in the minutes of the meeting.

Q. Did you ever discuss the price of maple flooring?

A. We do not discuss the price of maple flooring at the present time.

Q. Never mention it?

A. We do not discuss the future prices to be charged. There is no reason to discuss past prices because they are contained in the weekly sales report which the members have before they come to the meetings.

Q. You never mention the prices of flooring at all?

A. Not as an association discussion.

Q. What about the individuals that stand around?

A. I don't know what they talk about. They may talk about a hundred different things. I am speaking about the association discussions—what the association discusses.

Q. That is when they assemble around there and do not get up publicly to make speeches to each other?

A. They do not talk about the price of flooring they are going to charge.

They met every month and discussed the particular matters outlined in our minutes of the meetings. They were written up in the

> minutes of the meetings. They usually meet at the Congress Hotel. Sometimes about 11 o'clock, and staying in session until about 12.30 or 1 o'clock, then have lunch and get together again about half past 1 or 2 o'clock, and many of them go to the ball game, and that is the end of the meeting. It usually breaks up about three o'clock. (Vol. I, pp. 134–135.)

On cross-examination Mr. Keehn testified further with reference to the same matter:

> We have never discussed the prices to be charged or asked for maple flooring. We of course have the weekly reports of sales and monthly report, and which are past transactions, and sometimes as those reports were distributed at the meeting they looked them over. (Vol. I, p. 174.)

Mr. William L. Saunders stated on direct examination that at the association meetings in Chicago he met his maple-flooring friends with less trouble than would otherwise have been the case, that he was frequently able to dispose of rough maple lumber at the meetings to manufacturers who do not own their own stumpage; and that at the meetings they also discussed wages or manufacturing troubles, also car service, traffic difficulties, and the merits of the different flooring machines, etc. He also stated that standardization of flooring had been perfected only step by step during the past fifteen years and is one of the features of association work, and that at the meetings which he had attended there had never

been any discussions with respect to the *future* prices of flooring.

On recross-examination Mr. Saunders testified as follows:

> Q. Since he went into these meeting matters, I will ask a question or two. You tried to prove the things you did not discuss when you get together. Do you ever say anything about the market for lumber?
>
> A. Of our rough lumber?
>
> Q. No; Maple Flooring; when you meet these gentlemen who are concerned in manufacturing Maple flooring, do you ever speak about market conditions?
>
> A. As to the question of supply and demand—things of these kind, do you mean?
>
> Q. Yes. Do you talk about that?
>
> A. Individually, not collectively, not as an Association.
>
> Q. You mean as you are standing about together, or lunching together, you talk that all over?
>
> A. Yes, sir.
>
> Q. Do you talk about the prices that you have been getting for your lumber?
>
> Mr. DARBY. Do you mean flooring or lumber?
>
> Mr. FOWLER. When I say lumber I mean flooring.
>
> A. Personally, I have no knowledge of prices ever being talked.
>
> Q. You talk about everything else but prices?
>
> A. That is the least of our troubles.

Q. If you don't get a good price, you will soon go to the wall.

A. Yes, sir.

Q. That is what you are specially interested in?

A. Yes, sir. (Vol. I, p. 206.)

Q. So you mean to say that you gentlemen will talk about everything else connected with the Maple flooring industry but you won't hint prices?

A. I think that subject is the least discussed of any.

Q. Then it is discussed, is it? You say it is the least discussed?

A. Oh, it would be impossible not to mention it sometimes in your conversation. I might confess that my price was so-and-so, and the other fellow might say his was so-and-so.

Q. Since you have been reporting your prices from week to week, every single sale to the Association, why are you so awfully particular not to talk about it between each other?

A. The individual member does not know what my prices are as I report them to the Association.

Q. He did up to July last, didn't he?

A. Yes.

Q. Before last July—if your mouth hast been shut so tight since—before last July when you were reporting your prices to the Secretary and he was sending it right out to every member of the Association, why were you so awfully particular not to talk about it?

A. I took the chance of his remembering as to what my quotations were previously and it wasn't necessary for me to mention it.

Q. Would you ever talk about what the prices would likely be in the future, whether prices were going up or down, market conditions were favorable or unfavorable, ever talk about that?

A. I might have expressed my opinion about that.

Q. Didn't you time and again talk that one thing?

A. You mean now as an individual talking to an individual?

Q. Individuals talking around there, either on the floor of the Association or at your luncheons, or anywhere?

A. Or in the lobby of the hotel?

Q. Lobby of the hotel or anywhere?

A. We might discuss those things.

Q. Well, didn't you, as a matter of fact?

A. I think, as a matter of fact, we would to certain extent. (Vol. I, p. 207.)

Mr. Frank M. Hodges stated on his direct examination that there could not have been more than two or three meetings after he joined the association in August, 1921, and he did not remember whether he attended all of them, and that he attended perhaps two-thirds of the meetings during 1922. (Vol. I, pp. 295–296.) The following interrogation then took place:

The COURT. Now, during 1922, at these meetings which you attended, was there any discussion of market conditions, trend of the market, prices realized?

A. I don't recall any such discussions in the meetings. We had reports of costs committees, of course, on rough lumber and manufacturing costs and things of that sort.

The COURT. You certainly discussed those, did you not?

A. Yes, sir.

The COURT. Can you tell me why? Was not the natural discussion of market conditions, the market trend, the outlook?

A. Yes.

The COURT. Will you tell me why there wasn't any discussion of it?

A. Well, I think that after the decision of the Supreme Court about those things that our attorneys advised us that those things were not to be discussed; I don't recall.

Q. But you did discuss the past transactions, did you not?

A. Oh, yes.

Q. And the cost of rough lumber and manufacturing costs and the advertising campaign was discussed?

A. Yes, sir.

Q. And traffic questions would come up, but those of past transactions, I understand, you discussed.

A. What do you mean?

Q. These reports which would show what—the monthly reports of the secretary.

A. Oh, yes.

Q. But there was no understanding or agreement with respect to future prices.

A. No, sir.

The COURT. What benefit did you derive from discussing past transactions?

A. Well, we were enabled to find out how much stock of certain grades had been shipped and what had been obtained for it, that was valuable information.

The COURT. What was the benefit of that?

A. It shows what stock was being moved at the time.

The COURT. Well, it enabled you to forecast what was going to happen in the future?

A. To a certain extent.

The COURT. And that was the only benefit?

A. To a certain extent; yes, sir. (Vol. I, pp. 296-297.)

On cross-examination Mr. Hodges testified as follows:

Q. How far is Tupper Lake from Chicago?

A. Oh, it is probably 900 miles, something like that.

Q. How long would you be in session there at Chicago?

A. One day, usually.

Q. When you had those meetings you had these weekly sales reports before you, didn't you?

A. Yes, sir.

Q. They were distributed around among you, weren't they?

A. Yes, sir.

Q. So that you would have them right before your eyes while you were going on with your discussions?

A. Sometimes they were.

Q. Anyway, after you got there, he distributed them among you?

A. Possibly the last week's statistics, if they had not been mailed he would distribute them at the meeting.

Q. Distribute them monthly. These stock reports and shipments and things of that kind, you had them before you, too, didn't you?

A. Yes, sir.

Q. So you had the whole situation there right before your eyes, every member during those discussions, did you?

A. We did not discuss them at the meetings.

Q. What did you have them before your eyes for? What were they distributed among you for, and why did you have them in the meeting if you did not discuss them?

A. Well, we could look them over; they were distributed to us there rather than to be mailed to us at our home.

Q. Well, what did you talk about, then, that was in those reports, if you didn't talk about prices?

A. About stock conditions, manufacturing costs, things of that sort.

Q. Now, you mean to say, do you, that when it came to a question of price on past transactions that your mouths were simply shut; is that right?

A. I wouldn't say that entirely. (Vol. I, pp. 297–299.)

As in the case of the discussion as to the value of the association statistics, Mr. Ralston was one of the

frankest witnesses examined with reference to the matters discussed at the association meetings.

On cross-examination he stated that he was a member of the Market Conditions Committee for about a year or a year and a half; that that committee simply gathered information as to the costs of manufacture, test runs, the average of the test runs and general information on the markets and on conditions for the benefit of the members of the association; that there was no report made of any kind to amount to anything but generally the committee just talked in the general meeting of what they had found, and that the report was discussed in the open meeting. (Vol. I, p. 330.) He then testified as follows:

> Q. As a matter of fact, that is one of the principal things that was discussed in those meetings, was it not—the general market conditions?
>
> A. *The general market conditions were always discussed; yes.*
>
> Q. *And the range of prices?*
>
> A. *Sometimes.*
>
> Q. Wasn't that one of the things that was generally discussed—range of prices?
>
> A. Not always; no.
>
> Q. Didn't you consider where the prices were, going down or going up or had been going down or going up?
>
> A. There was probably some talk of that, more or less, yes.
>
> Q. That was the interesting thing, wasn't it, whether prices were going down or up?

A. Absolutely it is to any manufacturer, it might be.

Q. When you were talking about general market conditions, it was with reference to whether it would justify prices going up or whether it would necessitate their going down?

A. Not necessarily, it was merely the talk from that Committee was merely on general conditions and on the general state of the market.

Q. Wasn't the ultimate thing you had in mind whether or not the price should be advanced or whether you would have to lower the price?

A. That may be true, I couldn't say what was in their minds.

Q. Really, wasn't that true that that is what you were driving at all the time?

A. *There is no question at all if I went to one of those meetings, I went there to get information if I could as to market conditions and the reason I wanted that information was to know what I would do with my prices, yes.*

Q. *That was the ultimate object you had in mind all the time?*

A. *Absolutely.*

Q. *That is what you wanted all of this information for?*

A. *Why, it would be useless to us for any other purposes.*

Q. *And that is the reason all of you exchanged all this information about yourselves, was it?*

A. *Yes, it was spoken of that way.* (Vol. I, pp. 330–331.)

On redirect examination Mr. Ralston stated that it was a year and a half or two years before that he had been on the Market Conditions Committee and that he did not know of any Market Conditions Committee maintained by the present association. He never served on the Cost Surveys Committee of the present association, and ceased attending the association meetings about May, 1923. (Vol. I, pp. 331–332.) The following interrogation then took place:

> Q. I wish you would state generally what was discussed or what had been discussed at the Association meetings, say, from March 1922, until you left.
>
> A. The discussion was the cost of production, market conditions to some extent, advertising—the Association put on a very elaborate advertising campaign a year or so ago—and general conditions of the lumber industry and the flooring industry. I think that was practically the——
>
> Q. About how long did those sessions last; how long did you use to stay at the Association meetings?
>
> A. Sometimes only in the morning. Occasionally I stayed for lunch; sometimes I was there a while in the afternoon. Sometimes I got in trouble; was called down for leaving; I was accused of going out to get business and let the Association run itself.
>
> Q. State whether or not at the Association meetings since its organization in 1922 they

discussed at those meetings the future prices of maple, beech, or birch flooring.

A. No; not at all. (Vol. I, p. 332.)

On recross-examination Mr. Ralston testified as follows:

Q. *You discussed past prices?*

A. *Past prices, yes; and general market conditions.*

Q. Did you stop right at the minute you were talking or did you stop an hour or two beforehand?

A. I really couldn't say where the stop was. The talk as a rule was all general.

Q. Just discussed the prices until you got up to the present and then you quit; is that it?

A. I didn't say that; I just simply said I really couldn't say. (Vol. I, pp. 332–333.)

An interesting commentary on the value of attending the Association meetings is contained in a letter dated January 31, 1923, from the North Branch Flooring Company to the Flanner Steger Land & Lumber Company and in the answer of the latter company dated February 5, 1923. Part of the first letter reads as follows:

> The writer was very glad to see Mr. Flanner at the meeting last week and wishes to take this opportunity to encourage your regular representation at these meetings. *We can say from actual experience that the personal contact and association with the other members has become very valuable to us and we have been able to capitalize this to a remarkable degree.* (Vol. IV, p. 479.)

And the answer stated:

> We are quite in accord with what you have to say regarding the value of attending the Flooring Association meetings. It is the expectation of Mr. Frank Flanner and myself that some one from this company will be at these meetings. (Vol. IV, p. 480.)

The appellant's brief states that "inasmuch as the expenses of members to and from the monthly meetings were paid by the association, it is not surprising that a majority of the members usually attended these meetings" (p. 232), but although that fact may explain why the member from Tupper Lake is able to make the 900-mile trip to Chicago every month, it does not explain why the member in Chicago is willing to contribute, through the association expense fund, a portion of the expenses of that trip. The latter fact certainly constitutes unparalleled generosity on the part of the member in Chicago, if, as intimated in the appellant's brief, the primary object in attending the association meetings is to secure the instruction or diversion offered by a great city or to make sales to customers in Chicago.

Great emphasis is placed by counsel for the appellants on the alleged reformation in the practices of the association in accordance with an opinion given by Mr. Newman after the decision by the Supreme Court in the Hardwood case. As stated heretofore, however, no change was made in the reporting system of the association on account of that decision, and the only material modification

made in the form of the association's activities appears to have consisted of the discontinuance of the Market Conditions Committee and of the monthly reports made by that committee analyzing and commenting on the association statistics, in accordance with the advice that the association "must see to it that no one classifies, analyzes, interprets, comments upon or makes any recommendations concerning the same, or makes any prophesies as to the future prices, output, or other matters." (Vol. III, p. 152.)

During the period from 1913 through 1921 the members of the association regularly received written analyses of conditions by the Market Conditions Committee along with their statistical reports, and it was not necessary for them to hold more than four or five meetings a year to transact the business of the Association. As testified by Mr. Keehn, however, the practice of holding monthly meetings was started *after the decision by the Supreme Court in the Hardwood case*, and meetings have been held nearly every month since then. The defendants who testified, and counsel for appellants in their brief, emphasize the necessity for the frequent meetings to discuss questions relating to grades and grading rules, to standardization, to manufacturing difficulties, to advertising, to traffic questions, to the tariff on flooring, to freight rates, and to labor troubles, but such questions must have arisen as frequently if not more frequently prior to 1922 than after that date, as no changes in the association grades or grading rules or in the standard

sizes have been made since the present articles of association went into effect.

The following table shows what subjects were actually most regularly discussed at the association meetings during 1922 after the reorganization of the association was completed and the new Articles of Association were adopted. The first twelve subjects are those suggested by the defendants as those requiring frequent discussion, and the last seven subjects are those which the government contends suggest the correct answer to the question why the practice of holding monthly meetings was instituted after the decision by the Supreme Court in the Hardwood Case and the consequent discontinuance of the written reports analyzing and interpreting the statistics.

1. Standardization				July 19				
2. Grades	Apr. 20		June 21			Oct. 24		
3. Manufacturing difficulties								
4. Marketing problems								
5. Advertising								
6. Traffic questions	Apr. 20			July 19	Aug. 16	Oct. 24	Nov. 15	Dec. 19
7. Tariff on flooring							Nov. 15	
8. Freight rates (Rate Books)							Nov. 15	
9. Labor Troubles					Aug. 16	Oct. 24		Dec. 19
10. Manufacturing Costs								
11. Wages								
12. Merits of Flooring Machines								
13. Average Cost of manufacturing and marketing and reports on cost		May 17		July 19	Aug. 16	Oct. 24		Dec. 19
14. Surveys of Cost and Test Runs			June 21					Dec. 19
15. Special statistical comparison						Oct. 24		Dec. 19
16. Trade conditions and relations of supply and demand as reflected by Statistical Reports.	Apr. 20			[1] July 19	Aug. 16	[1] Oct. 24	(2)	[1] Dec. 19
17. Rough Lumber—Supply and Market Value		May 17	June 21	July 19	Aug. 16	Oct. 24	Nov. 15	Dec. 19
18. Flooring Data	Apr. 20	May 17	June 21	July 19	Aug. 16	Oct. 24	(2)	Dec. 19
19. Stock conditions	Apr. 20	May 17	June 21	July 19	Aug. 16	Oct. 24	(2)	Dec. 19

[1] Not mentioned in memorandum of meeting, but given in call for meeting as one of the subjects for discussion.

[2] Representatives of Department of Justice present at meeting.

NOTE.—The minutes of the Association meetings from which the data showing the subjects discussed was taken appear in the record as follows: April 20, 1920, Vol. III, p. 164; May 17, 1922, Vol. III, p. 171; June 21, 1922, Vol. III, p. 173; July 19, 1922, Vol. III, p. 176; August 16, 1922, Vol. III, p. 181; October 24, 1922, Vol. III, p. 185; November 15, 1922, Vol. III, p. 191; and December 19, 1922, Vol. III, p. 197.

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That flooring data, stock conditions, and average costs computed in accordance with Article XIV of the Articles of Association were subjects of primary importance for discussion at the Association meetings held in 1922 is further shown by a consideration of the letters sent out by Mr. Keehn to remind the members of each meeting.[1]

The letter dated May 10, 1922, with reference to the meeting to be held May 17, 1922, reads in part as follows:

> Among the subjects to be discussed at the meeting are the following:
>
> * * * * *
>
> 3. The Committee on Cost Surveys will meet on the afternoon of the 16th and will make a comprehensive analysis of the Average Cost of Manufacturing and Marketing Maple Flooring as ascertained according to Article XIV of the Articles of Association, and will make a report to the general meeting.
>
> If you have recently purchased any rough Maple Lumber on the open market or if you have any information regarding any purchases or sales of same, will you please send the information on the 15th to the Secretary, giving the prices F. O. B. sawmill (omitting the location of the sawmill), and the cost of freight from the sawmill to your flooring plant? This information will be very useful to the committee in its work and it will be

[1] Letters to members giving the dates of meetings and the subjects for discussion were sent out under the following dates and are printed in the record as indicated: Vol. III, May 10, 1922, p. 170; June 15, p. 172; July 13, p. 175; Aug. 16, p. 181; Sept. 21, p. 184; Oct. 24, p. 185; Nov. 10, p. 190; Dec. 14, p. 196.

held strictly confidential and no information will be given revealing the identity of the buyer or seller, or the source of the information, if you so desire.

There has been a good volume of New Orders Booked since the last meeting, and it will be very interesting to know how business has been running during the first half of May. It looks as if the 13/16" x 2¼" face No. 1 Maple flooring will be oversold to a greater extent than on April 18th, the date of our last compilation.

Please remember to bring with you to the meeting the flooring data as per blank form below, so the data can be summarized and the members fully informed as to actual stock conditions, etc., on May 15th.

Yours very truly,

GEORGE W. KEEHN,
Secretary.

Flooring Data May 1–15, Incl.

Shipments	.....	M
Production	.....	"
New Orders	.....	"

Stock conditions of 13/16 x 2¼" face maple flooring

On May 15	Clear	No. 1	Factory	Total
Stock on Hand	M	M	M	M
Unfilled Orders	"	"	"	"
Unsold	"	"	"	"
Oversold	"	"	"	"

(Vol. III, p. 170).

Each notification of a meeting to be held requested the members to send or bring flooring data as per the blank form copied above and the letters dated July

13, 1922, and Aug. 10, 1922, emphasized the importance of this information as follows:

> It is important to know how the flooring business is running so far this month and we wish to suggest that if the members will supply the data as outlined on the blank form below covering the first half of July and mail the data to us at the close of business July 15th, or on Monday the 17th at the latest, that we will compile same and have it ready as soon as the meeting is called to order. This will save time and give you a better opportunity to consider the relations of supply and demand as reflected by the data than if the matter is delayed by our not getting these reports until the members arrive in Chicago and then not getting them compiled until late in the afternoon. (Vol. III, July 13, p. 175.)
>
> Please be sure and bring with you to the meeting the flooring data as per blank form below *so that you will have as complete information as possible regarding statistical conditions on the day of the meeting.* (Vol. III, Aug. 16, p. 181.)

That the flooring data requested in each notification of a meeting is especially important in enabling the members to forecast future conditions, and that the discussion of the statistical and trade conditions at least was not confined to the past, is indicated by the letter dated February 19, 1923, which Mr. Keehn sent to the members and which reads as follows (Vol. IV, p. 470):

FEBRUARY BUSINESS

To members:

GENTLEMEN: We have received flooring data from 14 members of the Association covering the first 13 days of February, from which it is estimated that if the business during the remainder of February averages about the same as the first 13 days and if the trade experiences of the other 8 members are about the same, that the February business will turn out about as follows:

Shipments about 26% less than in January.

Production about 21% less than in January.

New Orders about 41% less than in January.

The stock conditions of 13/16 x 2¼" face Maple flooring on February 13th of the same 14 members indicate as follows:

On Feb. 13—	Stocks on hand	Unfilled orders	Over-sold	% sold 14 members	% sold Feb. 1, all members
Clear	2,158 M	8,502 M	6,344 M	394%	411%
No. 1	1,424	6,812	5,388	478	407
Fety	1,099	3,118	2,019	284	389
	4,681	18,432	13,751	394	405

Yours very truly,

GEORGE W. KEEHN,

Secretary.

A note as to a discussion of the subject "trade conditions and the relations of supply and demand as reflected by our (the association's) statistical reports" is found in only two of the memoranda of meetings analyzed in the above table (p. 145). It is, however,

reasonable to assume from the statement in the letter dated December 14, 1922, to the effect that the November reports would be ready for the meeting so the members could know how the November business turned out, that those reports were discussed at the December meeting, to assume from the paragraph quoted above from the letter dated July 13, 1922 (p. 148), that the relations of supply and demand were discussed at the July meeting, and to assume from the following paragraphs in the letter dated October 24, 1922, not only that the subject of trade conditions and the relations of supply and demand was discussed at the October meeting but also that it has been the principal subject for discussion at every meeting:

> *It has now been two months since there has been a "gathering of the clan" and it is hoped that every member of the Association will be represented at the meeting so that trade conditions and the relations of supply and demand for flooring can be discussed and considered.*
>
> We expect to have our statistical reports for the month of September made out and in the mail for you on the 19th or 20th, so that you will have an opportunity to look them over in advance of the meeting, and see how the September business turned out. (Vol. III, p. 185.)

None of the memoranda of association meetings held since January 1, 1922, indicates that any discussion was held with reference to prices, past, present, or future, but the record contains letters to members dated June 15, 1922, and July 13, 1922, in

which Mr. Keehn specially requested the members to send in their weekly sales reports so that he could make up the association report and have it ready for the general meeting. (Vol. IV, pp. 461 and 462.) The remark appended to the request of August 15, "hoping you will be able to do this so that you will have information up to date regarding the market," certainly indicates that the sales reports were intended to be used as the basis for a discussion at the meeting of past and up to the minute prices, and substantiates Mr. Ralston's testimony that past prices and general market conditions were discussed at the association meetings even after the 1922 reorganization.

The evidence considered heretofore with reference to the procedure and discussion at the association meetings established that as in the case of the changes made in the sales and statistical reports shortly before the hearing in the court below the change made in the activities of the association after the decision by the Supreme Court in the Hardwood Case related entirely to the form of the activities and not at all to their substance and effect. The Market Conditions Committee was discharged, and the association resolved itself into a Committee of the Whole for the monthly discussion and analysis of the same matters which had formerly been discussed and analyzed in the monthly reports of the Market Conditions Committee. In fact, the practice of having the Market Conditions Committee analyze, interpret, and comment on the statistics was discontinued even before that committee

was discontinued, *because the members recognized the superior advantages of their present system of discussions at association meetings.* This is shown by the following paragraph from the minutes of the general meeting held August 19, 1921:

> *Market Conditions Committee.*—Mr. Thomas, Chairman of the Market Conditions Committee, stated that his Committee had nothing special to report as a Committee, no meeting having been held prior to the convening of the general meeting, as the members of the Committee felt that trade conditions and our July statistics could be discussed to just as good, if not better, advantage by the Association as a whole as to hold a separate meeting of the Committee. (Vol. III, p. 137.)

IX

Results of Combination

The brief for the appellants states (p. 161) that the Government abandoned its contention that there had ever been uniformity of prices. *On the contrary, however, the Government contended during the argument in the Court below, and it still contends, that the activities carried on by the defendants through the defendant association, which have been described heretofore, have caused a much greater uniformity of prices than could possibly have obtained under conditions of free and unrestricted competition.*

Of course, no contention has ever been made that there has been an absolute uniformity in the prices obtained by the defendants, as, considering the nature

of the commodity, it would undoubtedly be impossible to accomplish such a result. Maple flooring is not an article like cement or linseed oil, with reference to which it is undisputed that one barrel of cement is just like any other barrel of cement, and that one gallon of linseed oil is just like any other gallon of linseed oil. Such a product as Maple flooring, however, reflects in its finished state not only differences in the quality of the raw material used, but also differences in the quality of the workmanship in machining and finishing. There are consequently bound to be some differences in the product put out by the different members of the association, and such differences inevitably cause some lack of uniformity in their prices. Some of the witnesses examined by the defendants stated that the quality of the flooring produced by the Cadillac mills is in their opinion superior to that of the other members, and that they are always willing to pay those mills about a dollar per M more than they are willing to pay the other mills, and other witnesses testified that in their opinion the flooring produced by Horner is inferior and is therefore unable to command as high a price as other mills obtain. The record also shows that some members of the association have special trade-marked brands of flooring which they advertise extensively, and for which they have a special trade from which they are able to secure prices somewhat higher than the general level. Those factors must, of course, be taken into consideration when determining whether a *substantial* uniformity of

prices has been established and maintained. (Vol. I, pp. 261, 431; Vol. II, pp. 492, 562–563, 564.)

The Government also contended in the court below, and now contends, that the operation of the plan under which the defendants have conducted their business for many years, and especially the minimum price or average cost plan, the reporting system, and the monthly meetings, all of which have been described heretofore, necessarily and inevitably have caused increases in prices to be made more rapidly and decreases in prices to be made less rapidly than would have been the case without such operation under the plan.

To prove its contentions with reference to a uniformity of prices and to the observance of the so-called average costs as minimum recommended prices, the Government introduced in evidence a number of tabulations based on the weekly sales reports. These constitute Exhibit 79, and most of them are printed in the record. (Vol. IV, pp. 583–796.) The evidence of Horace A. Lewis, a special agent of the Bureau of Investigation of the United States Department of Justice, who made the tabulations, and the discussion between court and counsel with reference to them, are found on pp. 846–859, Vol. II, of the printed record. Briefly stated, the explanation of these tabulations is as follows:

The item 13/16″ x 2¼″ Maple Flooring, standard lengths, in the three grades clear, number one, and factory, was selected for the price comparison because

it is the most representative. The 13/16" x 2¼" maple flooring constitutes approximately 70% of the entire amount of flooring produced by the members of the association, and the average percentages of the three grades produced are: Clear, 50%; No. 1, 35%; and Factory, 15%. The item 13/16" x 2¼" Clear Maple Flooring therefore constitutes approximately 35% of the total amount of flooring produced by the members. (Vol. IV, p. 842, Vol. III, side pp. 1622 and 2052.)

The tabulations based on the sales reports which were in the possession of the Government prior to the hearing in the court below were figured for the three grades, but those based on the reports which came into the possession of the Government during the course of the hearing were only figured for the clear grade because of the lack of time. Only the tabulations for the item 13/16" x 2¼" Clear Maple Flooring were therefore considered, and only those based on the sales reports for the weeks ending November 19, 1921, to June 30, 1923, inclusive, are printed in the record.

The procedure followed in making the tabulations was to take each sales report and to take from it and to set down on what Mr. Lewis called the tabulation sheet, all the data given with reference to each sale of the selected item. These sheets, therefore, have the same general appearance as the sales reports, and show in successive columns from right to left (1) the date of the order, (2) the number of the mill

making the sale, (3) the quantity, (4) the delivered price per M, and (5) the average freight rate. These items of information are merely transcribed from the sales reports, except that during part of the period the sales reports give the index letters or freight rate symbols, whereas the average or Cadillac freight rate is shown on all the tabulation sheets. Mr. Lewis testified, nowever, that in every case he decoded the freight symbols by using the freight-rate book. The next column is entitled "Actual freight allowed" and sometimes "Freight charged." It might more properly be termed "Actual Cadillac freight" or "Actual average freight," as it shows the freight per M feet calculated on the basis of the average freight rate shown on tne sales report and of the association standard weight for the item of flooring under consideration of 2,000 pounds per M feet. It will be referred to hereinafter as the Cadillac freight. The practice adopted for the association rate books is, however, followed and the nearest multiple of 25 is actually used for the "freight allowed." Each calculation was checked with the freight table showing the cost of freight per 1,000 ft., which is included in the July 19, 1923, Rate Book and Index of Towns. The data given in one other column on the tabulation sheets, "commissions," is transcribed directly from the sales reports.

A uniform practice was unfortunately not followed in presenting the remaining data on the tabulation sheets. The sheets which were prepared first show

in the last column on the right what is called "Net Factory Price," which is the delivered price, less the Cadillac freight, less the commission, if any. Other tabulation sheets show what is called sometimes "Net Price Cadillac" and sometimes "Price F. O. B. Cars at Mill." The columns so entitled show the delivered price less the Cadillac freight. This might more properly be called the "Cadillac Base Price," and it will be so referred to hereinafter.

It is obvious that it is the Cadillac Base Price which must be considered when determining whether the so-called average costs have been maintained as minimum prices. As shown heretofore, the association rate books and delivered cost charts give the members (1) the so-called average cost, (2) the Cadillac freight rate, and (3) the delivered cost, which is the average cost plus the Cadillac freight. To determine whether the so-called "average costs" have been maintained as minimum prices, either of two methods could have been adopted for the purpose of comparing the prices actually obtained (as shown on the sales reports) with the so-called average cost; either the average cost *plus* the Cadillac freight could have been compared with the delivered price reported (as was done on the sales reports during the operation of the January 6, 1921, Minimum Price Basis, as described heretofore on p. 35), or the delivered price reported *less* the Cadillac freight could have been compared with the average cost. The Government chose the latter method, perhaps

unfortunately, as the use of the former would not have given the appellants an opportunity to claim, as is done on pages 336–348 of their brief, *that the commission allowed, if any, should also have been deducted in order to arrive at the Cadillac base price.* It is, however, frankly stated in the Appellants' Brief that that procedure, in accordance with which the elaborate calculations and charts appearing in the Brief and Appendices to the brief were prepared, *is based on the theory that what the seller received should be compared with the so-called "Average Cost."* The only trouble with that theory is that it has nothing whatsoever to do with any contention made by the Government or with any practice of the defendant association.

The actual comparison between the average cost as determined from time to time and reported to the members by the association, and the prices at which the members sold 13/16" x 2¼" clear maple flooring as shown by the weekly sales reports but reduced to a Cadillac base in the manner heretofore described, is made on what Mr. Lewis called the recaption sheets.

In order to illustrate clearly the manner of making this comparison, and also the different forms of tabulation sheets which were prepared, both the tabulation sheets and the recaption sheets of sales for the weeks ending, respectively, January 6, 1923, and June 30, 1923, are set forth in full below:

Tabulation Sheet

Net factory prices maple flooring, 13/16 x 2¼, for week ending January 6, 1923

(Vol. IV, p. 735)

CLEAR

Date	Mill	Quantity	Delivered price	Freight rate	Freight charged	Commissions	Net factory price
½	2	5,502	107.50	0.24	4.75	2.00	100.75
30	2	22,000	100.50	.24	4.75	2.00	93.75
30	2	60,000	100.50	.24	4.75	2.00	93.75
2	2	2,000	108.25	.39	7.75	2.00	98.50
3	24	17,000	102.50	.37	7.50	1.00	94.00
3	33	5,000	100.50	.27	5.50	2.00	93.00
4	33	5,000	100.00	.25	5.00	2.00	93.00
4	33	5,000	98.75	.19	3.75	2.00	93.00
5	33	11,000	100.00	.25	5.00	----------	95.00
5	33	10,000	97.75	.19	3.75	1.00	93.00
2	5	5,000	103.50	.43	8.50	2.00	93.00
5	5	7,500	112.00	.85	17.00	1.50	93.50
2	14	25,000	98.00	.15	3.00	1.50	93.50
2	26	5,000	98.00	.16	3.25	2.00	92.75
2	30	15,000	103.50	.43	8.50	2.00	93.00
2	30	4,000	97.50	.18	3.50	----------	94.00
6	37	16,000	107.50	.62	12.50	2.00	93.00
29	47	10,000	102.50	.37	7.50	2.00	93.00
29	47	2,000	102.50	.37	7.50	2.00	93.00
2	47	14,800	101.00	.25	5.00	2.00	94.00
4	47	30,000	99.00	.20	4.00	2.00	93.00
4	47	10,000	102.00	.35	7.00	2.00	93.00
5	47	10,000	99.50	.20	4.00	2.00	93.50
2	4	5,000	99.50	.22	4.50	1.50	93.50
2	4	6,000	99.75	.24	4.75	1.50	93.50
2	4	2,000	101.00	.27	5.50	1.50	94.00
6	4	1,000	100.50	.27	5.50	1.50	93.50
6	4	5,000	100.50	.27	5.50	1.50	93.50
6	4	40,000	103.50	.27	5.50	1.50	96.50
3	7	20,000	109.75	.52	10.50	----------	99.25
4	7	1,000	97.50	Mill	----------	1.50	96.00
4	7	3,000	100.00	.25	5.00	----------	95.00
5	7	6,000	100.00	.20	4.00	1.50	94.50
6	7	10,000	98.00	.15	3.00	1.50	93.50
6	7	4,000	100.50	.27	5.50	----------	95.00
5	34	12,000	100.50	.27	5.50	2.00	93.00
28	50	4,000	100.50	.27	5.50	----------	95.00
28	48	12,000	105.00	.24	4.75	----------	100.25

High:
Low:

Recaption Sheet

Average cost for last quarter of 1922 (Vol. IV, p. 734), 13/16 x 2¼, Clear Maple Flooring, was $95.00 F. O. B. Cars at Flooring Mills, as shown by Association Report dated Oct. 25, 1922, Captioned Average Cost—Based upon three test runs of 1921.

[Compiled from Record of Completed Transactions]

Report of sales made during the week ended January 6, 1923:

2	Sales @	$94.00,	total	14,000 ft.	19,000 ft. = .043%
1	" "	94.75	"	5,000 "	
23	Sales @	$95.00			220,700 ft. = .508%
2	Sales @	$95.50,	total	12,000 ft.	195,302 ft. = .449%
2	" "	95.75	"	82,000 "	
2	" "	96.00	"	20,800 "	
1	" "	97.50	"	1,000 "	
1	" "	98.00	"	40,000 "	
1	" "	99.25	"	20,000 "	
1	" "	100.25	"	12,000 "	
1	" "	100.50	"	2,000 "	
1	" "	102.75	"	5,502 "	
38	Sales				435,002 ft. = 100%

Tabulation Sheet

Net factory prices maple flooring ¹³⁄₁₆ x 2¼, clear

(Vol. IV, p. 796)

[Compiled from Record of Completed Transaction for week ending June 30, 1923]

Date	Mill	Quantity	Delivered price	Av. Frt. rate	Act. Frt. allowed	Price F. O. B. cars at mill	Com.	Net price F. O. B. cars at mill
6-25	2	24,000	108.50	.18	3.50	105.00	2.00	103.00
6-27	.....	3,850	119.50	.23	4.50	115.00	2.00	113.00
6-22	49	2,500	122.00	.85	17.00	105.00	2.00	103.00
	.....	13,000	122.00	.85	17.00	105.00	2.00	103.00
6-30	.....	15,000	112.50	.63	12.50	100.00	2.00	98.00
6-27	5	41,500	122.00	.85	17.00	105.00	1.50	103.50
6-29	.....	17,000	109.00	.20	4.00	105.00	.....	105.00
6-25	.....	11,000	110.50	.27	5.50	105.00	2.00	103.00
6-30	.....	30,000	122.00	.85	17.00	105.00	1.50	103.50
6-30	.....	10,000	112.50	.37	7.50	105.00	1.50	103.50
6-28	26	5,000	108.50	.18	3.50	105.00	2.00	103.00

Net factory prices maple flooring 13/16 x 2¼, clear—Continued

Date	Mill	Quantity	Delivered price	Av. Frt. rate	Act. Frt. allowed	Price F. O. B. cars at mill	Com.	Net price F. O. B. cars at mill
6-27	.....	1,000	113.00	.15	3.00	110.00	.....	110.00
6-26	.....	2,550	124.00	.85	17.00	107.00	2.00	105.00
6-25	30	12,000	110.50	.28	5.50	105.00	.....	105.00
6-27	.....	1,000	114.00	Mill	.....	114.00	.....	114.00
6-27	37	7,000	122.00	.85	17.00	105.00	2.00	103.00
6-25	47	20,000	105.00	Mill	.....	105.00	2.00	103.00
6-23	23	22,000	103.50	.27	5.50	98.00	.....	98.00
6-23	.....	15,000	107.75	.38	7.50	100.25	.....	100.25
	.....	5,000	107.75	.38	7.50	100.25	.....	100.25
6-25	34	8,000	115.50	.52	10.50	105.00	2.00	103.00
6-28	.....	800	110.00	Mill	.....	110.00	.....	110.00
	.....	9,000	110.50	.27	5.50	105.00	1.50	103.50
6-23	42	8,800	115.50	.43	8.50	107.00	2.00	105.00
6-25	.....	17,000	123.50	.85	17.00	106.50	2.00	104.50
6-25	.....	3,000	111.75	.24	4.75	107.00	2.00	105.00
6-30	50	6,000	100.50	.27	5.50	95.00	.....	95.00
	48	23,000	120.00	.24	4.75	115.25	.....	115.25

Recaption Sheet

Average cost for second quarter of 1923 (Vol. IV, p. 795), 13/16 x 2¼ clear maple flooring was $105.00 f. o. b. cars at flooring mill, as shown by report of the association dated March 24, 1923, captioned Average Cost—Based upon composite results of nine test runs.

[Compiled from record of completed transaction report of sales made during the week ending June 30, 1923]

1	Sale	@ $95.00 total	6,000 ft.
1	Sale	@ 98.00 "	22,000 ft.
1	Sale	@ 100.00 "	15,000 ft.
2	Sales	@ 100.25 "	20,000 ft.
5	Sales		63,000 ft.=18.9%
14	Sales	@ 105.00 total	210,000 ft.=62.9%
1	Sale	@ 106.50 "	17,000 ft.
3	Sales	@ 107.00 "	14,350 ft.
2	Sales	@ 110.00 "	1,800 ft.
1	Sale	@ 114.00 "	3,850 ft.
1	Sale	@ 115.25 "	23,000 ft.
9	Sales		61,000 ft.=18.2%
28	Sales		334,000 ft.=100%

It is apparent that the Cadillac base prices compared with the average cost of $95.00 on the first reception sheet above are not what are called the Net Factory Prices on the first tabulation sheet above, but are those prices plus the commission which had been deducted previously. As explained above (p. 157) this is done in order to have the actual delivered sales prices reduced to the Cadillac basis, but not to an actual mill realization basis. The brief for the appellants, however, contends that the average costs of the present association should be compared with the net factory prices and that they must be ascertained by deducting from the delivered prices, both the average freight and the commissions. The argument on this point shows a total inability or unwillingness to meet the Government's contention, which briefly stated again is that the association has prepared and distributed freight rate books and average cost charts which show not only the average costs or f. o. b. Cadillac prices, but also the delivered costs or prices at every destination in the country—the latter being equal in each instance to the average cost plus the average freight or cost of freight or Cadillac freight, as given by the freight rate book; and that the only proper method of comparing the prices actually obtained by the defendants with the average costs is to consider all the elements which are considered in the average cost charts and freight rate books, but no others.

This theory is, of course, inconsistent with any theory of equal *realizations* from sales by all the

members of the association, and the Government has never contended that anything of the kind has existed in the maple flooring industry. However, no contention can possibly be made that the delivered cost or price at any destination as given by the rate books and tables of delivered values, consists of the average cost, plus the average freight, plus the commission, as no reference to commissions is made in the present articles of association, or in the rate books or tables of values distributed during their operation. The theory requiring that the commissions be taken into consideration when comparing the actual prices reported with the average costs, must, however, work both ways, and if it is not correct to add the commission when using one method of comparison it can not be correct to deduct it when using the other method.

In order to demonstrate the Government's contention that the commissions paid, if any, can not properly be considered when comparing the prices obtained by the members with the so-called average costs, the two tabulation sheets heretofore set forth (pp. 159, 160) have been refigured as per the following tables so as to compare *the delivered prices reported with the delivered costs shown by the delivered cost charts.*

Week ending January 6, 1923—average cost or f. o. b. Cadillac price for ¹³⁄₁₆″ x 2¼″ clear maple flooring, $95.00, as per determination of average cost, October 25, 1922.

Delivered Price As reported on Sales Report	Delivered Average Cost, Equal to F. O. B. Cadillac Cost or Average Cost plus Average Freight or cost of Freight or Cadillac Freight as per Rate Books	Freight Rate As reported on Sales Report		Average Freight or Cost of Freight or Cadillac Freight As given by Freight Books for rate reported
		Rate	Index Letters	
107.50	99.75	0.24	BD	4.75
100.50	99.75	.24	BD	4.75
100.50	99.75	.24	BD	4.75
108.25	102.75	.39	CI	7.75
102.50	102.50	.37	CG	7.50
100.50	100.50	.27	BG	5.50
100.00	100.00	.25	BE	5.00
98.75	98.75	.19	AI	3.75
100.00	100.00	.25	BE	5.00
97.75	98.75	.19	AI	3.75
103.50	103.50	.43	DC	8.50
112.00	112.00	.85	HE	17.00
98.00	98.00	.15	AE	3.00
98.00	98.25	.16	AF	3.25
103.50	103.50	.43	DC	8.50
97.50	98.50	.18	AH	3.50
107.50	107.50	.62	FB	12.50
102.50	102.50	.37	CG	7.50
102.50	102.50	.37	CG	7.50
101.00	100.00	.25	BE	5.00
99.00	99.00	.20	BJ	4.00
102.00	102.00	.35	CE	7.00
99.50	99.00	.20	BJ	4.00
99.50	99.50	.22	BB	4.50
99.75	99.75	.24	BD	4.75
101.00	100.50	.27	BG	5.50
100.50	100.50	.27	BG	5.50
100.50	100.50	.27	BG	5.50
103.50	100.50	.27	BG	5.50
109.75	105.50	.52	EB	10.50
97.50		Mill		
100.00	100.00	.25	BE	5.00
100.00	99.00	.20	BJ	4.00
98.00	98.00	.15	AE	3.00
100.50	100.50	.27	BG	5.50
100.50	100.50	.27	BG	5.50
100.50	100.50	.27	BG	5.50
105.00	99.75	.24	BD	4.75

Week ending January 6, 1923—average cost or f. o. b. Cadillac price for 11/16" x 2¼" clear maple flooring, $95.00, as per determination of average cost, October 25, 1922—Continued

SUMMARY

	Number of sales	Feet	%
Delivered Sales Less than Average Cost	3	19,000	04.4
Delivered Sales at Average Cost	23	213,500	50.0
Delivered Sales over Average Cost	12	195,302	45.6
Total	38	427,802	100.0

(NOTE.—The figures and percentages of feet sold appearing on this summary do not agree exactly with those on the first recaption sheet above (p. 159) as an error was made in totaling the sales at average cost on that sheet. The figures and percentages on this summary are correct.)

Week ending June 30, 1923—Average cost or f. o. b. Cadillac price for 11/16" x 2¼" clear maple flooring $105.00, as per determination of average cost, October 25, 1922

Delivered Price As reported on Sales Report	Delivered Average Cost, Equal to F. O. B. Cadillac Cost or Average Cost plus Average freight or cost of freight or Cadillac freight as per Rate Books	Freight Rate As reported on Sales Report		Average Freight or Cost of Freight or Cadillac Freight As given by Freight Rate Books for rate reported
		Rate	Index Letters	
108.50	108.50	0.18	AH	3.50
119.50	109.50	.23	BC	4.50
122.00	122.00	.85	HE	17.00
122.00	122.00	.85	HE	17.00
112.50	117.50	.63	FC	12.50
122.00	122.00	.85	HE	17.00
109.00	109.00	.20	BJ	4.00
110.50	110.50	.27	BG	5.50
122.00	122.00	.85	HE	17.00
112.50	112.50	.37	CG	7.50
108.50	108.50	.18	AH	3.50
113.00	108.00	.15	AE	3.00
124.00	122.00	.85	HE	17.00
110.50	110.50	.28	BH	5.50
114.00		Mill		
122.00	122.00	.85	HE	17.00
105.00		.28		
103.50	110.50	.27	BG	5.50
107.75	112.50	.38	CH	7.50
107.75	112.50	.38	CH	7.50
115.50	115.50	.52	EB	10.50
110.00		Mill		
110.50	110.50	.27	BG	5.50
115.50	113.50	.43	DC	8.50
123.50	122.00	.85	HE	17.00
111.75	109.75	.24	BD	4.75
100.50	110.50	.27	BG	5.50
120.00	109.75	.24	BD	4.75

Week ending June 30, 1923—average cost or f. o. b. Cadillac price for $\frac{13}{16}$*" x 2¼" clear maple flooring $105.00, as per determination of average cost, October 25, 1922*—Continued

SUMMARY

	Number of Sales	Feet	%
Delivered Sales *less* than Average Cost	5	63,000	18.9
Delivered Sales *at* Average Cost	14	210,000	62.9
Delivered Sales over Average Cost	9	61,000	18.2
Total	28	334,000	100.0

The results of the above calculations are of course exactly the same as the results of the comparisons shown on the reception sheets set forth on pages 160, 161, but on account of the variations in delivered prices due to freight differentials, the method of comparison last used does not give the information as to the actual spreads in prices that is given by reducing all the actual prices reported to a common basis.

All the Freight Rate Books, Tables of Values, Tables of Delivered Values, Average Cost Charts, Delivered Cost Charts, and Tables of Concessions and Additions secured by the Government were introduced in evidence, and all those relating to the period from January 1, 1921, to June 30, 1923, were used as the basis for the comparisons between the actual prices reported and the average costs. The following table gives the several average costs established during the period from November 12, 1921, to June 30, 1923, and the references to the tables or charts printed in the record on which they appear:

Average Cost F.O.B. Cadillac, ¹³⁄₁₆″ x 2¼″ Clear Maple Flooring	Date Established	Title of Reports in Record	Reference
$90.00	Nov. 17, 1921	Letter to Members, November 17, 1921.	Vol. III, p. 143.
$90.00	May 31, 1922	Survey of Costs, May 31, 1922	Vol. III, pp. 279–281.
		Rate Book and Average Cost Charts, etc., May 31, 1922.	Vol. III, side pp. 737–905.
$95.00	Oct. 25, 1922	Survey of Costs, October 25, 1922.	Vol. III, pp. 284–286.
$100.00	Feb. 15, 1923	Survey of Costs, February 15, 1923.	Vol. III, pp. 287–289.
		Tables of Differentials and Average Cost Charts, February 15, 1923.	Vol. III, side pp. 910–929.
$100.00	March 10, 1923	Survey of Costs, March 10, 1923.	Vol. IV, pp. 497–499.
$105.00	March 24, 1923	Survey of Costs, March 24, 1923.	Vol. IV, pp. 499–501.

Because of the long intervals that elapsed between the determinations of average costs dated November 17, 1921, and May 31, 1922, and also between those dated May 31, 1922, and October 25, 1922, the comparisons between the actual prices reported and the average costs for the period prior to October 25, 1922, are not nearly as interesting as those for the period after that date, when the present association was functioning smoothly and was making Surveys of Costs at least quarterly as provided by Article XIV of the articles of association. The results of the comparisons shown on all the recaption sheets printed in the record nevertheless are shown below in summarized and tabulated form:

Comparison of sales of 13/16" x 2¼" clear maple flooring as reported by members and reduced to Cadillac Basis with average costs reported to members

Sales report for week ending—	Sales at average cost price as calculated by Association and distributed to members			Sales above average cost price			Sales below average cost price		
	Number of sales	Feet	Per cent of entire feet sold	Number of sales	Feet	Per cent of entire feet sold	Number of sales	Feet	Per cent of entire feet sold
1921									
Nov. 19	5	67,500	5.1	2	7,953	0.7	66	1,232,567	94.2
Nov. 26	10	153,750	21.4	7	43,109	6.9	34	520,636	72.5
Dec. 3	15	321,500	30.1	14	269,734	44.5	11	473,000	25.4
Dec 10	13	132,217	32.6	6	24,511	6.2	12	248,050	61.2
Dec. 17	11	126,300	46.3	8	35,259	5.2	8	133,000	48.5
1922									
Jan. 14	9	131,100	43.8	6	45,395	15.1	2	123,000	41.1
Jan. 21	18	179,000	54.3	4	11,010	3.4	11	139,300	42.3
Jan. 28	13	280,700	76.6	6	13,557	3.7	5	72,200	19.7
Feb. 4	7	84,187	38.2	8	15,956	7.3	10	120,000	54.5
Feb. 11	21	177,000	34.9	8	28,052	5.5	16	302,356	59.6
Feb. 18	7	31,450	12.6	8	33,240	13.4	6	184,300	74.0
Feb. 25	11	78,000	46.0	8	29,277	17.2	5	62,500	36.8
Mar. 4	18	203,100	66.2	5	17,682	5.5	10	86,000	28.3
Mar. 11	9	86,288	52.0	7	39,642	23.9	3	40,000	24.1
Mar. 18	23	122,872	39.7	7	73,168	23.6	10	113,500	36.7
Mar. 25	20	235,000	58.3	9	37,740	5.8	22	382,500	35.9
Apr. 1	10	91,460	37.7	3	18,264	7.7	8	132,500	54.6
Apr. 8	26	240,500	46.6	4	21,880	4.3	16	253,500	49.1
Apr. 15	24	216,700	25.2	3	18,922	2.2	29	626,300	72.6
Apr. 22	22	186,500	32.3	2	15,545	2.8	20	374,700	64.9
Apr. 29	46	461,700	53.2	4	36,980	4.3	22	369,000	42.5
May 6	29	436,700	54.5	5	36,600	4.7	23	327,000	40.8
May 13	42	528,000	56.7	13	133,519	15.5	13	268,500	27.8
May 20	55	664,450	78.1	10	76,018	9.0	14	109,576	12.9
May 27	74	834,400	61.3	16	244,828	18.0	17	281,320	20.7
June 3	5	914,865	70.7	12	105,449	8.2	11	272,800	21.1
June 10	49	634,840	58.4	20	205,260	18.9	11	246,900	22.7
June 17	37	557,250	77.2	14	135,141	18.8	3	29,000	4.0
June 24	32	485,210	71.3	10	127,750	19.5	8	67,400	9.2
July 1	41	577,532	52.9	43	430,042	39.5	8	83,775	7.6
Julu 8	25	456,926	67.2	21	200,437	29.6	1	22,000	3.2
July 15	11	175,373	31.7	23	249,486	45.3	7	127,000	23.0
July 22	15	252,043	39.2	38	384,939	59.9	1	5,000	.9
July 29	12	139,500	23.5	28	445,100	74.6	1	9,000	1.9
Aug. 5	14	211,500	36.6	23	337,290	58.5	2	28,000	4.9
Aug. 12	8	122,000	23.6	29	394,000	76.4			
Aug. 19	13	150,000	25.3	38	442,171	74.7			
Aug. 26	6	179,000	25.2	46	579,879	74.8			
Sept. 2	5	53,450	6.6	43	734,695	91.5	1	16,000	1.9
Sept 9				35	469,187	100			
Sept. 16	1	1,500	0.3	44	436,339	99.7			
Sept. 23				50	668,630	97.8	3	14,500	2.2
Sept. 30				56	781,600	100.0			
Oct. 7				28	503,322	100.0			
Oct. 14				49	815,100	100.0			

Comparison of sales of 13/16″ *x* 2¼″ *clear maple flooring as reported by members and reduced to Cadillac Basis with average costs reported to members*—Continued

Sales report for week ending—	Sales at average cost price as calculated by Association and distributed to members			Sales above average cost price			Sales below average cost price		
	Number of sales	Feet	Per cent of entire feet sold	Number of sales	Feet	Per cent of entire feet sold	Number of sales	Feet	Per cent of entire feet sold
1922									
Oct. 21				50	924,181	100.0			
Oct. 28	31	571,500	78.4	7	97,801	11.9	5	72,500	9.7
Nov. 4	27	526,000	78.2	8	84,300	12.6	5	62,000	9.2
Nov. 11	29	477,000	71.9	14	133,400	20.2	4	53,000	7.9
Nov. 18	12	229,000	46.4	4	114,500	23.2	2	150,000	30.4
Nov. 25	34	425,700	63.0	11	163,699	24.4	5	86,039	12.6
Dec. 2	26	489,101	73.4	9	124,400	18.7	5	53,000	7.9
Dec. 9	25	583,000	83.0	8	105,252	15.1	3	14,000	1.9
Dec. 16	43	966,350	82.1	15	150,145	12.8	3	60,000	5.1
Dec. 23	34	736,501	83.3	12	138,539	15.6	2	9,000	1.1
Dec. 30	33	668,619	73.6	12	135,300	15.0	5	104,000	11.4
1923									
Jan. 6	23	220,700	50.8	12	195,302	44.9	3	19,000	4.3
Jan. 13	46	1,262,800	91.4	9	63,740	4.7	4	55,000	3.9
Jan. 20	95	1,739,050	86.8	7	70,000	3.4	7	194,000	9.6
Jan. 27	91	1,287,000	85.2	17	194,000	12.8	5	31,000	2.0
Feb. 3	63	1,302,957	80.0	24	206,800	12.6	7	128,000	7.4
Feb. 10	14	409,000	39.2	30	603,350	58.0	3	29,000	2.8
Feb. 17	16	269,500	29.2	34	626,300	68.0	1	26,150	2.8
Feb. 24	36	696,000	59.8	16	300,800	25.9	8	167,000	14.3
Mar. 3	31	552,000	76.4	14	118,870	16.4	5	52,000	7.2
Mar. 10	22	385,600	53.3	18	271,839	37.4	3	67,000	9.3
Mar. 17	21	322,000	54.0	13	204,000	34.1	4	71,000	11.9
Mar. 24	26	398,000	42.4	24	466,300	49.7	5	74,000	7.9
Mar. 31	7	104,000	19.9	5	121,200	23.2	16	297,400	56.9
Apr. 7	15	362,000	64.9	5	89,000	16.0	12	106,800	19.1
Apr. 14	26	396,700	71.1	9	114,689	23.0	4	32,500	5.9
Apr. 21	12	134,000	35.2	13	233,100	61.1	2	14,000	3.7
Apr. 28	11	526,325	73.6	10	174,051	24.3	1	15,500	2.1
May 5	12	222,300	55.8	10	161,420	40.4	2	15,000	3.8
May 12	8	131,100	41.9	9	177,970	57.1	1	3,303	1.0
May 19	6	45,000	43.4	6	58,500	56.6			
May 26	4	157,500	46.2	15	176,010	51.3	2	7,000	2.5
June 2	6	47,000	14.4	17	147,220	61.6	4	61,500	24.0
June 9	1	5,000	9.2	3	39,905	73.4	2	9,500	17.4
June 16	4	21,000	27.0	4	14,450	16.6	4	46,000	56.4
June 23	9	123,500	59.7	11	83,200	40.3			
June 30	14	210,000	62.9	9	61,000	18.2	5	63,000	18.9

(NOTE.—The brief for appellants (pp. 345-346) calls attention to the fact that for the weeks ending September 30, October 7, October 14, and October 21, 1922, the reception sheets compare the Cadillac Base prices with the average cost dated October 25, 1922, or $95.00, instead of with the earlier lower average cost of May 21, 1922, or $90.00. The error obviously was not unfair to the defendants, as it represented some sales as having been made at prices less than the average cost, which the Government contends is a *minimum price*, whereas the correct comparison shows that during those weeks *every sale was made at a price above the minimum price*. The corrected figures have been used in the above tabulation.)

The following tables gives summaries of the above figures for: (1) Each month of the period from November 19, 1921, to June 30, 1923; (2) The period from November 19, 1921, to March 25, 1922, or until the reorganization of the Association was consummated by the adoption of the present articles of association; (3) The period from April 1, 1922, to June 30, 1923, or the entire period of the operation of the Association under its present articles of association; (4) The period from October 28, 1922, to June 30, 1923, when the Association was operating smoothly and was preparing and sending out Surveys of Costs at least quarterly as provided for in the present articles of association, and (5) The entire period from November 19, 1921, to June 30, 1923.

The results shown clearly demonstrate that there has been a remarkable uniformity in the delivered prices charged by the defendants, and an even more remarkable observance of the so-called average costs as *minimum prices*, especially during the operation of the association under its present articles of association.

Table I

Period	Sales at average cost			Above			Below		
	No. sales	Feet	Per cent	No. sales	Feet	Per cent	No. sales	Feet	Per cent
1921									
Nov.	15	221,250	10.9	9	51,062	2.5	100	1,753,203	86.6
Dec.	30	580,017	31.8	28	329,504	21.5	31	854,050	46.7
1922									
Jan.	40	590,800	59.3	16	69,962	7.0	18	334,500	33.7
Feb.	46	370,637	32.3	32	106,525	9.3	37	669,156	58.4
March	70	647,260	45.1	28	168,232	11.8	45	622,000	43.1
April	128	1,196,860	39.1	16	111,591	3.6	95	1,756,000	57.3
May	200	2,463,550	62.5	44	490,965	12.5	67	986,396	25.0
June	123	2,592,165	68.5	56	573,540	15.2	33	616,100	16.3
July	104	1,601,374	45.0	153	1,709,704	48.1	18	246,775	6.9
Aug.	41	662,500	27.1	136	1,753,340	71.7	2	28,000	1.2
Sept.	6	54,950	1.7	228	3,090,451	97.3	4	30,500	1.0
Oct.	31	571,500	19.2	134	2,340,404	78.4	5	72,500	2.4
Nov.	102	1,657,500	66.2	37	495,899	19.8	16	351,039	14.0
Dec.	161	3,443,571	79.4	56	653,636	15.0	18	240,000	5.6
1923									
Jan.	255	4,509,550	84.6	45	523,042	9.8	19	299,000	5.6
Feb.	129	2,677,457	56.2	104	1,737,250	36.5	19	350,150	7.3
March	107	1,761,600	50.3	74	1,182,209	33.7	33	561,400	16.0
April	64	1,419,025	64.5	37	610,840	27.7	19	168,800	7.6
May	30	555,900	48.1	40	573,900	49.7	5	25,303	2.2
June	34	406,500	43.6	44	345,775	37.1	15	180,000	19.3
Total period	1,725	27,984,166	50.8	1,317	16,917,831	30.8	599	10,144,872	18.4

Table II

Period	Sales at average cost			Above			Below		
	No. sales	Feet	Per cent	No. sales	Feet	Per cent	No. sales	Feet	Per cent
Nov. 19, 1921, to March 25, 1922	210	2,409,964	32.7	113	725,285	9.5	231	4,232,900	57.5
April 1, 1922, to June 30, 1923	1,515	25,574,202	53.6	1,204	16,192,546	33.9	368	5,911,963	12.4
Oct. 28, 1922, to June 30, 1923	913	17,002,803	66.8	444	6,220,352	24.4	149	2,248,192	8.8
Nov. 1s, 1921, to June 30, 1923	1,725	27,984,166	50.8	1,317	16,917,831	30.8	599	10,144,872	18.4

An analysis of the reception sheets comparing the so-called average costs with the actual sales prices reduced to the Cadillac basis for the periods before and after changes were made in the average costs clearly demonstrates the soundness of the Government's contentions that the so-called average costs are in fact recommended prices and that they exert a strong influence on the members' actual selling prices.

The October 25, 1922, average cost of $95.00 for ⅞″ x 2¼″ Clear Maple flooring was well established as the Cadillac base price even before the survey of costs of that date was prepared, so very apparently in that instance the prevailing market price for the item was accepted and was sent out as its average cost.

The sheet for the week ending January 6, 1923, shows that only three sales were made at Cadillac Base prices under the $95.00 average cost; that the prices on two of these sales were only $1.00 per M under the average cost and the price on the other was only 25¢ per M under the average cost, and that the total amount of these sales was only 19,000 ft., or 4.3% of the total volume sold during the week. The same sheet shows that *23 sales, totaling 220,700 ft., or 50.8% of the entire amount, were made at the Cadillac Base price exactly equal to the average cost,* and that twelve sales aggregating 195,302, or 44.9% of the total amount, were made at Cadillac Base prices above the average cost. Of these sales two were made at each Cadillac Base price, respectively,

50¢, 75¢, and $1.00 per M more than the average cost. (Vol. IV, p. 734.)

No material changes in the comparative results appear on the recaption sheets for the weeks ending, respectively, January 13, January 20, and January 27, 1923, except that the number and volume of sales made at the Cadillac Base price exactly equal to the average cost were much larger. The figures for those weeks are as follows:

Sales at Cadillac base price exactly equal to average cost for item of $95.00

	Sales	Ft.	% of total
January 13	46	1,262,800	91.4
January 20	95	1,739,050	86.8
January 27	91	1,287,000	85.2
February 3	63	1,302,957	80.0

For the same weeks, the volume of sales made at Cadillac Base prices below the average cost was respectively 55,000 ft. or 3.9%; 194,000 ft. or 9.6%; 31,000 ft. or 2%, and 128,000 ft. or 7.4%, and during the first three of those weeks the Cadillac Base price for 71% of the total volume of the sales below and above the average cost did not vary from the average cost by more that $1.00 per M. (Vol. IV, pp. 736, 739, 743, 747.)

The Cadillac Base price of $100.00 per M first appears on the sheet for the week ending January 20, 1923, as the price on one small sale. It is the highest price appearing on that sheet. One small sale at the same price appears on the sheet for the week ending January 27, but on the sheet for the week ending February 3, there are 12 sales for a total of 125,000 ft.

at the $100.00 per M Cadillac Base price. This represents 60% of the total volume sold at Cadillac Base prices above the established average cost of $95.00.

The sheet for the week ending February 10 (Vol. IV, p. 751) shows 3 sales totaling 29,000 ft. or 2.8% of the entire amount, made at Cadillac Base prices under the average cost, 14 sales totaling 409,000 ft. or 39.2% of the entire amount made at Cadillac Base prices exactly equal to the average cost, and 30 sales totaling 603,350 ft. or 58% of the entire amount, made at Cadillac Base prices above the average cost. Eighteen sales aggregating 513,100 ft., or 85% of the volume sold for more than the average cost, were made at the $100.00 per M Cadillac Base price. *Apparently $100.00 per M was accepted as the prevailing Cadillac Base price for 13/16" x 2¼" Clear Maple flooring, and the Survey of Costs dated February 15, 1923, established exactly that figure as its average cost.*

The sheet for the week ending February 17, of course, does not reflect to any considerable extent any results from the distribution to the members of the increased average cost. The comparison for that week is therefore still made with the $95.00 average cost. The sheet shows 1 sale, aggregating 26,850 ft., or 2.8% of the total, at a Cadillac Base price below the average cost; 16 sales, aggregating 269,500 ft., or 29.2% of the total, at the Cadillac Base price exactly equal to the average cost; and 34 sales, aggregating 626,300 ft., or 68% of the total, at Cadillac Base prices above the average cost. Twenty-one sales, for a total of 357,100 ft., or 38.7% of the

total, were made at the $100.00 per M Cadillac Base price. (Vol. IV. p. 754.)

The sheets for the weeks ending February 24 and March 3 show clearly the results accomplished by sending out the Association report dated February 15, which established the increased average cost. For the week ending February 17 twenty-two sales, aggregating 436,850 ft., or 47.4% of the total, were sold at Cadillac Base prices less than $100.00, but for the week ending February 24 only 8 sales, aggregating 167,000 ft., or 14.3% of the total, were sold at Cadillac Base prices below the new average cost of $100.00 per M; and for the week ending March 3 only 5 sales, aggregating 52,000, or only 7.2% of the total, were sold at prices below the average cost. Respectively, five and three of the lower sales appearing on the two sheets were made at Cadillac Base prices equal to the old $95.00 average cost. For the same weeks there were, respectively, 36 sales, aggregating 696,000 ft., or 59.8% of the total, and 31 sales, aggregating 552,000 ft., or 76.4% of the total, made at the Cadillac Base price exactly equal to the $100.00 average cost. (Vol. IV. pp. 757, 760.)

The sheets for the weeks ending respectively March 10 and March 17 do not show any material changes in the comparisons. They show respectively three sales aggregating 67,000 ft., or 9.3% of the total amount, and four sales aggregating 71,000 or 11.9% of the total amount, at Cadillac Base prices less than the average cost; 22 sales aggregating 385,600 ft. or 53.3% of the total amount and 21 sales aggregating 322,000 ft. or 54% of the total

amount at the Cadillac Base price exactly equal to the average cost; and 18 sales aggregating 271,839 ft. or 37.4% of the total amount and 13 sales aggregating 204,000 ft. or 34.1% of the total amount at Cadillac Base prices above the average cost. (Vol. IV, pp. 763, 765.)

The Cadillac Base price of $105.00 appears on the sheet for the week ending February 24. The sheets for that and the following weeks show:

Sales at Cadillac Base price of $105.00

	Sales	Feet	Per cent of total amount sold
February 24	2	8,000	0.7
March 3	7	58,370	8.0
March 10	10	197,000	27.3
March 17	6	119,000	19.9

A Survey of Costs dated March 10, 1923, was prepared and distributed to the members, but it did not make any change in the average cost for 13/16 x 2¼" Clear Maple Flooring. Another Survey of Costs dated March 24 was prepared and distributed, and it adopted the Cadillac Base price of $105.00 as the new increased average cost.

The sheet for the week ending March 24 shows 5 sales aggregating 74,000 ft., or 7.9% of the total amount, made at Cadillac Base prices less than the average cost, the $100.00 average cost of February 15, of course, being still used as the basis of comparison, 26 sales aggregating 398,000 ft. or 42.4% of the total amount made at the Cadillac Base price exactly equal to the average cost, and 24 sales aggregating 466,300 ft., or 49.7% of the total amount made at Cadillac Base prices higher than the average

cost. Fifteen of these sales aggregating 242,300 ft., or 25.8%, of the total amount were made at the Cadillac Base price of $105.00 per M.

The full effect of the Survey of Costs dated March 24, 1923 (Saturday) could not of course be reflected in the sales for the week ending the next Saturday, March 31, but the sheet for that week nevertheless makes the comparison with the new average cost of $105.00. On that basis it shows 16 sales aggregating 297,400 ft. or 56.9% of the entire amount made at Cadillac Base prices less than the average cost; seven sales aggregating 104,000 ft. or 19.9% of the entire amount made at the Cadillac Base price exactly equal to the average cost, and 5 sales aggregating 121,200 ft. or 23.2% of the entire amount made at Cadillac Base prices above the average cost. Nine sales aggregating 151,500 or 28.9% of the entire amount were sold at the Cadillac Base price exactly equal to the old average cost of $100.00, and if that had been used as the basis of comparison, only 3 sales representing .5% of the entire amount would have been sold at lower Cadillac Base prices.

The sheets for the weeks ending April 7 and April 14 reflect the full effect of the action establishing the increased average cost of $105.00 per M. They show:

Sales at Cadillac base price exactly equal to new average cost of $105.00

	Sales	Feet	Per cent of total amount sold
April 7	15	362,000	64.9
April 14	26	396,700	71.1

The same sheets show respectively 12 sales aggregating 106,800 ft. or 19.1% of the total amount and 4 sales aggregating 32,500 ft. or 5.9% of the total amount at Cadillac base prices below the average cost, but of these sales, respectively 5 sales aggregating 41,000 ft., or 38.4% (of amount sold below average cost) and 3 sales aggregating 28,000 ft., or 86.1%, were made at the Cadillac Base price exactly equal to the old average cost.

X

Economic defense

The defendants introduced in evidence in the court below the depositions of Edward Gordon, Grant Keehn, Professor Hettinger, and Professor Vanderblue, statisticians and economists either now or formerly connected with the Harvard School of Business Administration. Mr. Gordon and Mr. Keehn explained a number of comparative charts and tables which were introduced as exhibits to their depositions, and on the basis of which they testified that, as stated by Mr. Keehn—

> the study which Mr. Gordon and I made developed data and material such as to clearly indicate that the members of the Association did not have the ability to continuously control the prices of maple flooring, or, even if it be assumed that they had such abliity, comparisons with other prices, with prices of competing floorings, with the costs of maple flooring, and with the conditions of supply and demand of that product, do not offer any evidence of fixation or unreasonableness. (Vol. II, p. 714.)

Professors Hettinger and Vanderblue testified that they had reviewed the work of Mr. Gordon and Mr. Keehn and concurred in their conclusions.

The charts and tables introduced in connection with the defendants "economic defense" covered the period from 1913 through the first half of 1923, and the conclusion that they do not offer any evidence of the fixation or control of the prices of maple flooring of course pertains to the same period. According to these statisticians and economists, therefore, they have conclusively demonstrated that the agreements, called the Allotment Articles and the Minimum Price Plans and the Minimum Price Basis of the Maple Flooring Manufacturers Association, and the operation of the association and its members under and in accordance with those agreements; the practice of having a committee of experts, called the Market Conditions Committee, analyze statistics and conditions and advise the association members as to the prices they could and should obtain and as to the policies they should follow with reference to sales and production; and the practice of holding association meetings at which a "concensus of opinion" was frequently reached as to the prices that should be obtained, *did not constitute fixation or control of the prices of maple flooring.* If the price comparisons made by this economic defense have any value or probative force for the purpose for which they were used, they certainly indicate that there has been price fixation or control of the com-

modities used as the basis of comparison rather than that there has been no fixation or control of the prices of maple flooring.

John Knox Arnold, a special agent of the Federal Trade Commission who has been engaged for twelve years in the investigations of industries, usually under Congressional resolutions, testified as a witness for the Government. After analyzing the exhibits to the Gordon and Keehn depositions, Mr. Arnold stated a number of reasons why the conclusions reached by Mr. Keehn and Mr. Gordon can not possibly be proved by the charts and tables introduced by them for that purpose. Some of these reasons as given by Mr. Arnold are as follows:

> The COURT. Let me ask you this question: From your experience in research work is it not true that unless there is an absolute monopoly and thus an absolute control, will not the general trend of prices of any commodity be in accordance with the law of supply and demand—now I mean by that the trend?
>
> A. The trend will be; yes, sir. (Vol. II, p. 821.)
>
> *It must be kept constantly in mind that such charts merely show the direction and rate of the change and not the extent or magnitude of the change.*
>
> An attempt has been made by means of various charts, indicated as exhibits in the testimony of Messrs. Gordon and Keehn, to show that other causes than concerted action or control have been responsible for the extent or magnitude of changes that have occurred

in the prices, production, and stocks of maple flooring. To do this, it would of course be necessary to account for one hundred per cent of all changes in prices, production, and stocks as being due to other causes, so as to leave nothing for the control cause to effect; but this has not been done, no such exact quantitative effect is shown by any of the charts; only trends and especially cyclical trends are shown, which is attempted to disprove control by ignoring it; by the same method it could be shown that costs of production have no effect upon prices of maple flooring. Merely omit costs and state that the other factors show the same trend of movement as the prices show, which would probably be true, and it would be proven that cost don't affect prices. (Vol. II, p. 823.)

In connection with what you have just stated, your Honor, I might add this, that in describing these charts and these trends, and so forth, I have not been criticising their use in connection with this so-called cyclical trend, which merely is a guess and something that is necessary, however, in the business, because it is a little better guess than a guess based on nothing. It has not been perfected up to this time, however, to any considerable extent. *What I am basing my remarks on is solely whether these charts and the comment on them prove that there was not control. I do not argue on the other side that the charts prove there was control, because you can not prove that by charts: you can't prove it either way.* (Vol. II, p. 824.)

XI

Discussion of the Law

1. *It is not necessary to prove a direct agreement to fix or control the prices of the commodity in question. It is sufficient to prove the adoption of a plan or scheme, which in its operation necessarily affects the prices; and to warrant an injunction it must, of course, be also shown that the plan or scheme is in operation.*

In *American Column & Lumber Company* v. *United States*, 257 U. S. 377, 399, the Court said:

> *Obviously the organization of the defendants constitutes a combination* and confessedly they are engaged in a large way in the transportation and sale of lumber in interstate commerce so that there remains for decision only the question whether the system of doing business adopted resulted in that direct and undue restraint of interstate commerce which is condemned by this antitrust statute.

See also *United States* v. *American Linseed Oil Co.*, 262 U. S. 371.

2. *The question of fact is: Does the operation of the scheme materially affect the prices or production of the commodity moving in interstate commerce?*

In fact, the real matter of inquiry is the effect of its operation upon *prices;* but curtailment of production is important because prices are thereby increased. Strictly speaking production is a local matter; and it is only when its reduction is coupled with an intent to increase the price, or the effect of its reduction is necessarily to increase the price, that its willful curtailment is unlawful.

With reference to prices, the Chief Justice, speaking for the Court, in *Board of Trade* v. *Olsen*, 262 U. S. 1, 39, 40, said:

> If a corner and the enhancement of prices produced by buying futures directly burden interstate commerce in the article whose price is enhanced, it would seem to follow that manipulations of futures which unduly depress prices of grain in interstate commerce and directly influence consignment in that commerce are equally direct. *The question of price dominates trade between the States.* Sales of an article which affect the country-wide price of the article directly affect the country-wide commerce in it.

3. *As heretofore shown, the operation of the association brought about uniformity of price in about 50% of the sales of the most important kind of flooring made between October, 1921, and June, 1923, and prices equal to or in excess of the so-called cost price in at least 82% of the sales during that period. But it is wholly unnecessary to prove that the operation of the scheme or plan does, or will, produce uniformity of prices.*

The question is, are prices made higher or lower than they would be if controlled entirely by the natural law of supply and demand? In the Hardwood case great reliance was had by the members of the association upon the fact that there was never a condition approaching uniformity. In fact the spread between the highest and lowest prices became greater. For illustration, the spread in prices of f. a. s. sap gum in January, 1919, was $7.00, while in

January, 1920, it had increased to $22.50. During the same period the spread in f. a. s. plain white oak increased from $6.00 to $81.25; and in No. 1 common poplar from $5.00 to $53.25. It was urged that this conclusively showed that there was no agreement to fix prices. But the Court held that, while it was perfectly apparent that there was no understanding *to fix* prices, yet the scheme when operated induced every one to get the *highest* prices he could, and gave him the exact information which enabled him to extort the highest prices.

In the Linseed Oil case (*United States* v. *American Linseed Oil Co.*, 262 U. S. 371) sometimes the prices would remain practically uniform for months, and then movements would begin which resulted in the most variable prices extending over weeks and sometimes months. But it was manifest that the actions of the several members were much more greatly affected by that of other members than they would have been if competition had been unrestrained.

The extent of the uniformity produced by a scheme of this kind depends upon the conditions of the market and very greatly upon the nature of the commodity. Take a stable commodity like flour, where the profit is but a small amount per hundred pounds, the variation in prices is necessarily small regardless of whether the millers have an association or not. With lumber it is different. In an active market the profit upon a thousand feet may be several dollars; and while one man may be satisfied with a profit of $3.00 per thousand, another will

want to exact $5.00, or if possible $10.00 per thousand. When the market is inactive the prices are nearer uniform, but through concert of action arising from the knowledge each one has of the business of all of his competitors, the prices are held at an unnaturally high level. Under both conditions the effort of the association members is to get all they possibly can and to aid each other in getting it. And when they all by tacit understanding have in mind a minimum price it will result in more or less uniformity at or about that price, with now and then a sale below, and more often a sale above that price. But there will generally be enough variation to enable them "to point with pride and confidence" to the lack of uniformity, and especially to the spread in prices. The spread, however, means but little, as a small sale for peculiar reasons may be made at a very high price, while a very large sale may be made at a specially low price, thus making a very considerable spread between them.

4. *A matter of special inquiry is, does the association scheme or plan bring about an abnormal and unusual relationship as to their business matters between those who are naturally competitors?*

In *United States* v. *American Linseed Oil Company*, 262 U. S. 371, 388, the Court said:

> In *American Column & Lumber Company* v. *United States*, 257 U. S. 377, we considered a combination of manufacturers got up to effectuate *this new conception of confidence and competition* and held it within the inhibi-

tion of the Sherman Act *because of inevitable tendency to destroy real competition, as long understood, and thereby restrain trade.* Our conclusion there can not be reconciled with the somewhat earlier opinion and judgment of the court below. They are in direct conflict.

The Sherman Act was intended to secure equality of opportunity and to protect the public against evils commonly incident to monopolies *and those abnormal contracts and combinations which tend directly to suppress the conflict for advantage called competition—the play of the contending forces ordinarily engendered by an honest desire for gain.* "The statute did not forbid or restrain the power to make normal and useful contracts to further trade by resorting to all normal methods, whether by agreement or otherwise, to accomplish such purpose * * * The words restraint of trade should be given a meaning which would not destroy the individual right to contract and render difficult if not impossible any movement of trade in the channels of interstate commerce—the free movement of which it was the purpose of the statute to protect." *United States* v. *American Tobacco Company,* 221 U. S. 106, 179, 180; *Ramsay* v. *Associated Bill Posters,* 260 U. S. 501; *Federal Trade Commission* v. *Sinclair Refining Company,* 261 U. S. 463.

Certain it is that the defendants are associated in a new form of combination and are resorting to methods which are not normal. If, looking at the entire contract by which they are bound

> together, in the light of what has been done under it the court can see that its necessary tendency is to suppress competition in trade between the States, the combination must be declared unlawful. That such is its tendency, we think, must be affirmed. To decide otherwise would be wholly inconsistent with the conclusion reached in *American Column & Lumber Company* v. *United States*, supra.

And again (p. 390):

> We are not called upon to say just when or how far competitors may reveal to each other the details of their affairs. In the absence of a purpose to monopolize or the compulsion that results from contract or agreement, the individual certainly may exercise great freedom; *but concerted action through combination presents a wholly different problem and is forbidden when the necessary tendency is to destroy the kind of competition to which the public has long looked for protection.* The situation here questioned is wholly unlike an exchange where dealers assemble and buy and sell openly; and the ordinary practice of reporting statistics to collectors stops far short of the practice which defendants adopted. *Their manifest purpose was to defeat the Sherman Act without subjecting themselves to its penalties.*

There the unnatural relationship was brought about by each member making an independent contract with the Armstrong Bureau; while here, as in the Hardwood case, it is consummated through an association composed of the individual defendants. And in the Hardwood case (257 U. S. 377, 410) the court in

commenting on the actions of the defendants in compiling reports of their business operations for circulation among their competitors said:

> This is not the conduct of competitors, but is so clearly that of men united in an agreement, express or implied, to act together and pursue a common purpose under a common guide that if it did not stand confessed a combination to restrict production and increase prices in interstate commerce, and as therefore a direct restraint upon that commerce, as we have seen that it is, that conclusion must inevitably have been inferred from the facts which were proved.

5. *If it be not shown that the necessary effect of the scheme or plan is to restrain interstate commerce, yet its operation should be enjoined, if it be shown that it can be so used, and that it is the intent of the parties to so use it.*

If the necessary result of an agreement or the operation of a scheme be to restrain interstate commerce, it can make no difference whether the restraint was intended or not. In *United States* v. *Patten*, 226 U. S. 525, 543, the court said:

> And that there is no allegation of a specific intent to restrain such trade or commerce does not make against this conclusion, for, as is shown by prior decisions of this court, the conspirators must be held to have intended the necessary and direct consequences of their acts and can not be heard to say the contrary. In other words, by purposely engaging in a conspiracy which necessarily and directly

> produces the result which the statute is designed to prevent, they are, in legal contemplation, chargeable with intending that result. *Addyston Pipe & Steel Co.* v. *United States*, 175 U. S. 211, 243; *United States* v. *Reading Co.*, 226 U. S. 324, 370.

And to the same effect in *Eastern States Retail Lumber Dealers' Association* v. *United States*, 234 U. S. 600, 612, the Court said:

> But it is said that in order to show a combination or conspiracy within the Sherman Act some agreement must be shown under which the concerted action is taken. It is elementary, however, that conspiracies are seldom capable of proof by direct testimony and may be inferred from the things actually done, and when in this case by concerted action the names of wholesalers who were reported as having made sales to consumers were periodically reported to the other members of the associations, the conspiracy to accomplish that which was the natural consequence of such action may be readily inferred.

When the intent becomes important appears from the following authorities:

In *United States* v. *Terminal Railroad Association*, 224 U. S. 383, 394–5, the Court said:

> Whether it is a facility in aid of interstate commerce or an unreasonable restraint forbidden by the act of Congress, as construed and applied by this court in the case of *The Standard Oil Company* v. *The United States*,

> 221 U. S. 1, and *The United States* v. *American Tobacco Company*, 221 U. S. 106, will depend upon the intent to be inferred from the extent of the control thereby secured over instrumentalities which such commerce is under compulsion to use, the method by which such control has been brought about and the manner in which that control has been exerted.

And on the same subject the Court said in *United States* v. *Reading Company*, 226 U. S. 324, 370:

> Whether a particular act, contract or agreement was a reasonable and normal method in furtherance of trade and commerce may, in doubtful cases, turn upon the intent to be inferred from the extent of the control thereby secured over the commerce affected, as well as by the method which was used. Of course, if the necessary result is materially to restrain trade between the States, the intent with which the thing was done is of no consequence. But when there is only a probability, the intent to produce the consequences may become important.

In other words an instrument which within itself is harmless may be used for an illegal purpose. And while it will be allowed to remain in the possession of one who intends to use it for an innocent purpose, it will be taken away from him who intends to use it to accomplish an unlawful purpose.

With reference to the defendant association the Government insists first, that the inevitable effect of its operation is to affect the prices of maple flooring which is an article that moves in interstate commerce;

and second, that if the association could be so conducted that its operation would not have such an effect, yet the past history of the conduct of the members of the association, and the character of its present activities are such that no other conclusion can possibly be reached than that defendants maintain the organization for the purpose of controlling prices of maple flooring. In other words that they intend to bring to bear through this agency influences which will not permit prices to be regulated solely by the law of supply and demand.

6. *It is no defense that the defendants did not intend to violate the law, and that they filed copies of their plan with the Department of Justice and the Federal Trade Commission.*

In this case all evidence of this character is absolutely immaterial. The sole question here is whether this scheme actually restrains, or is intended to bring about a condition which in fact is a restraint upon interstate commerce.

As above quoted from *United States* v. *Patten*—

> by purposely engaging in a conspiracy which necessarily and directly produces the result which the statute is designed to prevent, they are, in legal contemplation, chargeable with intending that result.

And even if the illegality of the scheme or combination depends upon the intent, the inquiry is not whether they intended to violate the law, but whether they intended to bring about the condition or do the thing which in fact restrains commerce.

7. *It is no defense that some benefits may have resulted from the operation of the scheme or combination.*

In *Standard Sanitary Mfg. Co.* v. *United States*, 226 U. S. 20, it was earnestly urged upon the Court that great benefits had resulted to the public from the combination of the manufacturers of bathtubs, in that the poorer articles were kept off the market, and a purchaser received what he supposed he was buying; but the Court (p. 49) said:

> Nor can they (the prohibitions of the statute) be evaded by good motives. The law is its own measure of right and wrong, of what it permits or forbids, and the judgment of the courts can not be set up against it in a supposed accommodation of its policy with the good intention of parties, and it may be of some good results. *United States* v. *Trans Missouri Freight Assn.*, 166 U. S. 290; *Armour Packing Co.* v. *United States*, 209 U. S. 56, 62.

8. *It is no defense that the prices of maple flooring were and are reasonable, if such be the fact.*

Such a contention was insisted upon in *United States* v. *Addyston Pipe & Steel Co.*, 85 Fed. 271, but the court (p. 293) said:

> It has been earnestly pressed upon us that the prices at which the cast-iron pipe was sold in pay territory were reasonable. A great many affidavits of purchasers of pipe in pay territory, all drawn by the same hand or from the same model, are produced, in which the affiants say that, in their opinion, the prices at which pipe has been sold by defendants

have been reasonable. We do not think the issue an important one because, as already stated, we do not think that at common law there is any question of reasonableness open to the courts with reference to such a contract. Its tendency was certainly to give defendants the power to charge unreasonable prices had they chosen to do so.

9. *The contention that the association created only a reasonable restraint upon interstate commerce is devoid of merit.*

This contention arises out of a misapprehension of the meaning of "the rule of reason" stated by the Chief Justice in the Standard Oil case.

Realizing that his language had been misinterpreted he clarified its meaning in the opinion handed down a few weeks later in *United States* v. *American Tobacco Co.*, 221 U. S. 106, in the following language:

> It was therefore pointed out that the statute did not forbid or restrain the power to make normal and usual contracts to further trade by resorting to all normal methods, whether by agreement or otherwise, to accomplish such purpose. In other words, it was held *not that acts which the statute prohibited could be removed from the control of its prohibitions by a finding that they were reasonable* but that the duty to interpret which inevitably arose from the general character of the term restraint of trade required that the words restraint of trade should be given a meaning which would not destroy the individual right to contract and render difficult if not impossible any move-

> ment of trade in the channels of interstate commerce—the free movement of which it was the purpose of the statute to protect (p. 179).

There can be no doubt that the court entertained the same views which were expressed by the Circuit Court of Appeals for the Sixth Circuit in the Addyston Pipe & Steel Co. case. After reviewing in detail all the authorities relied upon by the defendants, wherein it had been held that the contracts in question were reasonable and not in restraint of trade, that court said:

> For the reasons given, then, covenants in partial restraint of trade are generally upheld as valid when they are agreements (1) by the seller of property or business not to compete with the buyer in such a way as to derogate from the value of the property or business sold; (2) by a retiring partner not to compete with the firm; (3) by a partner pending the partnership not to do anything to interfere, by competition or otherwise, with the business of the firm; (4) by the buyer of property not to use the same in competition with the business retained by the seller; and (5) by an assistant, servant, or agent not to compete with his master or employer after the expiration of his time of service. Before such agreements are upheld, however, the court must find that the restraints attempted thereby are reasonably necessary (1, 2, and 3) to the enjoyment by the buyer of the property, good will, or interest in the partnership bought, or (4) to the legitimate ends of

the existing partnership; or (5) to the prevention of possible injury to the business of the seller from use by the buyer of the thing sold; or (6) to protection from the danger of loss to the employer's business caused by the unjust use on the part of the employee of the confidential knowledge acquired in such business. (Citing authorities.)

It would be stating it too strongly to say that these five classes of covenants in restraint of trade include all of those upheld as valid at the common law; *but it would certainly seem to follow from the tests laid down for determining the validity of such an agreement that no conventional restraint of trade can be enforced unless the covenant embodying it is merely ancillary to the main purpose of a lawful contract, and necessary to protect the covenantee in the enjoyment of the legitimate fruits of the contract, or to protect him from the dangers of an unjust use of those fruits by the other party.* (85 Fed. 281, 282.)

In other words whether a restraint is reasonable or not depends upon the character of the agreement or agency that brings it about, and not upon the extent of the restraint. Is the agency an unusual and abnormal one? If so the restraint is unreasonable and unlawful. That this is especially so with reference to restraints arising from these open-price associations is conclusively shown by the language of the court above quoted from the opinion in the Linseed Oil case.

10. *The relief to which the Government is entitled.*

Defendants appear to insist that the association has the right to do certain things, as for instance to standardize maple flooring and maintain inspectors; and therefore that the court should specify what particular things the association can do, and so limit the injunction as to exclude such activities from its provisions. *But to comply with such contention would be for the court to undertake to construct an association for the defendants which according to the court's view would be a legitimate one.* This the court will not do, because it never can be determined in advance what the effect of a particular organization will be; and the court might authorize the formation of an association to exercise certain functions which in actual operation would result in the most serious restraint of interstate commerce. Certainly parties who have openly violated the law by creating and engaging in an unlawful combination can not invoke the agency of the court to create for them a different combination which the court might consider legitimate.

The situation here presented is quite different from the conditions existing when the acquisition of various properties by a corporation, or the merger of a number of corporations into one, have been held to constitute a monopoly or an unlawful combination in violation of the Anti-Trust Act. There the rights of property are involved, and the court will not destroy the property, but direct that it be restored to the original owners, or be so divided that

a further violation of the statute will not exist. But here no property rights are involved. There exists nothing but an agreement or combination which the defendants have entered into and in which they are engaging; and the status quo is restored and the restraints upon commerce are stopped by a simple decree declaring the agreement and combination unlawful, and inhibiting the defendants from further engaging therein, or in any combination of like character.

An unlawful conspiracy may be composed of elements each of which when considered alone is lawful. As said in *Swift* v. *United States*, 196 U. S. 375, 396:

> The scheme *as a whole* seems to us to be within reach of the law. The constituent elements, as we have stated them, are enough to give to the scheme a body and, for all that we can say, to accomplish it. Moreover, whatever we may think of them separately, when we take them up as distinct charges they are alleged sufficiently as elements of the scheme. *It is suggested that the several acts charged are lawful and that intent can make no difference. But they are bound together as the parts of a single plan. The plan may make the parts unlawful.*

Defendants' contention leads to the absurd result that where each element of a conspiracy is when standing alone lawful no injunctive decree can be entered, although the conspiracy composed of these several elements may be unlawful and accomplish the most harmful results.

This question was conclusively settled in *American Column & Lumber Co.* v. *United States, supra.* There the court entered a *sweeping decree declaring the association an unlawful combination and inhibiting the defendants from engaging in any of the activities provided for by its organization.* On the hearing defendants' counsel earnestly insisted that the decree was too sweeping and that the court should specify certain things which the association could legitimately do. *The court disregarded this insistence and affirmed the decree of the court below in toto. A petition for a rehearing was filed, in which it was again urged upon the court that a limitation should be placed upon the decree and that the defendants should not be enjoined from separately doing a number of the things prescribed by the association, but the petition was dismissed by the court.*

In fact the question had been settled in the case of *Swift* v. *United States*, 196 U. S. 375, 401–2. A broad decree inhibiting the defendants from engaging in any of the things alleged in the bill had been entered by the court below, and it was insisted that the decree should be modified in certain particulars. The only modification directed by the court was that in one or two particulars it should be made more specific. But the court especially considered the allegations in the bill (the case had been disposed of on demurrer) wherein it was alleged that defendants had engaged in and would continue arrangements with the railroads whereby the defendants received, by means of rebates and other devices, rates less than the lawful rates for transportation,

and were exclusively to enjoy and share this unlawful advantage to the exclusion of competition and the public (p. 392). The court stated that the acts here charged, apart from the combination and the intent, might perhaps not necessarily be unlawful except for the adjective which proclaimed them so, and the court assumed for the purpose of the decision that they were not unlawful, and that the defendants severally might lawfully obtain less than the regular rates for transportation if the circumstances were not substantially similar to those for which the regular rates were fixed; but the Court said:

> Whether this particular combination can be enjoined, as it is, apart from its connection with the other elements, if entered into with the intent to monopolize, as alleged, is a more delicate question. The question is how it would stand if the tenth section were the whole bill. Not every act that may be done with intent to produce an unlawful result is unlawful, or constitutes an attempt. It is a question of proximity and degree. The distinction between mere preparation and attempt is well known in the criminal law. *Commonwealth* v. *Peaslee*, 177 Massachusetts, 267, 272. The same distinction is recognized in cases like the present. *United States* v. *E. C. Knight Co.*, 156 U. S. 1, 13; *Kidd* v. *Pearson*, 128 U. S. 1, 23, 24. We are of opinion, however, that such a combination is within the meaning of the statute. It is obvious that no more powerful instrument of monopoly could be used than an advantage in the cost of transportation.

> And even if the advantage is one which the act of 1887 permits, which is denied, perhaps inadequately, by the adjective "unlawful," still a combination to use it for the purpose prohibited by the act of 1890 justifies the adjective and takes the permission away (196 U. S. 401, 402).

For the foregoing reasons the decree of the court below should be in all things affirmed.

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In the Supreme Court of the United States

OCTOBER TERM, 1924

MAPLE FLOORING MANUFACTURERS ASSOCIATION et al.
v.
UNITED STATES OF AMERICA
No. 342

REPLY BRIEF ON BEHALF OF THE UNITED STATES

Because of the circumstances existing when the brief heretofore filed on behalf of the Government was prepared, and the short period of time before argument counsel for the Government had in their hands the brief filed for appellants, it was impossible to prepare a brief containing a reply to many questions elaborately discussed in appellants' brief. Consequently this brief has been prepared, which counsel believes presents the Government's case more fully and satisfactorily than the former one; and it is asked that it be substituted for the brief filed previous to the former arguments.

STATEMENT OF CASE

(Italics in quotations are ours, if not otherwise stated)

This is an action brought by the United States against the Maple Flooring Manufacturers Associ-

ation and its several members to enjoin an alleged violation of the Sherman Antitrust Act. The original bill was filed on March 5, 1923; and it alleges in substance that the defendants, who manufacture a very large per cent of the maple, beech, and birch flooring marketed in the United States, fix minimum prices upon such commodity, and control its production and prices in the market by the observance of provisions contained in the plan of the association, which provide for the computation and distribution among the membership of alleged average costs, being in fact agreed minimum prices, for the adoption and distribution of freight rate books, for an open price reporting plan, and for meetings of the members of the association. (Vol. I, pp. 1–12.) For the reasons fully set forth in its opinion, a decree was entered by the District Court in favor of the Government (Vol. I, pp. 52–60), wherein it was adjudged that the articles of association and activities thereunder were violative of the Antitrust Act; and it was ordered that the association be dissolved, and that the defendants and their agents be enjoined from further engaging in the practices specifically described in the bill and also in the decree. (Vol. I, pp. 60–61.) Defendants assigned errors, and prosecuted an appeal to this court.

BRIEF AND ARGUMENT

No attempt will be made to answer in detail all the questions discussed in the brief filed on behalf

of appellants. It is believed that some of those questions are not at all determinative of the case, and this brief would thereby be extended without justification to an unreasonable length. However, the case is of such importance that the material evidence bearing upon the questions regarded as vital will be both cited and freely quoted from, as the court can thereby perceive its pertinency much more readily than if required to pick it out guided by mere citations from the mass of matter in the record, much of which is not regarded of sufficient value to justify its perusal.

I

The nature and extent of the industry involved, and its control by appellants

As is customary in this character of case, an effort is made to show that the industry involved is not important in comparison with others; that it is hedged about with competition which threatens its destruction, and can be saved only by drastic and concerted action by those engaged therein; and, especially, that it is not controlled by the organization attacked.

How old the maple, beech, and birch flooring industry is does not appear from the evidence in the record. It is probably true that fifty years ago there was no such industry; but the same is true as to the manufacture of electrical appliances of all kinds, of aluminum ware, of automobiles, of many of the most important steel and iron implements,

of cement, and of numerous other industries, which together produce by far the greater bulk of the enormous commerce which now flows from State to State and into foreign countries; and every one of those industries has its competitors who are endeavoring to limit its field to as narrow boundaries as possible.

Twenty years ago there was a sufficient number engaged in the industry to form an association and choose Mr. Keehn as its secretary; and he has been acting continuously in the same capacity with like organizations down to the present time. Nor is it one of the small and insignificant industries. The table on side page 3556, page 518, Volume IV, shows the production of maple, beech, and birch flooring in the United States for the five years ending with 1922; and the production for the last year was 210,819,000 feet; and if sold for an average of $50 per M, which is much too low as will appear from prices hereinafter set forth, the manufacturers received $10,500,000 for their product. True this is not large when compared with the entire lumber industry; but Mr. Smith, who was from March, 1920, to some time in 1922, Assistant Secretary and Statistician of the National Lumber Manufacturers Association, names eleven associations, composed of manufacturers of rough lumber located at different parts of the United States, which then composed such National Association (Vol. I, pp. 183–184); and there must be several

other associations connected with the different branches of the lumber industry, as the defendant association is not included in the number mentioned by Mr. Smith. Apparently, therefore, each branch of the lumber industry and each of many groups of producers of rough lumber has its separate organization; and among them the appellant association is not at all insignificant.

Effort is also made to show the impossibility of defendants exercising a dominating influence over the industry by showing the enormous amount of maple timber standing in the forests, how widely it is scattered, and the great number engaged in producing maple lumber, and how easily they can convert their plants into flooring mills. In fact, the picture drawn gives an impression that is entirely false. The fact is that it is an industry which nature has practically confined to Michigan and Wisconsin; and it is dominated by appellants acting through their association.

Mr. Brush, who is Scientific Assistant of the Forest Service, testifies that in 1920 he made a special study of the wood-using industries in the State of Michigan, and that the total amount of maple lumber used by the factories in Michigan in that year was 286,363,000 board feet, of which 178,477,000 feet were used in planing-mill products; and he states that as a conservative estimate 90 or 95% of such products was flooring (Vol. I, pp. 178–180). He also says that there are two commercial kinds of maple, one hard and the other

soft; that the hard maple will stand a great deal of wear, while the soft is not so durable under conditions necessitating considerable wear; that hard maple is very largely used in the manufacture of maple flooring, soft maple not producing a flooring nearly so satisfactory; that soft maple flooring would not be able to compete successfully with flooring made of hard maple; that hard and soft maple grow together more or less, but that, as a general rule, the two together do not grow in commercial stands in large quantities; *that the "Lake States contain the principal hard maple stands in this country, namely Michigan, and to a less extent probably Wisconsin";* that he can hardly answer the question which kind of maple predominates in the other maple-producing centers, but he knows that the soft maple is very important in New England, probably more important than the hard maple. (Vol. I, pp. 179-180.)

Mr. Franklin H. Smith, who when his deposition was taken, was in charge of the Lumber Commodity Division of the United States Tariff Commission, and who had previously been Assistant Secretary and Statistician for the National Lumber Manufacturers Association, and had also been with the Forest Service from March, 1908, until March, 1920, testified that the bulk of maple lumber is produced in the Lake States region, particularly Michigan and Wisconsin; that maple is also found in the Northeastern States—Maine, New Hampshire, Vermont, New York and Pennsylvania—and also

grows in West Virginia; that there is hard and soft maple, and that the two varieties are found together only to a slight extent; *that hard maple is found largely in Michigan and Wisconsin;* that from his work in the Forest Service he became familiar with the figures of production of lumber in various sections of the country, and that he would say *in Michigan and Wisconsin 95 to 98% of the maple cut was hard maple; and in the Northeastern States 75% of the maple cut was soft; that in West Virginia and adjoining States, so far as applicable to the Appalachian region, possibly 60% was hard and 40% soft; that maple was produced in minor or limited quantities in the Mississippi Valley and in fact in all of the hardwood producing States, of which in his judgment 75% was soft and 25% hard; that he would say that a large percentage of the maple produced in Michigan and Wisconsin is converted into flooring; that probably 90% of the maple utilized by planing mills was for the production of flooring, and that he thinks he has kept in close enough touch with the conditions to state that the percentages mentioned still hold good.* (Vol. I, pp. 186–188.) And with reference to the relative value of hard and soft maple flooring, and where the industry is concentrated, he testifies:

> Q. Which of the two species of maple that you have mentioned is suited to manufacture maple flooring?
>
> A. Hard maple, because of its hardness of texture and wear resisting qualities.

Q. Is soft maple used, too, for the manufacture of maple flooring at all?

A. If it is so used, it would be used only in isolated cases.

Q. Where is the maple flooring industry in this country centered?

A. In Michigan. (Vol. I, p. 188.)

With but three exceptions the plants of the defendant corporations are located in the States of Michigan and Wisconsin. Some time before the hearing the defendants took the deposition of Edward B. Gordon, who is on the Research Staff of the Bureau of Business Research of Harvard University; and Mr. Gordon testified that from Hendricks' Commercial Register, the only source of information he could find upon the subject, he took a list of those engaged in the manufacture of maple, beech, and birch flooring whose names did not appear in a list prepared by Mr. Keehn, the secretary of the association; and the two lists, one prepared by Mr. Keehn and the other by Mr. Gordon, which together purport to show the nonmembers of the association engaged in the business, were filed as Exhibits 1 and 2 to Mr. Gordon's deposition. (Vol. II, pp. 626–7.) To secure accurate data as to the production of such flooring in Michigan and Wisconsin the Government subpœnaed representatives of the several manufacturers appearing upon these lists whose factories are located in those states. And there appears in the record, either by way of evidence given by such representatives or by stipu-

lation, the quantity of flooring produced for the years 1918–1922, inclusive, by such manufacturers. See Vol. I, pp. 83–88, 91–94, 96–98, 119–120, 137, and 140–142. From the data thus obtained and that contained in the barometers issued by the association, which show the amount of flooring produced by the members of the association, and information obtained from other manufacturers appearing in the lists filed by Mr. Gordon in response to questionnaires sent out by the Department of Justice, Mr. Hughes, an agent for the Government, computed the amount produced by members of the association and by nonmembers respectively, and the percentage produced by the members, and filed as Government Exhibit 68 a statement showing the result of his calculation. (Vol. II, pp. 798–802.) His calculations appear in Vol. IV, p. 518, side pp. 3553–3708, a number of side pages not being printed. Without going into details, it appears from these estimates that the percentage of production of maple, beech, and birch flooring in the United States by members of the association for the years mentioned is as follows: 1918, 78.1%; 1919, 78.9%; 1920, 75.2%; 1921, 71.0%; and 1922, 70.0%. Average for the five years 74.2%. (Side p. 3556.)

In Michigan the production of members was: 1918, 96%; 1919, 94%; 1920, 92%; 1921, 92%; and 1922, 92%. Average, 93%. (Side p. 3553.)

In Wisconsin the percentages produced by the members were: 1918, 47%; 1919, 70%; 1920, 42%;

1921, 31%; and 1922, 49%. Average 50.8%. (Side p. 3554.)

The production in Michigan is so much greater than that in Wisconsin that the percentages of production by the members in the two states were: 1918, 91.6%; 1919, 89.3%; 1920, 85.6%; 1921, 82.7%; and 1922, 82.8%. Average, 85.8%. (Side p. 3555.)

Mr. Hughes' estimates show the quantities produced in each of the several states. The defendants filed as Exhibit CC a list which also shows the production by nonmembers by states. (Vol. IV, pp. 831–833.) A comparison of the estimates will show no great difference, the defendants' tables more generally showing less production by nonmembers than the estimates made by Mr. Hughes.

In the petition filed by the association in 1915 with the Federal Trade Commission it was said that the members of the association "represent about seventy per cent of the industry." (Vol. III, p. 76.)

A petition to the President of the United States with reference to the Canadian duty on flooring, which was incorporated in the Minutes of the Meeting held March 22, 1923, stated that the members of the Association produce about seventy per cent of all Maple, Beech, and Birch flooring manufactured in the United States (Vol. IV, p. 507); and in the answer to a questionnaire sent out by the Department of Commerce, which was incorporated in the Minutes of the General Meeting held April

20, 1922, it was stated that *the members of the Association represent about 70% of the productive capacity of the industry.* (Vol. III, p. 166.)

These figures are conclusive evidence that the industry is wholly dominated by the association.

In the case of *American Column & Lumber Co.* v. *United States,* 257 U. S. 357, known as the Hardwood case, the association members produced only about one-third of the entire product for the United States. And they had competitors scattered all over the country, while for the reason above shown appellants can never have serious competition from other sections.

II

Former articles of association under which manufacturers of maple and beech flooring operated before the adoption of the present articles

The manufacturers of maple, beech, and birch flooring have operated under a number of articles of association; but the membership of each organization has been composed largely of the same manufacturers; and a large majority of the defendants have been continually members.

A short review of previous articles of association and of the activities thereunder will be helpful in determining the purposes of the present association and the results accomplished by it.

So far as the record shows the first association was organized in 1905, with headquarters in Chicago. The members of that and subsequent as-

sociations manufactured maple, beech, and birch flooring, and some of them also manufactured oak flooring. The association of 1905 continued until 1907 or 1908, when it was succeeded by another association, the articles of which expired about 1909. That association was succeeded by another which lasted until either 1911 or the fall of 1912, when a successor was organized. The articles of that association bear date as of January 1, 1913, and are filed as Government Exhibit 1, being the first articles of association introduced. (Keehn, Vol. I, p. 72.)

There are twenty-two manufacturing companies who are made defendants, and they constitute the membership of the present association. Of these twenty-two members *sixteen were members of the association which began to function January 1, 1913.* There were thirty members of that association. (Keehn, Vol. I, p. 73.) Among other objects mentioned in those articles were " to exchange information; to collect and disseminate statistics concerning the flooring industry." The officers and their duties, and the meetings specified, were substantially the same as those provided for in the present articles of association, which will be hereafter fully described.

Allotment plan

A special fund was provided for by those articles, which was deposited as a guaranty that the member would carry out all of its obligations; and if it failed

to do so its share of the special fund was forfeited. (Vol. III, p. 5.) There was also created a general fund; and for the purpose of securing moneys for that fund an assessment of $3 per M feet was levied each month on "*all shipments during that month in excess of the allotted percentage set opposite the signature of each member*"; *and it was provided that from such fund each member who had shipped during the month less than its allotted percentage should be paid $3 per M feet on the quantity under-shipped down to 75% of its allotment; and if a member shipped less than 75% of its allotment during any one month, it should receive $3 per M on the deficit down to 75% of its allotment,* and that the balance should be held until the end of the year; and if at the end of the year it had shipped 75% of its allotment for the year it would be paid the balance, but if it had failed to ship as much as 75% of the allotment the amount retained would belong to the Association. (Vol. III, p. 6.)

It was provided that each assessment for that fund should be paid within five days after the assessment had been made and notice given; and if any member failed to pay his assessment within thirty days the trustee should draw upon the member's share of the Special Fund; and if the amount was not restored to the Special Fund by the member within ten days after notice he should cease to be a member of the Association, and should forfeit all interest in both the special and general fund.

(Vol. III, p. 6.) It was further provided *that daily reports should be made by each member of the association to the secretary at the close of business of all deliveries and shipments of all kinds of maple, beech, and birch flooring for use within the United States, except that purchased from other members; and it was specified what such reports should include.* (Vol. III, p. 7.)

As there was then no provision for the distribution of such information, the object of the requirement no doubt was to enable the secretary to make estimates of assessments and payments under the allotment provision.

These articles of association were continued with a few modifications for three additional years until January 1, 1919. (Keehn, Vol. I, pp. 74–75.) The articles in effect during that period are filed as Government Exhibit 2 (Vol. III, pp. 14–21). *Of the twenty-two members of the present association seventeen were members during the existence of those articles of association,* the membership then being twenty-eight. (Keehn, Vol. I, p. 75.) Those articles were succeeded by another set, which went into effect on January 1, 1919, and continued for six months, or until July 1, 1919. Those articles are filed as Government Exhibit 3. (Vol. III, pp. 25–32.) They contain precisely the same provisions as to allotment and statistical reports as those contained in the preceding articles (Vol. III, pp. 30–31), but a different method was provided for raising the special fund (Vol. III, p. 29). *Twenty-one*

members of the present association were members of that association, which consisted of twenty-nine members. (Keehn, Vol. I, p. 76.) Other articles of association were adopted and went into effect July 1, 1919, to be effective until July 1, 1922 (Vol. III, pp. 37–44). But Mr. Keehn testifies that the allotment feature was discontinued on March 31, 1920, and that there has been no general fund or allotment payments since that date. But, strange to say, there was no minute made by the association or by the board of trustees showing such fact.

On being questioned by the court, the witness claimed that they took this action on advice of counsel, but admitted that he thought there was nothing in the minutes to show such fact. (Vol. I, pp. 76–78.) Instead of the articles adopted July 1, 1919, being continued to July 1, 1922, as was contemplated, the articles now in effect were adopted in March, 1922, but were dated back as effective January 1, 1922. In the meantime, however, a draft of articles was made, and was signed by a large number of the manufacturers, which purported to extend over the period from October 1, 1921, to July 1, 1922 (Gov. Ex. 5, Vol. III, pp. 49–56); but Keehn says that they did not go into effect because not signed by three or four of the manufacturers (Vol. I, pp. 78–90). Although Keehn says that the allotment feature was discontinued March 31, 1920, *yet it will be noted that in this tentative draft that feature was retained;* but instead of three dollars per thousand on excess

shipments, and payment of the same amount on undershipments, the amount to be collected and paid was four dollars per thousand. (Vol. III, pp. 54–55.) If all but three or four of the members were willing to sign articles containing such an agreement to extend from October 1, 1921, to July 1, 1922, it can hardly be believed that the allotment feature ceased on March 1, 1920, especially in view of the fact that no record of any such action was made.

The fact appears to be that for some reason not disclosed by the record, the operation of the allotment articles was *suspended* for a period of 18 months from March 31, 1920, until October 1, 1921, so far as the collection and distribution of the General Fund was concerned. This is established by a number of letters in the record. In a letter from William Horner to Mr. Keehn dated Nov. 22, 1920, eight months after it is claimed the allotment feature was abandoned, the writer said:

> We note by your report of the General Meeting that you do not mention the resolution regarding the allotment plan at all. Please advise us by early mail, if you intend to put the allotment plan into force immediately or if this is to be held in abeyance for the present. (Vol. IV, p 560.)

Mr. Keehn's answer dated November 29, 1920, said:

> The question of resuming the allotment payments, *which have been held in abeyance*

> since March 31st, will be taken up by correspondence with the Trustees and the entire membership in time so that some definite action can be taken at the next general meeting to be held on December 22d. (Vol. IV, p. 560.)

But another letter from Mr. Keehn to William Horner dated December 31, 1920, shows that the meeting on the 22d was a "mixed-up mess", and that nothing was accomplished. (Vol. IV, pp. 560–561.) Apparently nothing more was done about the matter until the proposed Articles of Association dated October 1, 1921, were under consideration, when under date of September 16, 1921, Mr. Keehn sent to each member a copy of the proposed revised articles, stated the changes incorporated in them, and in explanation of the allotment articles said:

> It would seem that the allotments as agreed upon in our present Articles of Association, which allotments were to be in force from July 1, 1919, to July 1, 1922, should govern from October 1, 1921, to July 1, 1922, because each member has already agreed to his allotment to run to July 1, 1922, and if we begin changing allotments, there will be no end to it. *Inasmuch as the allotments were suspended from April 1, 1920, to October 1, 1921, a period of 18 months or one-half of the three-year period originally agreed upon,* there should be no particular hardship on any member to reinstate his allot-

> ment from October 1, 1921, to July 1, 1922, being the nine months remaining of the three years originally agreed upon. (Vol. III, p. 61.)

The proposed Articles of Association of October 1, 1921, apparently did not actually go into effect because of the refusal of the Nichols & Cox Lumber Company and of the Holt Hardwood Company to join with the other members who had expressed themselves in favor of reinstating the allotment feature, unless their allotted ratios in M feet were readjusted to be in harmony with the volume of their production and shipments during a more recent period than the one used in basing their allotted percentages. (Vol. III p. 63.) In one respect, however, the allotment feature of the July 1, 1919, Articles of Association was actively in force and *enforced* until the present Articles of Association were adopted. Article XVI of these articles provided that:

> An Expense Fund to provide for the current running expenses of the Association shall be established and maintained by the payment, as often as required by the Board of Trustees, of assessments levied upon the members of the Association of Twenty-Five ($25.00) Dollars per each one (1%) per cent. allotted to each member under these Articles of Association (Vol. III, p. 43.)

The Special Fund or Guarantee Fund established by Article XIII of the 1919 Articles was also

based on the allotted established percentages, and no change was made in the Special Fund or in the method of providing for the current running expenses of the Association, except in the case of one new member, until the 1922 Articles were adopted. (Vol. IV, pp. 481–482.)

Therefore, if in fact the collection and paying out of the allotment fund ceased on March 1, 1920, defendants deserve no credit so far as this proceeding is concerned, as it was not done that their conduct might conform to the law; *but it was a mere temporary suspension arising out of the general conditions of the lumber business.*

The provisions relating to determining average cost appeared for the first time in the proposed Articles of October 1, 1921, in practically the same form as in the Articles under which the Association is now operating. It was declared that the principles stated were recognized *and adopted* as the only scientific method of conducting the business of manufacturing and marketing Maple, Beech, and Birch flooring. (Vol. III, pp. 53–54.) This feature will be fully considered hereafter.

There was an effort on the part of the witness Keehn, who is secretary of the defendant association, to make it appear that an entirely different association operated under each one of the plans above described; but he was forced to admit that he was the secretary of all the associations; that each one functioned until the articles of its successor

were adopted; and he did not deny that the office was continued at the same place; and, as above shown, nearly all the members of the present association were members of each one of its predecessors. (Keehn, Vol. I, pp. 73–76.) The continuity of these associations is also undisputably shown in Keehn's cross-examination. (Vol. I, p. 143.)

III

Minimum Price Plan and Minimum Price Basis

The Minimum Price Plan

In addition to the articles of association above described, on August 27, 1915 (Gov. Ex. 10, Vol. III, pp. 76–78), a petition dated July 14, 1915, was filed with the Federal Trade Commission, and on June 27, 1916, an agreement between the petitioners designated as a "Minimum Price Plan," to which a copy of the petition was attached, was also filed with the Commission. (Vol. III, pp. 78–81 and Vol. IV, p. 798.) The signatures of twenty-eight manufacturers were attached to the petition, and the signatures of twenty-three were attached to the plan. *Fourteen of the defendants signed both the petition and the plan.* The plan provided for an amendment to the articles of association, to be operative from July 1, 1916, to November 1, 1917; and Article I of the proposed amendment provided that:

> Pursuant to the petition dated July 14, 1915, which the Maple Flooring Manufacturers' Association submitted to the Federal

Trade Commission at Washington, D. C., on or about the 27th day of August, 1915 (a copy of which petition follows this supplemental agreement), the members of the Maple Flooring Manufacturers' Association *hereby agree to establish minimum prices for the sale of Maple, Beech, and Birch Flooring, and agree not to sell any Maple, Beech, or Birch Flooring during the period beginning July 1, 1916, and ending November 1, 1917, below such minimum prices.* (Vol. III, p. 78.)

Article II provided that in order that the minimum prices might be fair and reasonable, the actual average cost of flooring should be determined by the following elements, to wit:

(*a*) The actual market value of the raw material;

(*b*) The average cost and expense of manufacturing and selling flooring;

(*c*) Interest on the capital actually invested in the flooring business at the rate of five (5) per centum per annum;

(*d*) Annual depreciation of Plant; and

(*e*) The usual overhead charges incurred in carrying on the flooring business. (Vol. III, pp. 78–79.)

Article III provided *that minimum prices should from time to time be established under the agreement, but that they should not exceed an amount which would give the member an average net profit, over the average actual cost to be determined, in excess of ten per cent.*

By Article IV a scale of minimum prices to be observed until altered was established.

By Article V the members were prohibited from selling during the period mentioned flooring at less than the minimum prices established, or to be established, and it was provided that if any member should sell for less than the minimum price, it should pay to the association a sum equal to 10% of the amount received for the flooring so sold.

By Article VI each member was required upon the request of the secretary to furnish a report showing its sales and to whom, and the prices at which made; and the secretary was given the right to examine the records of the members.

Article VII provided that if a member had on hand flooring which it was unable to market at the minimum price, or to any other member of the association without regard to such price, it should offer the flooring to the members through the secretary; and in case it was bought by a member, it should not be resold by the purchaser at a price less than the minimum; but if not bought by some member within thirty days, then the owner might sell the flooring in open market at any price, not less than the price at which he offered it to the members of the association; and that if a member should violate such provision he should pay the association a sum equal to 10% of the amount received for the flooring.

Article VIII provided that if a member did not pay the 10%, the secretary should cause the same to

be paid from any funds standing to the credit of such member. The agreement was made with the understanding that it should be signed by all the members, and that it should be filed with the Federal Trade Commission. (Vol. III, pp. 78–81.) The petition was attached to copies of different plans, and appears in the record [1] Vol. III, pp. 76–78; [2] pp. 82–84; [3] pp. 89–91; and [4] pp. 95–97.

As stated in the following paragraph from the report of the Market Conditions Committee (the functions of which committee are explained hereafter on p. 139) dated June 22, 1916, the Minimum Price Plan Agreement was finally signed by all the members, and became effective from July 1, 1916, until November 1, 1917:

> The Special Committee is indeed happy to report that Mr. I. N. Bushong, of the Northwestern Cooperage & Lumber Company, attended the meeting and signed the Minimum Price Plan Agreement in behalf of his company. *The Minimum Price Plan Agreement is, therefore, consummated, and will take effect July 1st, 1916, as telegraphed yesterday.* The duration of the agreement is from July 1, 1916, to November 1, 1917. As the time between now and July 1st is quite short, and as members may have quotations out which they may not hear from before July 1st, it is understood that any bona fide outstanding quotations may be protected up to July 10th. (Vol. IV, p. 430.)

Even at the time they first adopted and operated under the Minimum Price Plan, some of the defendants were rather uncertain as to its legality; or perhaps quite certain as to its illegality. Under date of September 1, 1916, the East Jordan Lumber Company advised Mr. Keehn that in the opinion of their attorneys the plan was in direct violation of the Federal Statutes and also of the Michigan Statutes (Vol. IV, pp. 545–546); but this difficulty was ingeniously answered by Mr. Keehn in his reply dated September 7, 1916, part of which reads as follows:

> Replying to your letter of the 1st, the submission of the Minimum Price Plan to the Federal Trade Commission takes care of all legal questions pending the reply of the Commission, and if the Commission decides that the Plan is not legal, they will, no doubt, tell us to discontinue its operation.
>
> When the Plan was under consideration, the Association requested its attorney, Mr. Newman, to handle the legal details, and it was understood that the members of the Association would leave it to him instead of each member consulting his own attorney. If all the members submitted all Association questions to their attorneys we would have such a diversity of opinion that nothing could be accomplished, and for that reason it has been an advantage to the Association to have an able attorney like Mr. Newman to advise us.

> Inasmuch *as the Minimum Price Plan is an amendment to the Articles of Association, and is consequently now a part of that contract,* all I can do, it seems to me, is to send a copy of your letter to the Board of Trustees. (Vol. IV, p. 546.)

Mr. Keehn's letter of September 7, 1916, also shows that the problem had been presented by the Wisconsin members of making the affidavit required by the laws of that State in answer to the question " whether such corporation has entered into any combination, conspiracy, trust, pool, agreement, or contract," etc.; and although Mr. Keehn first stated in a letter dated January 17, 1917, that the affidavit could not be signed while a corporation was a party to the Minimum Price Plan, this difficulty was also solved; and under date of February 7, 1917, Mr. Keehn advised the Foster-Latimer Lumber Company that inasmuch as the Association had never received the approval of the Federal Trade Commission to the Minimum Price Plan, and as the matter was still pending, the Plan had never been consummated and had never been in effect. The Foster-Latimer Company nevertheless made its report to the State with the notation: " We are members of Maple Flooring Manufacturers Association and all matters pertaining to that organization are submitted to Federal Trade Commission." (Vol. IV, pp. 546–548.)

The original Minimum Price Plan was extended from November 1, 1917, to January 1, 1919, to run

concurrent with the duration of the allotment articles, by a resolution adopted at the meeting held July 20, 1917, in accordance with a recommendation of the Market Conditions Committee. (Vol. IV, pp. 436–437.)

In a letter to members dated October 14, 1918, Mr. Keehn stated that the allotment contract and Minimum Price Plan would both expire by limitation on December 31; and he made the following suggestions as to the renewal of the Plan:

> 6. The M. P. P. to be rewritten to include all modifications adopted to date and its duration to run concurrent with the Allotment Articles.
>
> *It would be my thought not to incorporate the Allotment Articles and the M. P. P. in one document, but to have the M. P. P. supplemental to the Allotment Contract as at present, so in case the Federal Trade Commission should advise the cancellation of the M. P. P. it can be done without disturbing the Allotment Contract or vice versa.* (Vol. IV, p. 444.)

The plan was accordingly revised as of January 1, 1919, to be in effect from January 1 to July 1 of that year; and it was recited that the revised plan was made pursuant to the petition filed with the Federal Trade Commission on July 14, 1915. (Vol. III, p. 84.) This plan contained the same provisions as the former, with the addition that each member might register special representatives;

who were required to be wholesalers or commissioned salesmen, and whose registration should be confidential, and that a concession of one dollar per thousand might be made to such representatives; and further, that a list of wholesalers and commission men should be adopted to whom a like concession might be made as soon as such list had been published to all the members of the association; and that nominations for registration should be made in writing to the secretary by members of the association, and all nominations should be bulletined to the members by the secretary; and if no objections were filed within ten days the registration should automatically become valid. Thus a favored class of dealers was provided for. (Vol. III, pp. 88–89.)

The Minimum Price Plan was continued after July 1, 1919, and was finally vacated by the following resolution adopted at the Annual Meeting held February 12, 1920:

> M. P. P. Vacated.—On motion, the following resolution was adopted by unanimous vote:
>
> "Whereas the Minimum Price Plan was submitted to the Federal Trade Commission for its approval on June 27, 1916, and the Commission has taken no action with respect to the same, neither approving nor disapproving the Plan; and
>
> "Whereas said Plan has never been enforced by the Association;

> "*Therefore be it resolved,* That said Minimum Price Plan and all resolutions relating to the same, be and they are hereby vacated." (Vol. IV, p. 529.)

This action was undoubtedly taken because recomendations or agreements as to *minimum* prices were a futility in February, 1920, as the annual report of the Secretary which was read at the meeting before the resolution quoted above was adopted, *commented at length upon conditions in the industry, and then stated that the time was rapidly approaching, if it had not arrived, when concerted action should be taken by the Association to stabilize the price of flooring, and that maximum prices could be established from time to time.* At the same meeting, however, the Association adopted the resolution instituting the weekly sales reports which is quoted hereinafter (p. 107), and also the following resolution:

> New Table of Values.—On motion, the Secretary was instructed to compile for the information of the members *a Table of Values showing what the selling prices of flooring should be* if based scientifically upon actual average cost and if a profit is included of 10% reckoned upon selling prices F. O. B. the flooring mill.
>
> It was the sense of the meeting that the following fundamental elements constitute the basis of cost in ascertaining what the selling prices of flooring should be:

(*a*) The actual market value of the raw material.

(*b*) The average cost and expense of manufacturing and selling flooring.

(*c*) Interest on the capital actually invested in the flooring business at the rate of five (5) per centum per annum.

(*d*) Annual depreciation of Plant; and

(*e*) The usual overhead charges incurred in carrying on the flooring business. (Vol. IV, pp. 528–529.)

Conditions in the industry during the latter part of 1920 were not as favorable for the manufacturers as they had been in February; and under date of December 16, 1920, Mr. Thomas, the Chairman of the Market Conditions Committee, wrote to Mr. Keehn saying:

> *From present indications I assume that there will be an insistent demand for the resumption of our M. P. P. at the time of our next meeting, December 22. It seems to me desirable to work out an adjustment of the plan so it can be put into effect the first of the year providing the members all agree to it.* (Vol III, p. 97.)

The Minimum Price Basis

Then on January 6, 1921, *a plan, known as the "Minimum Price Basis," was adopted, which was to be effective from that date to July 1, 1922.* This purported also to be based upon the petition filed with the Federal Trade Commission on July 14, 1915; and it was stipulated that "*the members of*

the Maple Flooring Manufacturers' Association hereby establish a Minimum Price Basis for the sale of maple, beech, and birch flooring." (Vol. III, p. 92.) The elements which entered into the computation of cost were the same as in the former stipulation, except the interest allowed was 6% on capital invested instead of 5%, and it was declared the *minimum* price should not give a member an average net profit in excess of 5%, instead of 10% as specified in the former agreement. (Vol. III, pp. 92-93.) *A table of values was agreed upon, subject to change; and it was stipulated how much commission might be allowed each member's special representatives and also the amount allowed those registered as wholesalers and commission men, and what the terms of sale should be.* The only difference between this plan and the "minimum price plans" previously adopted was, that this one did not prescribe a penalty for violation, or specify a method to enforce its observance. It was recited that the plan should be filed with the Federal Trade Commission for its approval, and that *in the event of its disapproval* it should be void. Of course, the Commission expressed no opinion upon the subject, and by its very terms it became effective. This plan was signed by twenty-three manufacturers, *of whom eighteen are defendants in this litigation.* (Vol. III, pp. 92–94.)

Both the M. P. Plan and M. P. Basis were in force

It was first claimed by the witness Keehn that neither the Minimum Price Plan nor the Minimum Price Basis ever went into effect; and when shown the Plan revised as of January 1, 1919, and asked "Did that go into effect on that date?" he replied, "No minimum price ever was enforced or was consummated." (Vol. I, p. 80.) Later, on cross-examination, he made a distinction between the plans being "in force" and "enforced," and testified:

> Q. When you said in your direct examination that it was never enforced will you explain just what you mean by that? What was done by the association then existing under this minimum price plan, government exhibit 11, if anything?
>
> A. Some of the statistical data and lists of surplus stock, etc., were submitted to the association, but no penalties or fines or assessments of any kind were ever made upon or claimed for or ever paid into the general fund or the treasury of the association or were demanded by the association. In other words, the members continued on and so far as my judgment and opinion goes they sold their flooring at whatever prices they pleased. (Vol. I, p. 144.)

His attention was called to a recital in the minutes of a meeting held January 6, 1921, as follows:

> The committee then made its report and the plan as formulated to be known as the

> minimum price basis was read and fully discussed by the meeting, *and on motion was accepted;*

and the witness drew a distinction between "accepted" and "adopted" (Vol. I, p. 148), as he had previously done between its being "in force" and "enforced" (p. 146).

That the Minimum Price Plan was "in force," and at least in a measure "enforced," ever since it was first devised is shown by many of the exhibits introduced by the Government. Exhibit 31 M (Vol. III, side p. 533) is a page dated July 1, 1916, entitled "*Application of Minimum Prices,*" which was combined with the Table of Values of May 15, 1916, and which reads as follows:

> The Delivered Prices in the Table of Values of May 15, 1916, in the Association Rate Book and Index of Towns, *are the basis of the Minimum Prices*—not F. O. B. mill prices.
>
> Minimum Prices of 1$\frac{1}{16}$", 1$\frac{5}{16}$", and 1$\frac{13}{16}$" Maple, Beech, and Birch Flooring are based on the Rate Book Full List Delivered Prices of 1$\frac{13}{16}$" D. & M. Maple.
>
> *Minimum Prices* of 1$\frac{13}{16}$" Jointed Flooring are based on the Rate Book Full List Delivered Prices of 1$\frac{13}{16}$" D. & M. Maple.
>
> Prices of 2½" face D. & M. or Jointed are based on 2¼" face D. & M.
>
> Prices of 3" or wider faces D. & M. or Jointed are based on 3¼" face D. & M.
>
> *A Minimum Price is the bottom price, not an average price.*

Don't stay at the bottom.

When your stock conditions and sales opportunities will not warrant your holding for top prices, insist at least on getting a substantial advance over the Minimum Price.

That some at least of the members did not ignore their agreement to maintain the minimum prices (which were apparently also the actual current selling prices) is shown by a letter from the Bigelow-Cooper Company to Mr. Keehn, *which the latter circularized to all the members under date of September 14, 1916,* and which reads in part as follows:

> We received the following letter from our New England salesman, which we thought would interest you:
>
> "I was very much surprised this morning in trying to secure an order from Blacker & Shepard Co. for a carload of 13/16 x 2¼" No. 1 Maple flooring, *that I was the only one quoting on new basis of prices* * * * I did not get the names of any of the concerns bidding, but it surprised me to think that not one of them was over $41.00, whereas our quotation was $42.50."
>
> The writer does not know of six concerns quoting in Boston Territory who are outside of the Association. It would look as though all your good members are not sticking. *We are continuing, however, to ask the prices.* (Vol. IV, p. 431.)

Actions taken by the Association to establish new minimum prices or new spreads in accordance

with Articles II and IV of the Plan, are shown by the January 26, 1917, Table of M. P. P. Values (Vol. III, p. 245); the minutes of the meeting held July 20, 1917 (Vol. IV, pp. 434–435); the letter to members dated May 23, 1918 (Vol. III, p. 299); the Market Conditions Committee Report dated June, 1919 (Vol. III, p. 246); and the Market Conditions Committee Report dated August 21, 1919 (Vol. III, p. 249). A report entitled "Listings of M. P. P. Surplus Stocks" illustrates the method of operating under Article VII of the Plan. (Vol. III, pp. 256–260.) The June, 1919, Report illustrates in detail the method of determining and establishing minimum prices and is therefore quoted at length:

> *Current Net Values.*—Current Net Values for June reflect the advance adopted in May, but as the advance adopted in June did not take effect until June 19th, with the customary ten days in which to protect outstanding quotations, it was not to be expected that a large volume of new orders would be booked in June at the new June prices. Current Net Values for July, however, will reflect the June 19th M. P. P. Basis.
>
> *Survey of Costs.*—Surveys of Costs for the 2nd quarter of 1919 were received from ten members whose flooring operations are typical of the average of the industry. Their reports indicate an advance in Manufacturing and Marketing Costs of $1.29 over

the previous survey. The gross cost is $22.14 less wood $2.22, leaving the net cost $19.92 compared with $18.63, according to the preceding survey. The market value of rough flooring lumber has also advanced. The Committee felt that it should be conservative and that it would be better to be too low than too high regarding the average current market value of lower Michigan, upper Michigan and Wisconsin 4/4 Maple Flooring stock. Based upon information regarding recent sales, not asking prices, the Committee concluded that $3.00 would represent the advance on the flooring lumber. This would equal $3.66 advance in the cost of 1,000 ft. of flooring (counting 18% waste) in arriving at the selling basis of the product. Using the composite results of the seven test runs, as per our revised statement of May 15, 1919, it works out as follows:

Cost of 1,000 ft. flooring sold	$56.34	
To cover $3.00 advance on flooring lumber, counting 18% waste. Add	3.66	
Add increase in Manufacturing and Marketing Costs from $18.63 to $19.92	1.29	
		$61.29
Add one-ninth to give 10% profit on sales	6.81	
		$68.10
Value of Seven Test Run flooring product per statement of May 15th	$58.98	
Add advance of June 19th	6.00	
	64.98	
Horizontal advance required	3.12	
		68.10

Committee's Recommendations.—In view of cost conditions the Market Conditions Committee recommended a horizontal ad-

vance of $3.00 and the recommendation was immediately telegraphed to all the other members of the Association as follows:

"Because of increased costs Market Conditions Committee recommends horizontal advance of Three ($3.00) Dollars effective today. Please wire approval today."

At this writing we have received affirmative replies from all but one member of the Association, and we are expecting to hear from him during the day.

Some of the replies which we quote below favored a larger advance than $3.00. (Vol. III, pp. 246–247.)

After quoting some of the replies favoring a larger advance the Report continued:

So, if any members of the Association feel that the recommendation of the Committee is too low or is at a lower basis than they wish to take new orders at, they can, of course, pursue the same course *and ask more than this new M. P. P. Basis.*

It should always be remembered that the M. P. P. is a minimum price not a maximum price.

Values of $\frac{3}{8}$*".—The Committee discussed the market value of* $\frac{3}{8}$*" flooring, which is also oversold to a greater extent than ever before in the records of the Association, especially the Clear grade. It was the view of the Committee that a horizontal advance of $5.00 on* $\frac{3}{8}$*" Clear and No. 1 be recommended, and*

> *the Secretary was instructed to have a new Table of Values covering the* $\frac{3}{8}$*" printed and mailed to the members.* Please bear in mind that the $\frac{3}{8}$*"* prices do not carry any concession, but are net, being subject only to commissions to your Registered Special Representatives and to Registered Wholesalers and Commission Men. (Vol. III, p. 248.)

The appellants' brief quotes on pp. 197–204 a number of statements by witnesses in support of the assertion on p. 196 that the evidence "clearly proves that the Minimum Price plans were abandoned and never enforced." None of the statements quoted, however, in any way controverts the evidence heretofore considered, which establishes beyond dispute that the original Minimum Price Plan was continued from time to time from 1916 to January, 1919; that in January, 1919, it was revised and readopted and was in effect until early in 1920 when the high level of prices made its continuance unnecessary; and that the Minimum Price Basis was signed and put into effect in January, 1921, when the general business depression again made the establishment of minimum prices desirable. The greatest effect that could be allowed the evidence quoted is that during the operation of the Plans, some of the parties to them perhaps did not always live up to their signed agreements, and that the prescribed penalties were not collected for such lapses. However, some of the evidence quoted with reference to that question merely indicates

that there was no absolute *uniformity* of prices—which of course was never required under the plans.

Everything prescribed by the Minimum Price Plans and Minimum Price Basis—except possibly enforcing the observance of the former—was, however, regularly done; and it appears from the following statement made by Mr. DeWitt while attempting to establish the nonobservance of his minimum price agreements, that the prices established in accordance with the plans were at least considered to be *the association prices*. He said:

> * * * and our actions show that we never have considered ourselves bound. If you will go through all our files and get the prices that we have obtained for our flooring you will find that it has always varied, sometimes it will be the Association price, sometimes lower and sometimes higher, but we have never surrendered the right to make our own prices on our product. (Vol. I, p. 258.)

At least one member of the association, however, did not violate the Minimum Price agreements, as Mr. Saunders testified on cross examination:

> A. At any time during the life of any of these Associations had our prices been below that price, we might have considered it, but it never being necessary it never came to our attention.
>
> Q. That is your explanation, that you always sold above the minimum price, and hence you did not consider the minimum price?

A. That is correct.

Q. Always sold above it?

A. I think that is correct, I think our history will show it. (Vol. I, p. 203.)

No reports of individual sales were furnished to the members by the association during the life of the Minimum Price Plan, *but while the Minimum Price Basis of January 6, 1921, was in force the regular weekly sales reports were being prepared and distributed.* Exhibits 20, 20A, 21, and 22 (Vol. III, pp. 261–76) are the reports dated January 13, January 20, January 27, and February 3, 1921. Each report gives in successive columns from left to right the date of the sale, the quantity, the dimension, the grade and wood, the delivered price, the new index letters (freight rate symbols), the M. P. B. (the Minimum Price Basis delivered price), the commission, and the identification number of the mill, except that there are not in all cases M. P. B. prices to compare with the actual prices. A tabulation of all the comparisons given, however, shows the following results:

Report dated	Actual prices exactly equal to M. P. B. prices	Actual prices over M. P. B prices	Actual prices under M. P. B. prices
January 13, 1921	14	20	5 (1 explained as per note 1).
January 20, 1921	31	22	8 (3 explained as per note 2).
January 27, 1921	21	11	10 (10 explained as per note 3).
February 3, 1921	49	21	11 (5 explained as per note 4).

(1) Quotation lowered to meet competition.

(2) One sale to association member, two sales on quotation made prior to Jan. 6, 1921.

(3) Nine sales to association members, one sale price reduced because of cancellation after car loaded.

(4) Three sales made to association members, two sales made with 50¢ error in freight rate.

A further analysis of the comparisons made by the January, 1921, sales reports between the actual prices and the minimum prices shows that the companies of the witnesses who testified as to their general disregard of the minimum prices in fact almost invariably maintained them during the only period for which an accurate check can be made.

The Holt Hardwood Company, represented by Mr. DeWitt, made three sales at the minimum prices, seven over, and two under—one of these being explained as having been taken January 5, the day before the agreement went into effect. This company apparently did make one unexplained cut of 50 cents. It is also noteworthy that three months after the Department of Justice was assured that the M. P. B. had been abrogated and would not be proceeded with, a table of values dated May 21, 1921, was sent out by the association; that shortly thereafter the Holt Company, in answer to an inquiry, advised the Wood Lumber Company of Worcester, Massachusetts, that it was revising its prices; that it quoted delivered prices at Worcester which were identical with the new delivered values established by the May 21 table, and that notwithstanding a lengthy correspondence, the Holt Company steadfastly refused to deviate from the new prices, and manifested great confidence that prices would be stabilized on the new basis. (Vol. I, pp. 244–247.)

The comparison also shows that during the period of the formal existence and operation of the

M. P. B. in January, 1921, William Horner, represented by Mr. Ralston, *made nineteen sales at the minimum prices, three over, and two under—the latter being explained as due to an error in the freight rate,* and that the Cummer-Diggins Company, represented by Mr. Saunders, *made six sales at the minimum prices—but none either over or under those prices.*

Why the Minimum Price Basis was substituted for the Minimum Price Plan is perfectly apparent. No penalties are necessary when each competitor is required to reveal his violations of an agreement or tacit understanding to the others. This has been repeatedly demonstrated in the operation of these associations. Therefore, the penalties were eliminated, and each member was required to report his individual sales which were repeated by the secretary to the members; and the explanations of nearly all the sales made under the prescribed minimum prices show the moral restraint imposed upon the members.

Mr. Keehn stated with reference to the Minimum Price Basis:

> The minimum price basis never provided for any penalty of any kind. A man could do just as he pleased about it. It was without force or effect. It was simply a statement of business policy. (Vol. I, p. 82.)
>
> We did not exact any penalties of any kind under the Minimum Price Plan, but in

the Minimum Price Basis no penalties of any kind were even prescribed. *It is simply a statement of business policy and was for handling the sales of maple, beech, and birch flooring.*

The COURT. Will you permit me a question? If I understand you, with the exception of a declaration that penalties would be imposed or might be imposed, the method of obtaining the cost of production and selling was the same under these two plans, that is, the Minimum Price Plan and the Minimum Price Basis, as you call them, and the information furnished members of the Association was the same information, in substance?

A. In substance the same basis was used in arriving at the average cost of producing and marketing flooring with the exception of the interest rate that I mentioned.

The COURT. Then, the difference would be, the substantial difference would be that in the one case, in form at least, you required it, and in the other you advised it?

A. I wouldn't say that we advised it. We gave it to the members to use in such way as they wished to use it. (Vol. I, p. 102.)

It is quite apparent, however, that whatever may have been the situation with reference to the observance of the minimum prices under the Minimum Price Plan, under the Minimum Price Basis, supported by the information conveyed to every member as to every sale below the minimum, the minimum prices were very scrupulously maintained.

In view of the overwhelming evidence that the

Minimum Price Plan and Minimum Price Basis agreements were in fact observed, Mr. Keehn's effort to make it appear to the contrary should cause his testimony upon other material matters to be received with caution.

IV

Abrogation of Minimum Price Basis, and negotiations leading up to adoption of present articles of association

A resolution adopted at a meeting held February 25, 1921, declared the minimum price basis null and void, and stated that neither the association nor its members would operate under it. This action was taken in accordance with assurances given to the Department of Justice by the president of the Association in a letter dated February 11, 1921, (Vol. IV, p. 803) *prompted by the receipt of a letter from the Assistant to the Attorney General stating that the minimum price basis and rate book transmitted to him indicated a flagrant violation of the penal provisions of the Sherman Act.* (Vol. IV, p. 802.) Apparently, however, at least one of the members of the association still considered that the association prices, or costs, or values, were to be maintained, for in a letter dated March 19, 1921, to Mr. Keehn, the Osgood and Blodgett Mfg. Co. referred to cuts appearing in the sales reports, and then stated:

> *If there has been a new list established it would seem to us that we all ought to be ad-*

> *vised, as our quotations at the standard price are being turned down daily.* (Vol. IV, p. 480.)

In a letter to members dated April 21, 1921, Mr. Keehn advised them of a general meeting to be held on the 27th of that month, and stated that conditions in the flooring industry were in a deplorable state and that it was of the utmost importance that every member of the association be represented; and in a letter to the Holt Hardwood Co., dated April 23, 1921, he said:

> We are glad you will be represented at the meeting on the 27th, and note what you say about not furnishing any more reports *until there is something done to make more co-operation.* I hope some new plan can be worked out that will improve conditions. (Vol. IV, p. 563.)

The minutes of the special meeting held April 27, 1921, contain only the following brief reference to the " new plans " under consideration:

> The statistical reports for the month of March, 1921, were submitted to the meeting and briefly discussed, and several plans to remedy the present deplorable conditions in the industry were suggested and considered, but no definite conclusions were arrived at.
>
> It was suggested that the plans proposed be given further thought and that the meeting adjourn subject to the call of the President with the understanding that the Presi-

dent would call such meeting to be held at as early a date as possible. (Vol. III, p. 134.)

But in a letter to Mr. Earle, Mr. Thomas, and Mr. Whedon, dated April 30, 1921, Mr. Keehn said:

> GENTLEMEN: We have prepared a rough draft of new Articles of Association, effective from May 1, 1921, to July 1, 1922, and are sending each of you a copy for such suggestions in the way of revision as you may wish to make.
>
> Several new features have been incorporated as the result of experience, etc., since the old Articles were formulated. You will note that in Article II, "Objects," we have included some of our creed as it appears in our advertising literature, and that we have inserted a clause regarding actually completed and closed business transactions, which, of course, refers to our Weekly Sales Reports; we have also declared our intention regarding Surveys of Cost and what we consider the fundamental elements to be used in arriving at the basis of ascertaining cost to the manufacturer of producing and placing on the market Maple, Beech, and Birch flooring.
>
> It is my thought, when we prepare an Average Cost Chart, that Frame A will represent the average cost F. O. B. cars at flooring plants and subsequent frames will show the cost of delivering to destination, which would mean Frame A plus average

cost of freight, and this average cost of freight, would be based upon the freight rate from Cadillac, Mich., which we consider represents the average freight rate from all the flooring mills to all the destinations. I thought it unnecessary to mention delivered values in the Articles of Association, *as whatever Average Cost Charts are compiled to show the delivered prices* would be simply mathematical and a supplemental detail, which would not in any way be contrary to the principles outlined in Article XIV.

We are waiting to hear from Mr. Thomas before proceeding further with the other plan discussed at the meeting, and in this connection perhaps it would not be out of place for me to say that, in view of the representations made by Dr. Earle as President of the Association, in his last letter to Mr. Nebeker (a copy of which you have), and also in view of the resolution adopted at the general meeting held on February 25, and approved at the meeting held on April 27, we should carefully consider any new plan the adoption of which might raise a doubt in the mind of Mr. Nebeker as to the sincerity of the representations in Dr. Earle's letter, evidence of which sincerity the Department of Justice may call upon us for at any time, and also as to the sincerity of the resolution adopted February 25, and approved April 27.

By the way, I see by the newspapers this morning that the Federal Trade Commission has again attacked the Pittsburgh base used

> by the steel industry and that the Commission is also going into the question of fixing prices by all the steel manufacturers by using the Pittsburgh base. It seems the Commission is divided on the question, three of the members opposing the Pittsburgh base and two of them not opposing it. (Vol. IV, pp. 534–535.)

The record does not contain the minutes of a meeting held May 20, 1921, but in a letter to members dated May 26, 1921, Mr. Keehn stated:

> GENTLEMEN: Only three of the members who attended the general meeting on the 20th and who promised then to make the weekly reports of sales did not make their reports for the week ending May 21st. No doubt they are under the impression that the *new Plan under which these reports are to be made by every member of the Association,* would begin with the week ending May 28th, instead of with the week ending May 21st. (Vol. IV, pp. 451–452.)

The record does not definitely establish the nature of the "new plan" referred to, but Exhibit 43 JJ (Vol. III, side pp. 2394–2399) is a report dated October 6, 1921, entitled "Audit Changes, June 2 to July 8, 1921, In Members' Weekly Sales Reports," so it is apparent that the "new plan" required all the members to report all their sales, and provided for an audit to make certain that was done.

In a letter to Mr. Keehn dated *May 26, 1921, which was circularized to the members* under date

of May 28, 1921, the East Jordan Lumber Company said:

> *We have your favor of the 21st and are exceedingly sorry that the minimum price plan did not go through, as we feel this is the only plan which has ever worked out satisfactorily, and that it would be especially valuable to us at this time.* (Vol. III, p. 313.)

Whatever may have been the fate of the Minimum Price Plan at the May 20, 1921, meeting, the record contains a table dated *May 21, 1921, (three months after the date of the resolution nullifying the Minimum Price Basis) entitled "Concessions and Additions—Table of Values May 21, 1921, 13/16" Maple and Birch D. & M. All Grades and Faces, Full List," gives the concessions and additions for other faces, grades, and woods, and also states the rules with reference to commissions and terms of sale.* (Vol. III, p. 326.) *A letter to members dated June 3, 1921, shows that this concession sheet had been sent out the preceding day with Tables of Values for 13/16" and* $\frac{3}{8}$*" flooring as new fillers for the Rate Books, and also that the list of wholesalers and commission men was being revised and reprinted, and that the names of unclassified dealers would be passed upon by the committee the same as theretofore before being listed.* (Vol. III, pp. 313–314.) Apparently the Trade Relations Committee had charge of that matter, as the call for a meeting to be held July

8, 1921, stated that that committee might have a report to make regarding the list of wholesalers and commission men. (Vol. IV, p. 452.)

In a letter to members dated August 11, 1921, calling a meeting to be held August 19th it was said:

> Our weekly Sales Reports indicate considerable demoralization in the flooring situation and it seems absolutely necessary that every member should be represented at the meeting *so that greater cooperation can be assured and conditions in the industry, which are now much disturbed, can be stabilized.* (Vol. IV, p. 567.)

And the action taken at the meeting on that subject is stated in the following paragraph in the minutes:

> *Revise Articles of Association.*—After a prolonged discussion of the demoralized conditions in the flooring industry, the Secretary was instructed to prepare a draft revising the Articles of Association *with the view of securing greater cooperation in the industry,* and to have the draft of the revision ready to submit to the next general meeting of the Association. (Vol. III, p. 138.)

A letter to members dated September 16, 1921, transmitted to the members the proposed articles of association dated October 1, 1921, the principal features of which have been explained heretofore on pages 15 and 19, and stated:

> GENTLEMEN: In accordance with your instructions at the last general meeting of the

Association, the proposed revision of the Articles of Association has been drafted and in order that you may have an opportunity to study them before the next meeting is held, we are enclosing a copy which, for your greater convenience, is in printed form. The printer is holding the type set up so that further revisions can be made, if desired.

Several changes are suggested in this proposed revision, namely:

Article II, "Objects," have been made more general and include "*the exchange of information concerning the character and nature of actually completed and closed business transactions of its members.*" This refers to the Weekly Sales Reports, etc.

Article XIV, "Determining average cost" is entirely new. (Vol. IV, pp. 568–569.)

* * * * *

It is now expected that a general meeting of the Association will be held on Friday, the 23d, and that a meeting of the Special Committee will be held on Thursday, the 22d, in order to draft some simple memorandum along the lines suggested at the last meeting and submit same to the general meeting on the 23d.

Conditions in the industry as reflected in the Weekly Sales Reports are greatly demoralized, as all of you of course know, and if any progress whatever is to be made in the work of the Association it is absolutely necessary that every member be represented

> at the next meeting, with full power to act, so that definite conclusions can be arrived at then and there. (Vol. IV, p. 570.)

The above letter also appears in the record as Exhibit 6 (Vol. III, p. 61), but as cited under the above quotation the letter is a part of Exhibit 77, and was introduced in evidence in connection with three undated "Rough Drafts," each entitled "Declaration of Our Business Policy." The three forms are substantially the same, so only Form 2, which is as follows, need be quoted:

> Believing that the sale of any commodity below the cost of production is unfair competition and is certain to be ruinous and destructive to any industry and consequently is detrimental in the long run to public welfare, we hereby voluntarily agree, regardless of what other manufacturers of flooring may do, to pay into the Treasury of the Maple Flooring Manufacturers Association, Ten per cent (10%) on any and all sales we may make of Maple, Beech, and Birch flooring, 13/16" and thicker, of standard grades and lengths at values below the average cost of production, plus the average cost of freight to destination, as ascertained from time to time by the Maple Flooring Manufacturers Association's Survey of Costs and Tables of Values Based Upon Average Cost, after allowing for commissions not exceeding $2.00 per M feet to Wholesalers and Commission Men and to our own Special Representatives. And the

> said Ten per cent (10%) shall be reckoned upon the average cost of said flooring delivered at destination as indicated by the Maple Flooring Manufacturers Association's Rate Book. (Vol. IV, p. 568.)

It is thus seen that ever since the adoption of the first articles introduced in evidence up till at least February, 1921, the organizations of which a large majority—of some nearly all—of defendants were members had been engaging in practices palpably unlawful. In February, 1921, they were driven to a declaration of abandonment of these practices by fear of criminal prosecution. As the court judicially knows, at that time, and for some time thereafter, business generally throughout the country was greatly demoralized; and the industry in which defendants were engaged was not excepted from the general conditions. The organization under the articles of association which when adopted were to continue until July 1, 1922, was still functioning; but after the Minimum Price Basis scheme was abrogated the organization was not accomplishing the results desired. As appears from such meager correspondence and other documents as the Government was able to obtain, there was manifestly much consultation among the members, and every ingenuity, by both the members and especially by the secretary, was being exercised to perfect a plan which would accomplish results the same as, or more satisfactory than, those accomplished by the Minimum Price Plan and the Mini-

mum Price Basis scheme. As stated in the correspondence, there was no such *cooperation* among the members as was desired. And the purpose was to devise a plan by which the necessary *cooperation* could be brought about. They were so anxious that this new scheme be adopted and put in operation that they would not wait till July 1, 1922, for the old articles to expire, but adopted the new articles in March, 1922, and dated them back to January 1, 1922. (Keehn, Vol. I, pp. 78-79.)

With this background in mind let careful examination be made of the articles and organization in existence when the bill in this case was filed, and which are still observed except as to one or two trifling modifications made some months after this action was begun.

V

Plan under which the association was operating when bill was filed

These articles of association purport to run from January 1, 1922, to January 1, 1925, and are filed as Government Exhibit 8. (Vol. III, pp. 64-74.) The parts of this plan which are especially material are as follows:

It is declared, among other things, that its object is "to exchange information concerning the character and nature of actually completed and closed business transactions of its members; to collect and disseminate statistics concerning the flooring industry"; but it is declared that the association shall

not, either directly or indirectly, fix, regulate, or control the price, output, purchase, or sale of flooring, or attempt to do so. (Vol. III, p. 64.) The officers are a president, a vice-president, a treasurer, a secretary, and a board of trustees, which board consists of the president, vice-president, and treasurer, and four members elected by the association. (Vol. III, p. 65.) The board of trustees is vested with practically all of the governing powers (p. 66). It is provided that an annual meeting for the election of officers shall be held on the third Wednesday in January of each year, and that regular meetings shall be held on the third Wednesday of April, July, and October, and that special meetings may be called by the president or by a majority of the board of trustees, and that a meeting of the board of trustees may be held at any time called by the president or by a majority of the board (p. 67).

Article XIV, which relates to cost of production, reads as follows:

> SECTION 1. The sound business principle advocated by the Federal Trade Commission that manufacturers should carefully consider the question of cost in manufacturing and selling their product is recognized by the Association as the only scientific method of conducting the business of manufacturing and marketing Maple, Beech, and Birch flooring.
>
> SECTION 2. For the purpose of furnishing to its members information regarding *the average cost* of manufacturing and market-

ing Maple, Beech, and Birch flooring, Surveys of Costs *to ascertain such average cost* shall be made from time to time by the Association, and such Surveys of Costs shall be filed with the Federal Trade Commission at Washington, D. C.

SECTION 3. In the judgment of the Association the following fundamental elements enter into and determine *the average cost* of Maple, Beech, and Birch flooring to the manufacturers when manufactured, sold and delivered F. O. B. cars at the flooring plant:

(*a*) The actual market value of the raw material, as established from time to time by current sales of rough flooring lumber on the open market;

(*b*) *The average cost and expense* of manufacturing, selling, and delivering flooring F. O. B. cars at the flooring plant;

(*c*) Interest on the capital actually invested in the flooring business at the rate of six per cent per annum;

(*d*) Annual depreciation of plant as is usually allowed by the United States Government;

(*e*) The usual overhead charges in carrying on the flooring business; and

(*f*) A reasonable allowance to provide for contingencies and unforeseen hazards incident to manufacturing operations. This allowance is estimated at five per cent of *the average total cost* of Maple, Beech, and Birch flooring when delivered F. O. B. cars at the flooring plant. (Vol. III, p. 69.)

With reference to statistical reports, it is provided in Article XV as follows:

SECTION 1. In order that the relations of supply and demand and the statistical conditions existing from time to time in the Maple flooring industry may be known, the following statistical monthly reports shall be made to the Secretary by each member of the Association on or before the 5th day of each month:

(*a*) Report of Stocks on Hand of Maple, Beech, and Birch Flooring at the end of the previous month.

(*b*) Report of Unfilled Orders on Hand for Maple, Beech, and Birch Flooring at the end of the previous month.

(*c*) Report of the amount in feet of Shipments made during the previous month of all kinds of Maple, Beech, and Birch flooring for use within the United States, except Maple, Beech, and Birch flooring purchased from other members of this Association.

(*d*) Report of Production of Maple, Beech, and Birch Flooring during the previous month.

(*e*) Report of New Orders Booked for Maple, Beech, and Birch Flooring during the previous month.

(*f*) Report of Average Prices Realized F. O. B. flooring plant after deducting freight, for 13/16″ x 2¼″ face Clear, No. 1 and Factory Maple Flooring, standard grades and lengths, sold during the previous month.

SECTION 2. *In addition to the foregoing monthly reports, each member of the Association shall send to the Secretary promptly at the end of each week a report of all sales made during that week of Maple, Beech, and Birch Flooring. These weekly sales reports shall state the quantity, kind and grade of flooring sold, the delivered price sold at, the average freight rate to destination of shipment, and the commissions paid, if any.*

SECTION 3. All the foregoing statistical reports shall be made upon blank forms furnished by the Association and shall relate wholly and entirely to past and completed transactions. Said reports shall be mailed by the members to the Secretary, *who shall report the same to the members.* (Vol. III, p. 70.)

The Association adopted a trade-mark for the use of its members, and the articles set forth a trade-mark agreement whereby the member is permitted to use the trade-mark as long as he retains his membership, but such right shall cease immediately upon his ceasing to be a member. Every member is given a number which appears on the trade-mark for identification. Each member agrees that he will maintain the standard grades which the association may from time to time establish, and that an inspector shall have the right to visit the plant to see that the grades are properly maintained and to protect the association against damage should the member fail to maintain the standard fixed; and a license fee of fifty dollars is paid for the use of the

right to use the trade-mark. (Vol. III, pp. 72-73.) The members are required to pay to the association the following amounts:

1. All new members admitted after May 1, 1922, are required to pay for the benefits which " they will enjoy from the Association trade-mark" the additional sum of $100 for each matcher installed for the manufacturing of flooring, which is a part of the Advertising Fund. (Vol. III, p. 65.)

2. Each member pays a fee of $200 for each matcher, which constitutes a fund called " The Membership Fee Fund." (Vol. III, p. 68.)

3. Each member pays 25c per M feet on all flooring shipped, except flooring purchased from other members, which goes into the " Expense Fund " to provide for the current running expenses of the association. (Vol. III, p. 71.)

4. Each member pays 10c per M feet on all flooring shipped, except flooring purchased from other members, which goes into the "Advertising Fund " (p. 71).

5. An annual fee is paid by each member of $50 as a license for use of trade-mark which also becomes a part of the "Advertising Fund " (p. 73).

The Government insists that the plan thus promulgated was designed to, and in fact does, accomplish more effectually the objects which were accomplished by defendants and their associates under the Minimum Price Plan and Minimum

Price Basis scheme. *In fact, as operated defendants are carrying on nothing less than a Minimum Price Plan effectually enforced by the continual exchange and distribution of information among the members of the association, and by open meetings and private conferences among members in which every phase of the industry is discussed.*

The principal agencies through which the desired results are accomplished are:

> (1) The computation and distribution among the members of a so-called average cost of all dimensions and grades of flooring;
>
> (2) Computing and distributing among the members a booklet showing freight rates on flooring from Cadillac, Michigan, which by agreement is made a basing point for the computation of freight rates, to thousands of points in the United States, and also showing the pretended average cost prices of flooring delivered at such points and advising how such prices may be computed for other points;
>
> (3) Exchanging statistics by which every member reveals to every other member what he is doing, the prices he is receiving for flooring, and the exact condition of his business; and
>
> (4) Meetings where the members congregate and both openly in a body and individually among themselves discuss every phase of the industry, and exchange views as to future policies and prices.

These agencies will be considered in the order mentioned.

VI

Construction and circulation of list or base prices

The excuse for computing and distributing among the members lists showing alleged "cost prices" is that it is of great value to the manufacturer that he be informed as to the cost of production and distribution of the article manufactured. The importance to the manufacturer of knowing *his* cost of production and distribution is fully recognized. How far competitors may cooperate in determining a *method* of cost accounting need not here be discussed, as defendants went far beyond a mere method of accounting. But it may be observed that when competing manufacturers interest themselves in the affairs of each other the natural and legitimate inference is that it is done to reduce the pressure of competition.

If it were conceded that competitors may agree upon a uniform *method* of cost accounting, yet there is a very wide and vital distinction between using a uniform *method or system* of cost accounting and *adopting either formally or tacitly uniform costs.* It is obvious that there must be a wide difference in the actual cost of production and marketing among the members of the association. Singularly enough counsel for appellants in their brief have strongly emphasized these differences. On page 66 of their brief appears the heading "Divers facts which are insuperable barriers to concert of action by defendants with respect to

production, prices, commissions, or terms of sale." And thereunder it is pointed out that there are great differences among the members in the following respects:

(1) The amount of maple, beech, and birch timber owned by them;
(2) The quantity of flooring produced;
(3) Location of plants;
(4) The value and quality of the timber owned or the rough lumber available to the different members;
(5) Some members produce only flooring, while others are engaged in various branches of the lumber business, as well as in other lines of industry;
(6) All the members manufacture maple flooring, twelve manufacture beech flooring, and fifteen birch flooring;
(7) Different matchers, or flooring machines, are used, which vary in capacity;
(8) All members are not engaged in producing the same thicknesses and widths of flooring;
(9) The trade of some is local, while others sell throughout the United States and for exportation; and
(10) Different sales methods are used.

And on page 244 of Appellant's brief it is said:

"The defendant association has more than 20 members, *among whom exist great differences.* Manifestly, the *association* (Italics theirs) could not undertake to furnish its *members* (Italics theirs) with the

> *cost* (Italics theirs) of producing and distributing maple, beech, and birch flooring ";

And on page 245 the brief continues:

> "All the association could do was to undertake to furnish its members with the *average* (Italics theirs) cost of production and distribution of maple, beech, and birch flooring. Of course, this means the average cost of members of the defendant association."

Now it is not only admitted, but the fact is emphasized, that there are great differences in the conditions under which the several defendants are operating; and that *necessarily* there are *wide* divergences in the costs to the members of production and distribution of flooring. While it is not admitted that the association *could* not undertake to furnish each member with the cost of its production and distribution of flooring, yet it is admitted that the association *ought not to do so. Each member should make its own estimate based upon its own peculiar conditions and items of cost.* It is not true either that "All the association could do was to undertake to furnish its members with the average cost of production and distribution of * * * flooring." The association could have given some suggestions to each member as to *how it could properly make its own estimate.* And it was altogether improper and illegal to furnish the members with the *average* cost of production and distribution. *The very foundation of competition is the dif-*

ferences to competitors in the cost and distribution of the article manufactured by them. It is that which enables one competitor to undersell another. When that is eliminated competition practically disappears. Is there any one who will contend that if these defendants had positively agreed to adopt these estimates of *average* cost of production and distribution as their *actual* costs, and to figure prices upon that basis, such an agreement would not violate the Antitrust Act? The only element left for competition would be the amount of profit each would be content to make. If such actual and open agreement would be unlawful, an implied agreement or the accomplishment of the same purpose through an association, is also unlawful.

Since the *average* cost was not the *actual* cost of *any* member why furnish *any* of them with the average cost? How could it be of use to any member in computing *its* costs? The Government insists that the evidence establishes beyond possible controversy that this plan and practice of computing and distributing *average* costs of production and distribution *was adopted and has been continually used, and is still used, as a method of determining the minimum price at which flooring has been and is to be sold; and that the claim that it is done as an aid to the members in estimating their own costs is a mere pretense and sham.* The following is a short history and analysis of this feature of the association's activities.

The members of the Association during the entire time since 1913 have distributed among themselves through the secretary lists designating what are now called " average costs " of the various grades and dimensions of flooring. Mr. Keehn testifies:

> Q. That method has been used for how many years?
>
> A. I think we commenced, originally, in 1913 under what we termed " scientific list." That was based on the old work of the Market Conditions Committee.
>
> Q. You have been using that same method since—the same general principles—and are using them to-day?
>
> A. We are using it to-day. (Vol. I, p. 110.)

And with reference to the computation of costs, he says:

> This same method has been pursued at different times, and we have a number of those calculations going way back to 1913. (Vol. I, p. 109.)

The preparation and distribution of the first so-called " cost list " which is variously referred to in many of the circulars, reports, and minutes in the record as the " Scientific List " or " Scientific Price List " (Vol. III, p. 114, p. 207, p. 228, p. 230), the " Recommended List " (Vol. III, p. 205), the " Logical Basis of Values Table " (Vol. III, p. 211), and the " Delivered Table of Values " or " Table of Values " (Vol. III, p. 213, p. 215, p.

222, p. 238) was authorized at the annual meeting of the association held January 22, 1913 (Vol. III, p. 106 and p. 108). The portion of the memorandum of the meeting covering this matter reads as follows:

> It was the opinion of the members present that considering the present market values of rough lumber and the actual costs of manufacturing and selling flooring, the present values of flooring are entirely too low, and it was suggested that at the next meeting of the Market Conditions Committee, the Committee figure out what the selling values of flooring would be if a logical and scientific method of determining values of flooring were used, that is, if the selling values of flooring were based upon the cost of raw material plus manufacturing and selling costs and plus a reasonable profit. (Vol. III, p. 106.)

The references heretofore given to the first " Scientific List " or " Table of Values " establish that it was printed under date of May 21, 1913. No other such list or table was prepared and distributed to the members until the Minimum Price Plan was adopted in 1916, when a new rate book containing the Index of Towns and Table of Values of May 15, 1916, referred to in the Plan (Vol. III, p. 79) was printed (Vol. III, p. 242). The memoranda of Association meetings and the Reports of the Market Conditions Committee contained in the record for the period from 1913 to May, 1916, are not complete,

but they disclose only *one* instance during that period, in January, 1915, when a change in the delivered values was recommended *on the basis of new data covering manufacturing and selling costs and the current value of the raw material* (Vol. III, pp. 230–231); whereas they disclose *ten* instances where recommendations as to the current price obtainable (in terms of additions to or concessions from the list of May 21, 1913) were made by the Market Conditions Committee solely *on the basis of analyses of the association statistics as to stocks, shipments, and production, new business booked, and current net values.* These instances are shown by the Reports of the Market Conditions Committee dated respectively March 25, 1914 (Vol. III, pp. 204–205), June 25, 1914 (Vol. III, pp. 210–211), August 22, 1914 (Vol. III, pp. 214–215), September 24, 1914 (Vol. III, pp. 216–220 at 219), October 30, 1914 (Vol. III, pp. 220–222), November 20, 1914 (Vol. III, pp. 222–224), December 18, 1914 (Vol. III, pp. 225–226), February 25, 1915 (Vol. III, pp. 231–233), April 15, 1915 (Vol. III, pp. 237–239), and May 26, 1916 (Vol. III, pp. 240–242).

That general market conditions had a more controlling effect than actual costs in determining minimum prices even during the time when the Minimum Price Plan was in effect, is shown by the recommendation of the Market Conditions Committee under date of August 21, 1919, for an advance in the minimum price in accordance with the procedure established by Article IV of the plan. This recommendation reads as follows:

Raw Material Higher.—Since the last meeting of the Committee there has been an advance in the market value of rough flooring lumber, according to reliable information given to the Committee in regard to several recent sales on the open market. *If the advance in the rough lumber and the steady increases in Manufacturing and Marketing costs were fully met, an advance of $10.50 in the M. P. P. Basis would be required, but in view of all conditions, the Committee recommends horizontal advances of $6.00 on Clear, $6.00 on No. 1, and $5.00 on Factory $\frac{13}{16}$" and thicker Maple, Beech, and Birch flooring, effective immediately* with the understanding that old quotations now outstanding may be protected, if desired, up to August 30th, inclusive.

* * * * *

Please advise the Secretary immediately upon receipt of this report whether or not you concur in the recommendation of the Committee, and if the recommendations are adopted, new Concession sheets will be printed and mailed you at once. (Vol. III, pp. 250–251.)

Analysis of elements and computation of so-called cost prices

There are three general elements that enter into the computation of these so-called cost prices:

1. Manufacturing costs;
2. The cost price per thousand feet of rough lumber out of which the flooring is made; and

3. The percentage of waste in converting the rough lumber into flooring.

As to how manufacturing costs are estimated, the secretary, Keehn, says:

> The information from which we figured out the cost of production came from the members of the association. We had no information from nonmembers regarding their cost of production. Referring to Gov. Ex. 23 (a sheet entitled " Survey of Costs, 3rd Quarter, 1922 ") we use the same form but employ different calculations. We are still sending out the questionnaire above referred to and by means of them ascertain the average of actual costs. (Vol. I, pp. 104–105.)

The questionnaire now sent out was read into the record by this witness and appears on page 108, Vol. I. The secretary takes the replies from the several members and makes an average of them all. A questionnaire relating to production and marketing costs of the flooring produced during January, February, and March, 1922, with *an average* of the figures given in the answers as to each item, is filed as Gov. Ex. 25 (Vol. III, p. 279), which is as follows:

	Per 1 M Ft. of Flooring Produced
1. Labor taking lumber off of dock, car, pile, or wagon and placing in dry kiln, including expenses of night fireman	$1.16
2. Cost of manufacturing into flooring and putting flooring in warehouse, including twine, oil, belting, and other factory supplies, and factory repairs and including manufacturing administrative expenses	8.34
3. Warehouse expense and loading into cars or on wagons	.90
4. Insurance and taxes. (Divide ¼ of annual amount by quantity of flooring produced during January, February, and March)	1.07

	Per 1 M Ft. of Flooring Produced
5. Interest of 6% on value of plant and on value of average stock carried of rough flooring lumber and of finished flooring. (Divide ¼ of annual amount by quantity of flooring produced during January, February, and March)	$1.92
6. Selling expenses, including commissions and advertising, and office expenses including selling administrative expenses	3.75
7. Cash discount	.80
8. Annual depreciation on flooring plant as is usually allowed by the United States Government. (Divide ¼ of annual amount by quantity of flooring produced during January, February, and March)	1.37
9. Total per M feet	19.31
10. Less net profit from wood and other by-products of flooring lumber, per 1 M feet of flooring produced during January, February, and March	1.32
11. Actual Manufacturing and Marketing Costs per 1 M feet of flooring produced during January, February, and March	17.99

MAY 31, 1922.

The questionnaire read into the record (Vol. I, p. 108), which appears to have been in use in 1923 some time after this action was begun, contains two queries not included in this one, to wit, "Quantity of flooring produced by us during July, August, and September" and "Our percentage of waste in manufacturing flooring during July, August, and September," but the information thus asked for was obtained in other ways.

With reference to the second element, cost of rough lumber, Mr. Keehn says:

> When an estimate of cost was made we also had the market value of the rough lumber as established by sales in the open market. We might have such information from the lumber trade papers or from sales made by sawmill operators of flooring lumber on

> the market or from members of the Association who had purchased the rough lumber on the open market. We used all sources of information. This information was sent in by members of the Association, sometimes to me, sometimes to the Market Conditions Committee, all for the use of the Market Conditions Committee. Sometimes during the past year we would get this information at meetings of the Association by asking each one what he was paying for rough maple lumber on the open market, actual sales. The Committee on Cost Surveys ordinarily came to the conclusion as to what information was to go out in my reports to the members. The cost of rough maple lumber was taken by using several purchases—five, six, eight, or ten—and we might take the average the same as the Government does in compiling its data regarding the value of rough maple lumber on the open market. (Vol. I, p. 104.)

From the beginning there has been a Committee which had special duties to perform in regard to constructing these price lists of flooring. Formerly it was called the "Market Conditions Committee," but now is known as the "Cost Surveys Committee." With reference to the functions of this Committee, Mr. Keehn says:

> The Cost Surveys Committee does not perform exactly the same function as the Market Conditions Committee did. The Committee on Cost Surveys simply goes into the

> cost of the raw material, the cost of marketing and manufacturing, and takes no notice of any kind of the selling price of flooring. (Vol. I, p. 105.)

However, it is apparent from Mr. Keehn's testimony (Vol I, pp. 104–110) that the information was all gathered and the computations made by himself, and that but little work was actually done by the Committee. In fact, Mr. Dewey, Chairman of the Cost Surveys Committee, testifies to that effect. (Vol. I, pp. 396–399.)

The information as to the third element, the amount of waste resulting from converting rough lumber into flooring, is obtained by one or more members making what is known as "Test Runs." Sometimes the same member makes several runs; and at other times the runs are made by different members; and the estimates are based upon the average waste resulting from the several runs. The manufacturer making the run keeps a record of the quantity of each grade of rough lumber used and also of the quantity of each grade and dimension of flooring produced, and, of course, the difference is the amount of waste.

The final result is obtained by putting together the three elements mentioned, and determining therefrom the alleged cost price of each grade and dimension. A careful study of the tables will show that this work, *especially that of distributing the cost price between the various dimensions*, is done

by a genius. With reference to how often the estimates are made, Mr. Keehn says:

> We make those estimates from time to time according to when the market changes on rough lumber or according to when the manufacturing and marketing costs are changed. There is no definite period. We make them at very irregular intervals. I would say without looking it up we made perhaps three or four during 1922. (Vol. I, p. 110.)

This witness undertook to explain how the estimates are made (Vol. I, pp. 105–106), but, presumably through error of the stenographer in taking the figures, but few of the results stated can be obtained from the quantities given, and the estimates can be more readily understood from a study of the tables themselves. Exhibits 25–A, 26, 27, and 28–N (Vol. III, pp. 280, 284, 287, and 315) are four estimates, all based on "the three test runs of 1921, made by North Branch Flooring Company, Chicago, in January, 1921, and between May 1 and September 10, 1921." For the element of manufacturing and marketing costs the first of these estimates (Exhibit 28–N, p. 315) was based on an estimate of average of such costs for the first half 1921; the second estimate (Exhibit 25–A, p. 280) was based on such costs for the first quarter 1922; the third estimate (Exhibit 26, p. 284) was based on such costs for the third quarter 1922; and the fourth estimate (Exhibit 27, p. 288) was based on such costs for the last quarter 1922.

Government's Exhibit No. 28–N
Three Test Runs of 1921

Made by North Branch Flooring Company, Chicago, in January, 1921, and Between May 1 and September 10, 1921.

Rough Lumber Used

792 M ft.	No. 1 Common	51.5%
562 " "	No. 2 Common	36.5 "
185 " "	No. 3 Common A	12.0 "
1,539 M ft		100. %

51.5%	No. 1 Common @ $39.50	20.34
36.5 "	No. 2 Common " 24.50	8.94
12.0 "	No. 3 Com. A " 11.50	1.38
100. %		
1000 Ft. Lumber Cost		30.66
800 Ft. Flooring Costs		30.66
1000 Ft. Flooring Costs		37.95

Manufacturing and Marketing Costs Average First half 1921:

Avge. of 8 Reports	$22.28	
Less Value of Wood Average	1.24	21.04
		58.99
Add 5% for contingencies		2.95
Average Cost F. O. B. Flooring Plant of 1,000 Ft. of Flooring Sold		61.94

Flooring Product

Clear	646 M Ft.	52. %
No. 1	383 " "	30.7 "
Factory	215 " "	17.3 "
	1,243 M Ft.	100. %
Waste	296 " "	19.2 "
Lumber Used	1,539 M Ft.	

Clear:			
13/16 x 1½"	2.5%	$85.	$2.13
2"	3.3 "	83.	2.74
2¼"	41.7 "	90.	37.53
3¼"	2.1 "	80.	1.68
3/8" All Faces	2.4 "	60.	1.44
	52. %		$45.52
No. 1:			
13/16 x 1½"	1.3%	$53.	.69
2"	2.5 "	53.	1.33
2¼"	24.9 "	60.	14.94
3¼"	.7 "	60.	.42
3/8" All Faces	1.3 "	45.	.59
	30.7%		$17.97
Factory:			
13/16 x 1½"	.7%	$15.	$ .11
2"	.9 "	23.	.21
2¼"	14.7 "	25.	3.68
3¼"	.8 "	27.	.22
3/8" All Faces	.2 "	10.	.02
	17.3 "		4.24
Totals	100. %		$67.73

Flooring Product, Grades and Faces

Grades	13/16 x 1½"	2"	2¼"	3¼"	3/8", all faces	Totals
Clear	2.5%	3.3%	41.7%	2.1%	2.4%	52. %
No. 1	1.3 "	2.5 "	24.9 "	.7 "	1.3 "	30.7 "
Factory	.7 "	.9 "	14.7 "	.8 "	.2 "	17.3 "
	4.5%	6.7%	81.3%	3.6%	3.9%	100. %

Rough Lumber Used

Stock	No. 1 common	No. 2 common	No. 3 common A	Totals
Wisconsin & Upper Mich	624 M 40.6%	394 M 25.6%	163 M 10.6%	1182 M 76.8%
Lower Mich	168 " 10.9 "	167 " 10.9 "	22 " 1.4 "	357 " 23.2 "
	792 M 51.5%	561 M 36.5%	185 M 12. %	1539 M 100 %

Government's Exhibit No. 28–N
Three Test Runs of 1921

Made by North Branch Flooring Company, Chicago, in January, 1921, and Between May 1 and September 10, 1921

Rough Lumber Used			Flooring Product		
792 M ft.	No. 1 Common	51.5%	Clear	646 M Ft.	52. %
562 " "	No. 2 Common	36.5 "	No. 1	383 " "	30.7 "
185 " "	No. 3 Common A	12.0 "	Factory	215 " "	17.3 "
1,539 M ft		100. %		1,243 M Ft.	100. %
51.5%	No. 1 Common @ $39.50	20.34	Waste	296 " "	19.2 "
36.5 "	No. 2 Common " 24.50	8.94			
12.0 "	No. 3 Com. A " 11.50	1.38	Lumber Used	1,539 M Ft.	100. %

Rough Lumber Used

Stock	No. 1 common	No. 2 common	No. 3 common A	Totals
Wisconsin & Upper Mich	624 M 40.6%	394 M 25.6%	163 M 10.6%	1182 M 76.8%
Lower Mich	168 " 10.9 "	167 " 10.9 "	22 " 1.4 "	357 " 23.2 "
	792 M 51.5%	561 M 36.5%	185 M 12. %	1539 M 100 %

29379—25. (Face p. 73.)

For illustration Government's Exhibit 28–N (Vol. III, p. 315) is set forth on the sheet inserted opposite. The first part of the table, which shows the quantity and grades of the rough lumber used, is, of course, the same in all of the four estimates based on these same test runs.

Mr. Keehn claims that by resolution of July 19, 1923, *four and half months after this action was begun,* it was directed that the element of 5% for contingencies which appears in the second part of the table, be eliminated from the calculations. (Vol. I, p. 152.)

The first division of this table is easily understood, as is also the second, assuming that the cost prices of rough lumber and cost of manufacturing are correct. *But on what principle were the prices divided between the different grades and dimensions of flooring, so as to make up approximately the average cost shown by the second part of the table?* There is nothing to show that the waste of manufacture of one grade of rough lumber is greater than that of another, and the cost of manufacturing the different grades of flooring was the same, or practically so. Therefore the only element upon which to base a difference in the *cost* prices of different grades and dimensions of flooring was the difference in the prices of the grades of rough lumber; and it does appear that the *average* of the grades of the finished product in the foregoing estimate were in the neighborhood of the

same proportion to the prices of the grades of rough lumber; that is, the average price of the different dimensions of "clear" flooring was a little more than twice as much as the price of "No. 1 Common" rough lumber, and the same was true, but with a greater difference, as to No. 1 grade of flooring and No. 2 Common lumber, while the average price of factory was somewhat less than twice the price of No. 3 Common A rough lumber. However, since attention is called to this matter in appellants' reply brief (pp. 32 and 33) it is observed that in the later estimates even that general relationship greatly varied. But in estimating *costs* why should 1⅛" x 1½" Clear be fixed at $85 while the same thickness, face 2" was fixed at $83, that facing 2¼" at $90, that facing 3¼" at $80, and all faces of ⅜" Clear at only $60? Here was a spread of $25 between the several dimensions *of the same grade.* In "costs" of dimensions of No. 1 there was a spread of $15, all faces of ⅜" being estimated at $45, while 2¼" and 3¼" faces of 1⅛" flooring was estimated at $60. And why should 1⅛" x 3¼" Factory be estimated *to cost* $27 while ⅜" all faces is computed at $10? *Necessarily these were not COST figures at all, but were the prices fixed by the Committee or Secretary Keehn, which the members were advised they should charge for different grades and dimensions of lumber.*

This is further manifested from a comparison of the advances made in the prices of the several grades and dimensions in the four estimates above

mentioned. The other three estimates appear in Vol. III, pp. 280–289. For convenience of comparison a table showing such advances, and also the prices of rough lumber upon which the several estimates were based, and the average prices of manufacture, is here given.

First part

[Showing prices of different grades and dimensions of flooring in the four estimates based upon the three runs made by North Branch Flooring Company in 1921]

	First Est.	Second Est.	Increase	Third Est.	Increase	Fourth Est.	Increase
Clear:							
¹³⁄₁₆ x 1½"	$85	$85	$0	$90	$5	$90	$0
x 2"	83	87	4	90	3	95	5
x 2¼"	90	90	0	95	5	100	5
x 3¼"	80	85	5	80	−5	85	5
⅝ All Faces	60	60	0	65	5	65	0
No. 1:							
¹³⁄₁₆ x 1½"	53	68	15	78	10	78	0
x 2"	53	72	19	80	8	85	5
x 2¼"	60	75	15	85	10	90	5
x 3¼"	60	75	15	75	0	80	5
⅝ All Faces	45	45	0	45	0	45	0
Factory:							
¹³⁄₁₆ x 1½"	15	20	5	25	5	30	5
x 2"	23	28	5	35	7	40	5
x 2¼"	25	30	5	40	10	45	5
x 3¼"	27	35	8	45	10	50	5
⅝ All Faces	10	10	0	15	5	20	5

(NOTE.—Between the dates of the first and second estimates, a table of values dated November 17, 1921, was distributed. This increased the prices on 2" face Clear, No. 1 all faces, and 3¼" face Factory, on the basis of a discussion of trade conditions and costs at an association meeting. [Vol. IV, pp. 142–143.] These increases were not based on a survey of costs and are therefore not considered in the above comparison.)

Second part

[Showing estimated average manufacturing and selling cost of flooring and the prices of the three grades of rough lumber entering into said estimates]

	First Est.	Second Est.	Increase	Third Est.	Increase	Fourth Est.	Increase
Average manufacturing and selling cost of flooring per M	$61.94	$73.53	$11.59	$80.33	$6.80	$84.00	$3.67
Price No. 1 Com	39.50	51.00	11.50	56.00	5.00	61.00	5.00
Price No. 2 Com	24.50	36.00	11.50	41.00	5.00	41.00	0.00
Price No. 3 Com. A	11.50	22.00	10.50	26.00	4.00	30.00	4.00

It might be claimed that the prices of the several grades of flooring should be increased or diminished according to the advance or fall of the prices of the corresponding grades of rough lumber. In other words, there are three grades of rough lumber used in the manufacture of the three grades of flooring, to wit, No. 1 Common, No. 2 Common, and No. 3 Common A, and no doubt No. 1 Common will produce a greater per cent of clear flooring than either of the other two grades, and No. 2 Common will produce a larger per cent of the higher grades than No. 3 Common A.

The witness Greene testifies in effect that such is the fact. (Vol. I, p. 386.) Therefore there may be reason in increasing or diminishing the prices of clear flooring in proportion to the advance or fall of the price of No. 1 lumber, and the same is true as to No. 1 flooring and No. 2 Common lumber, and factory flooring and No. 3 Common A lumber. But in estimating costs, what justification is there for making *a difference in the advance of the different dimensions of the same grade? A study of the foregoing table will show that the increase of prices on lumber has no relationship whatever to the advance of the prices of the grades of flooring.* In the second estimate there was an average increase of $11.59 in the cost of flooring over the first estimate, and the increase in the average prices of the *grades* of rough lumber were:

No. 1 Common	$11.50
No. 2 Common	11.50
No. 3 Common A	10.50

But prices of three dimensions of clear flooring were not increased at all, while 1⅛" x 2" was increased $4, and 1⅛" x 3¼" was increased $5. Moreover, there was no increase in No. 1, ⅜" All Faces, but the prices of the several faces of 1⅛" were increased: 1½", $15; 2", $19; 2¼", $15; and 3¼", $15; and the prices of factory were increased 3 faces of 1⅛", $5; and 3¼", $8; and there was no increase in ⅜" All Faces.

The increase in the third over the second estimate of the average cost of flooring was $6.80, the prices of rough lumber having increased $5 each for No. 1 and No. 2 Common, and $4 for No. 3 Common A. In distributing this increase among the grades and dimensions, *three of the dimensions of the Clear grade, including 3/8 all faces, were advanced $5 each, one, 2" face, was advanced $3, and one, 3¼",* **was reduced $5.** And in No. 1 Flooring, two dimensions were advanced $10 each, one dimension $8, and the other two remained the same. And the prices of two dimensions of factory were advanced $10 each, two $5 each, and the other dimension $7.

The estimated average increase of cost of flooring in the fourth estimate was $3.67, there having been an increase of $5 for No. 1 Common rough lumber, no increase for No. 2 Common, and $4 for No. 3 Common A. But in distributing this among the several dimensions of *flooring,* three dimensions of Clear were advanced $5 each, and two remained

the same, three dimensions of No. 1 were advanced $5, and two remained the same, while all dimensions of factory were advanced $5.

It is perfectly apparent, therefore, that the distribution of the increase or decrease of the so-called cost of production between the different grades and dimensions has no relationship whatever **to the advance or decrease in cost;** *but is based entirely upon other influences, which unquestionably are the prevailing and prospective conditions of the market.* **In other words, the secretary of the association, aided to some extent by the Committee, surveys the entire situation and makes up a price list which, so far as the relative price of grades** *and dimensions is concerned, is wholly arbitrary and not controlled in the least by any of the elements that appear in the cost of production.*

In fact Keehn incidentally admits as much. The court pointed out a differential of $10 between "beech, 13/16th dressed" and "matched, all faces" and asked if that was substantially a continuing differential, and Keehn replied:

> Not at all times. *It depends upon the supply and demand of these different floorings, to what a man's stock conditions are,* and the cost of it, too. (Vol. I, pp. 153–154.)

These pretended "cost-price" lists that are now distributed among the members *are computed in the same way and are the same lists that were, while*

the Minimum Price Plan and the Minimum Price Basis scheme were in open operation, distributed as "tables of values" with the written stipulation that they would be observed as the minimum prices at which the flooring was to be sold.

That the manipulation of the spreads between the different sizes and grades of flooring and between the different woods is not based on actual cost, but is purely arbitrary and designed to reflect current market conditions, is clearly established by the following quotations from letters sent out to the members by the Secretary, from Reports of the Market Conditions Committee, and from minutes of meetings during the period from 1913 to 1922.

M. C. C. Report, March 25, 1914

> The better movement in Factory should be noted because it indicates that better prices should now be obtainable for this grade, especially in view of the fact that 70% of the 2¼" Factory was sold on March 1st as against only 39% on January 1st. (Vol. III, p. 204.)

Letter, Keehn to John Schroeder Lumber Co., Jan. 30, 1915

> I would like to urge upon you to carefully read and study the annual reports reviewing the work of the Association during the year, and especially the report of the Market Conditions Committee for December, which covers the data collected regarding manufacturing and selling costs, and to which is

attached a table illustrating our so-called Scientific List brought up to date. This table is figured on the basis of the present market value of the raw material, manufacturing and selling costs, *and present selling values for flooring* as applied to the six test runs which were used in the construction of the original Scientific List in 1913. (Vol. III, p. 234.)

M. C. C. Report, May 18, 1917

In exchanging trade experiences, members of the Committee report the demand strong for Factory and No. 1, particularly for Factory, and it is their opinion that this demand will continue strong and grow stronger on account of the class of buildings now in course of construction and which are likely to be built during the summer and fall. *It is the view of the Committee that on account of the oversold condition of Factory and the heavy prospective demand for it that much higher prices than present values can be readily obtained. As the No. 1 grade moved up 62 points during April and as the demand for it seems likely to increase, it should also command higher levels of value.*

* * * * *

The opinion was expressed that the present Spreads between Clear and No. 1 and between No 1 and Factory are larger than are justified by market conditions, and we would be glad to have your views on this subject. The Secretary will send you blank forms requesting an expression from you in the

form of a vote for our guidance, so we can consider the question at our next meeting and make some recommendation to the Association. (Vol. III, pp. 243–244.)

Memo. of Meeting, Nov. 17, 1921

Stronger Market.—Trade conditions and our statistical reports for the month of October were discussed. Clear and No. 1 Maple Flooring 13/16" x 2¼" face are both in a very strong position, as indicated by their oversold condition, the Clear being sold 232% and the No. 1 sold 208%. The improvement in the demand for No. 1 is particularly noticeable, as it was sold only 45% on August 1st compared with 208% sold on Nov. 1st.

In view of recent advances in the market value of rough Maple Flooring lumber and taking into account Manufacturing and Marketing Costs and the relations of supply and demand as indicated by the heavily oversold condition of Clear and No. 1, IT WAS THE CONCENSUS OF OPINION AS FOLLOWS:

1. That present market values of Maple Flooring 13/16" are represented by Frame "A" Basis, Table of Values dated 5–21–21, at Full List for Clear and No. 1 and a concession of $5.00 on Factory.

2. That the spread of $7.00 between 2" and 2¼" in Clear and No. 1 is excessive and that a spread of $3.00 would be more representative of the difference in the intrinsic value of the two faces.

3. That the spread between Clear 3¼" and 2¼" be reduced from $10.00 to $5.00, and the spread between Factory 3¼" and 2¼" be changed from $2.00 to $5.00.

4. That the market values of Birch are equal to Maple, and that Beech Clear and No. 1 are $10.00 less than Maple and Birch, and that Beech Factory is equal in value to Maple and Birch Factory.

5. That the Table of Values dated May 21, 1921, covering ⅜" represents the present market value of ⅜". (Vol. III, p. 141.)

The action taken at the November 17, 1921, meeting was recommended by the Market Conditions Committee in a report dated October 28, 1921 (Vol. III, pp. 253–255), and is shown by circular letters from Mr. Keehn to the members dated November 17, 1921, and December 1, 1921, to have been used as the basis of a new " Table of Values " printed under the same date (Vol. III, pp. 142–143 and p. 318).

It is worthy of note that this was done nearly nine months after the warning was given by the Assistant to the Attorney General and the Association had by resolution pretended to revoke the Minimum Price Basis agreement, and had written the Department of Justice-their intention not to observe it. But in practice they continued to do, and are still doing, the same things they did before.

The Government filed a number of other estimates based upon varying numbers of runs made by members, which are:

Exhibit No. 28, Vol. III, p. 291.
Exhibit No. 28A, Vol. III, p. 294.
Exhibit No. 28B, Vol. III, p. 296.
Exhibit No. 28D, Vol. III, p. 300.
Exhibit No. 28E, Vol. III, p. 302.
Exhibit No. 28F, Vol. III, p. 304.
Exhibit No. 28G, Vol. III, p. 307.
Exhibit No. 28H, Vol. III, p. 310.

The first of these was dated January 29, 1915 (p. 293), and the last March 1, 1920 (p. 312). In each of them there was added 10% profit on selling prices f. o. b. mill, and to some a note was added, as, for illustration, to Exhibit 28G (Vol. III, p. 309):

> To Realize a Profit of " Cost Plus " 10% (the method frequently used by the Government during the war in making its purchase contracts) instead of a 10% Profit on Sales, the profit would be $5.63 instead of $6.26, a difference of 63 cents; in that case the flooring manufactured in these Seven Test Runs, which have been consolidated and considered one run, should sell for $61.97, instead of $58.98, or $2.99 more than selling basis of May 13, 1919.

In the estimates made during 1922 this 10% profit is omitted, and the witness Keehn says that the estimate as now made contains no element of profit. (Vol. I, p. 107.) But it will be observed that in the fifth question in the questionnaire (p. 68), from which the average manufacturing and marketing costs are estimated, there is included 6% on the value of the plant and the average stock carried

of rough lumber and of finished flooring; and, until after this action was begun, in each of the estimates 5% was added for contingencies. *But what difference can it make whether any per cent is allowed on the average estimated cost or not, when the prices upon the several grades and dimensions are manipulated at will? The advance may be far beyond 10% on those dimensions for which there is a demand and which are being sold in large quantities, and be reduced to nothing on the dimensions for which there is no demand at all.*

There is another feature which shows that this estimated cost has really but very little to do with the actual cost of flooring that is manufactured and sold upon the market. In the test runs a record is kept of the relative amounts of the different grades of rough lumber that are used, and the estimates are all based upon the *average* price of all the lumber used. *But manifestly in the operation of their mills, the relative quantity of these grades is not observed at all; and, therefore, the cost of the lumber actually used by the several manufacturers does not correspond at all with the costs upon which the estimates are based.* For instance, suppose there is a greater demand in the market for No. 1 flooring than for Clear, then the rough lumber used will be more of No. 2 Common and less of No. 1 Common; or if there is a greater demand for Factory and less for Clear and No. 1, then a very large percentage of the rough lumber used will be

No. 3 Common A; and *the estimates all show that the price of such lumber is less than half of the price of No. 1 Common.* Undoubtedly after the second estimate above cited had been sent out, there was a large increase in the quantity of No. 1 flooring produced, and but little, if any, in clear, as the great increase in the prices of No. 1, as compared with the increase in prices of clear, no doubt resulted from the increased demand for No. 1. Therefore, there was a much greater relative quantity of No. 2 rough common lumber used, and a corresponding decrease in the cost of production. And the same may be said as to No. 3 Common A rough lumber after the third price list was sent out, in which there was advised a large relative increase in the price of factory flooring.

It is apparent, therefore, that these test runs could be easily manipulated so as to show a false and excessive average cost of production by using a large amount of high-priced rough lumber. The evidence indicates that such manipulation was resorted to. W. L. Saunders testified that "Firsts and seconds, selects, and the better end of No. 1 Common rough maple lumber, are not generally used in the manufacture of maple flooring by manufacturers who produce their own lumber, because it is not profitable to do so," Vol. I, p. 197, the reason being that it can be sold on the market at prices as good as, or better than, those obtained for the best flooring. It is clearly inferable from

the evidence that there is a much larger quantity of No. 2 Common and No. 3 Common A used in manufacturing flooring than there is of No. 1 Common rough lumber, yet in the test runs upon which the four estimates heretofore referred to were based, 51.5% of all the rough lumber used was No. 1 Common, the price of which was $39.50, while the prices of the lower grades were $24.50 and $11.50, respectively. And in the test runs upon which the estimates shown in Government's Exhibit No. 63–G (Appellants' brief, p. 274) were based, 53% of the entire amount of rough lumber used was No. 1 Common, the price of which was then $64; while the prices of the lower grades were $44, $32, and $24, respectively.

When consideration is given to the manner in which these "tables of values," now improperly called "average costs," have been used by defendants and other manufacturers of flooring, to the elements that enter into their computation, to the manipulation of costs to suit market conditions, to their repeated distribution among the entire membership, and to the other evidence in the record, which will be hereafter considered, no other inference can reasonably be drawn than that it is intended, and at least tacitly understood, that the costs designated in these lists are the minimum prices at which the flooring is to be sold. This inference is made doubly strong by the methods devised to accomplish such a result; and to these methods consideration will now be given.

VII

Book showing estimated freight rates and values of flooring at points of delivery

The association computes freight rates to thousands of points of delivery, and distributes among the members books which not only show such rates *but also contain the prices of lumber delivered at such designated points.* In describing the book which was prepared in 1916 the witness Keehn said:

> The index letter following the name of each town indicates the rate of freight from Cadillac, Michigan, to the various points. We do not consider that Cadillac is taken exactly as the base. The rate of freight from Cadillac to about thirty or forty or fifty representative markets in the United States happens to be about the same as the average rate of freight from the seventeen producing points in Michigan and Wisconsin. In this particular book it is true that all the freight rates are estimated from Cadillac because we simply took the rate of freight from Cadillac in having it compiled. It shows the rate of freight from Cadillac to five or six thousand points or seven or eight thousand points, scattered all over the United States. (Vol. I, p. 112.)

From the whole of Mr. Keehn's testimony (pp. 112–117) it appears that the following is the method used in computing rates. Nearly all of the factories belonging to the members of the as-

sociation are situated in Michigan and Wisconsin. Three mills are located at or near Cadillac, Michigan; and the rates from that point are about the average of the rates from all of the factories to the numerous points in the United States. Therefore Cadillac is fixed as the arbitrary point from which the freight rates are computed. But the rate charged is not always the actual rate from Cadillac to the point of delivery, as Mr. Keehn testified that the rates take a certain grouping, so that the index letters representing 45, for instance, might also represent 44½ or 45½. (Vol. I, p. 114.)

That Cadillac has been adopted and used as a common freight basing point is shown by a number of exhibits in the record. In a letter to members dated December 7, 1917, with reference to establishing a uniform custom among the members of the association in respect to the war tax on freight charges, Mr. Keehn said:

> *As our delivered prices are based upon Cadillac, it would not work out to mention the rate of freight in cents per 100 pounds, because the local rate of freight from points other than Cadillac, to the point of delivery would not be according to our basis used in arriving at delivered prices.* (Vol. IV, p. 433.)

And in a letter dated August 23, 1921 (six months after the association had pretended to abandon the Minimum Price Basis agreement), to the Oval

Wood Dish Corporation, which had just joined the Association, Mr. Keehn stated:

> We are inclosing the following:
>
> "1. Minutes of Meeting of August 19, 1921.
>
> "2. Copy of letter to members dated August 20th, regarding the consensus of opinion as to the current market value of flooring.
>
> "3. *Rate Book containing Tables of Values Based upon Average Cost and index to towns showing the delivered values based upon the rate of freight from Cadillac, Mich.* Cadillac is our basing point, as it is practically the geographical center of the production and distribution of flooring and the rates of freight in a general way from Cadillac would be about the average rate of freight from all the Association flooring mills." (Vol. IV, p. 481.)

For some reason, which Mr. Keehn does not explain (Vol. I, pp. 113–114), the rates in the book are given in letters instead of figures, A representing 1, B, 2, etc., down to J, which represents 0.

After the rates from Cadillac to the numerous points are thus ascertained, they and the prices of lumber, determined by the method heretofore detailed, are added together, *and the delivered price of lumber at each of the thousands of points mentioned in the rate book is thus obtained and is shown in the book.*

The system is fully illustrated by reference to Gov. Ex. 35, Vol. III, p. 328, side pages 737–905.

This exhibit is the freight-rate book which bears date of May 31, 1922, and which was compiled and distributed about that date. Only enough of this exhibit is printed to fully illustrate the character of the book. The first page, after giving the title, contains a key showing to what figures the letters correspond, and it is then explained:

> To ascertain delivered costs at an unlisted point allow 25 cents for each one cent difference in the rate of freight between the nearest listed point and the unlisted point from the point of shipment. (Vol. III, side p. 738.)

Then follows the freight rates, designated in letters, to numerous points in each State, which are computed in the manner above described. For instance, in Illinois the freight rate to Abingdon is BG, or 27 cents; to Annapolis, Maryland, DD, or 44 cents; to Middletown, New York, it is DA, or 41 cents, and to all points in Massachusetts it is DC, or 43 cents. There is then given (side pages 881–882) an Average Cost Chart, which shows the average cost of the three grades and four dimensions of flooring ascertained by the method heretofore described. This chart contains costs of only Maple lumber ¹¹⁄₁₆″ in thickness, but there also appears on side pages 878–879 a Table of Differentials, which shows the difference between the flooring described in the Average Cost Chart and—

(1) Average cost of Beech, 13/16, All Faces.

(2) Average cost of Birch, 13/16, All Faces.

(3) Average cost of Wide Faces.

(4) Average cost of Thick Flooring.

(5) Average cost of Jointed Flooring.

(6) Average cost of Special Grades.

(7) Average cost of Extra Shorts.

Then follows what is designated as a " Delivered Cost Chart," which contains the delivered costs as above described of $\frac{13}{16}$" flooring of the several faces computed upon every rate given in the freight rate chart. For illustration, take the first item appearing on side page 883, where the freight rate is AE, or 15 cents, the delivered prices for the various dimensions of Clear flooring are $88, $90, $93, and $88.50. The delivered prices of No. 1 are: $71, $75, $78, and $78.50, respectively. The delivered prices of Factory are $23, $31, $33, and $38.50, respectively; and generally with each advance in freight of one cent, there is 25 cents added to the price, although this does not always hold good. If the manufacturer is shipping other varieties of flooring than maple or other dimensions of maple, he has to make his own computation from the table of differentials described. *Thus there is in the possession of each member the exact price which it is intended that he shall charge at the point of delivery for every shipment made by him.* And not con-

tent with this, the book specifies (Vol. III side p. 880) what the terms of sale are to be as follows:

> Sixty days net or 2% discount for cash in 15 days, or 1% discount for cash in 30 days from date of invoice after deducting freight.
>
> If the car has not arrived, the discount may be deducted on 90% of the invoice less estimated freight, for cash within proper discount period, the balance with original paid freight bill to be remitted net within 5 days after arrival of car. No cash discount will be allowed after 30 days from date of shipment.

Of course, it would be expensive to have printed and distributed books containing so much matter every time there is a change in the price. With reference to what is done when a change in price is made, Keehn testifies:

> Q. Now, when another estimate of costs has been made before the issuance of another freight-rate book, what did you do?
>
> A. Well, we might have put in a sheet or might have issued a new table of values.
>
> Q. Well, you would do one or the other?
>
> A. One or the other, ordinarily.
>
> Q. That is, you would send to each member a sheet showing this new estimate?
>
> A. New estimate; yes, sir.
>
> Q. So he could use that in connection with his freight-rate book?
>
> A. He could make such use of it as he desired. Simply sent to him for his information. (Vol. I, p. 114.)

The book of 1922 was made up of loose leaves; and direction was printed in the book showing how the old leaves could be removed and new ones inserted. (Vol. III, side p. 738.)

When this book was issued in 1922, Mr. Keehn, the secretary, sent out to the membership, under date of June 24, 1922, the following letter:

> GENTLEMEN: 1. For the information of the members of the Association, the Committee on Cost Surveys has made a careful analysis and survey of the Average Cost of Manufacturing and Marketing Maple, Beech, and Birch Flooring.
>
> 2. The Survey was made in accordance with Article XIV, "Determining Average Cost," of the Articles of Association, and the results of the Survey are given in the inclosed schedules, which, for brevity, are called "Average Cost Chart" and "Differentials."
>
> 3. For the further information of the members, so-called "Delivered Cost Charts" have been compiled. These Charts include the Average Cost of Freight to destination of shipment; *in other words, the Average Cost of Freight is added to the Average Cost of the flooring F. O. B. cars at flooring mills to illustrate what the Delivered Cost would be at destination.*
>
> 4. Copies of the foregoing under date of May 31, 1922, are inclosed herewith.
>
> 5. We are also inclosing statement "Survey of Costs" for first quarter of 1922 and

an analysis of the "Three Test Runs of 1921," which are also dated as of May 31, 1922.

6. Under the new Articles of Association the new Rate Book will be made up as follows, and will contain only the following matter when completed:

(*a*) Title Page. As per enclosed copy.

(*b*) Key to Freight Rates and Index Letters. As per enclosed copy.

(*c*) Average Freight Rates and Index of Towns. Being the equivalent approximately of the freight rates from Cadillac, Michigan.

Remarks: The freight rates are all being revised to give effect to the reduction ordered by the Interstate Commerce Commission to take effect July 1st.

(*d*) *Average Cost Chart. Showing approximate relative Average Cost of the different grades and faces of 13/16" Maple Flooring F. O. B. cars at flooring mills.*

(*e*) *Differentials from Average Cost of 13/16" Maple Flooring.*

(*f*) *Delivered Cost Charts 13/16" Maple Flooring.*

(*g*) *Average Cost Chart 3/8" Maple, Beech, and Birch Flooring.*

(*h*) *Delivered Cost Chart 3/8" Maple, Beech, and Birch Flooring.* (Vol. III, pp. 318–319.)

Apparently the last book issued before the filing of the bill on March 5, 1923, was dated February 15, 1923, and a copy was filed as Gov. Ex. 37, Vol.

III, p. 330, side p. 910, et seq., but only enough pages are printed to illustrate its character. This book contains a table of differentials similar to those above described, and also the same directions as to terms of sale. *About 7,600 different points are designated therein* (Keehn, Vol. I, p. 118). For convenience of inspection the first three sheets of this exhibit are here reproduced as follows:

Differentials

[From Average Cost Charts of Maple 13/16" D. & M.]

FEBRUARY 15, 1923

Average Cost of Beech 13/16" D. & M., all Faces:

Clear—$10.00 less than Maple.
No. 1—$5.00 less than Maple.
Factory—Same as Maple.

Average Cost of Birch 13/16" D. & M., all Faces:

Clear—$10.00 less than Maple.
No. 1—$5.00 less than Maple.
Factory—Same as Maple.

Average Cost of Wide Faces, D. & M.:

2½" face same as 2¼" face; 3", 3½", and 4" faces same as 3¼" face, of same wood, grade, and thickness.

Average Cost of Thick Flooring, D. & M.:

1 1/16"—$5.00 more than 13/16" D. & M.
1 5/16"—$7.00 more than 13/16" D & M.
1 1/8"—$10.00 more than 13/16" D. & M., of same wood, grade, and thickness.

Average Cost of Jointed Flooring:

13/16"—$5.00 more than 13/16" D. & M.

$1\frac{1}{16}$''—$10.00 more than $1\frac{3}{8}$'' D. & M.
$1\frac{5}{16}$''—$12.00 more than $1\frac{3}{8}$'' D. & M.
$1\frac{1}{8}$''—$15.00 more than $1\frac{3}{8}$'' D. & M., of same wood, grade, and thickness.

Average Cost of Special Grades:

White Clear Maple, $1\frac{3}{8}$'', $20.00 more than Clear Maple, $1\frac{3}{8}$'', same face.
Red Clear Beech, $1\frac{3}{8}$'', $20.00 more than Clear Beech, $1\frac{3}{8}$'', same face.
Red Clear Birch, $1\frac{3}{8}$'', $20.00 more than Clear Birch, $1\frac{3}{8}$'', same face.

* * * * *

White Clear Maple, $\frac{3}{8}$'', $15.00 more than clear Maple, $\frac{3}{8}$'', same face.
Red Clear Beech, $\frac{3}{8}$'', $15.00 more than Clear Beech, $\frac{3}{8}$'', same face.
Red Clear Birch, $\frac{3}{8}$'', $15.00 more than Clear Birch, $\frac{3}{8}$'', same face.

Average Cost of Extra Shorts:

Clear Maple, Beech or Birch, $1\frac{3}{8}$'' x 2'' or 2¼'' Face, under 22'', $35.00 less than standard lengths of Clear, same wood and face.
Clear Maple, Beech or Birch, $1\frac{3}{8}$'' x 1½'' Face, under 22'', $40.00 less than standard lengths of Clear, same wood and face.
No. 1 Maple, Beech or Birch, $1\frac{3}{8}$'' x 2'' or 2¼'' Face, under 16'', $40.00 less standard lengths of No. 1, same wood and face.
No. 1 Maple, Beech or Birch, $1\frac{3}{8}$'' x 1½'' Face, under 16'', $40.00 less than standard lengths of No. 1, same wood and face.

TERMS OF SALE

Sixty days net or 2% discount for cash in 15 days, or 1% discount for cash in 30 days from date of invoice after deducting freight.

If the car has not arrived, the discount may be deducted on 90% of the invoice less estimated freight, for cash within proper discount period, the balance with original paid freight bill to be remitted net within 5 days after arrival of car. No cash discount will be allowed after 30 days from date of shipment. (NOTE: Attention is called to the foregoing language. It is that of authority and not a mere suggestion.)

AVERAGE COST CHART

Average Cost of 13/16" Maple Flooring F. O. B. cars at Flooring Mill

Maple D. & M.	13/16" x 1½" Face	13/16" x 2" Face	13/16" x 2¼" Face	13/16" x 3¼" Face
F. O. B. Mill:				
Clear	$90.00	$95.00	$100.00	$85.00
No. 1	78.00	85.00	90.00	80.00
Factory	30.00	40.00	45.00	50.00

DELIVERED COST CHART

Includes Average Cost of Freight to Destination—Freight Rate, 15 cents to 26 cents

Freight Rate Index	Maple D. & M.	13/16" x 1½" Face	13/16" x 2" Face	13/16" x 2¼" Face	13/16" x 3¼" Face
A. E	Clear	93.00	98.00	103.00	88.50
	No. 1	81.00	88.00	93.00	83.50
	Factory	33.00	43.00	48.00	53.50
A. F	Clear	93.25	98.25	103.25	88.50
	No. 1	81.25	88.25	93.25	83.50
	Factory	33.25	43.25	48.25	53.50
A. G	Clear	93.50	98.50	103.50	88.75
	No. 1	81.50	88.50	93.50	83.75
	Factory	33.50	43.50	48.50	53.75
A. H	Clear	93.50	98.50	103.50	89.00
	No. 1	81.50	88.50	93.50	84.00
	Factory	33.50	43.50	48.50	54.00

DELIVERED COST CHART

Includes Average Cost of Freight to Destination—Freight Rate, 15 cents to 26 cents—Continued

Freight Rate Index	Maple D. & M.	¾" x 1¾" Face	¾" x 2¼" Face	¾" x 2" Face	¾" x 3¼" Face
A. I	Clear	93. 75	93. 75	103. 75	89. 25
	No. 1	81. 75	88. 75	93. 75	84. 25
	Factory	33. 75	43. 75	48. 75	54. 25
B. J	Clear	94. 00	99. 00	104. 00	89. 50
	No. 1	82. 00	89. 00	94. 00	84. 50
	Factory	34. 00	44. 00	49. 00	54. 50
B. A	Clear	94. 25	99. 25	104. 25	89. 75
	No. 1	82. 25	89. 25	94. 25	84. 75
	Factory	34. 25	44. 25	49. 25	54. 75
B. B	Clear	94. 50	99. 50	104. 50	90. 00
	No. 1	82. 50	89. 50	94. 50	85. 00
	Factory	34. 50	44. 50	49. 50	55. 00
B. C	Clear	94. 50	99. 50	104. 50	90. 25
	No. 1	82. 50	89. 50	94. 50	85. 25
	Factory	34. 50	44. 50	49. 50	55. 25
B. D	Clear	94. 75	99. 75	104. 75	90. 50
	No. 1	82. 75	89. 75	94. 75	85. 50
	Factory	34. 75	44. 75	49. 75	55. 50
B. E	Clear	95. 00	100. 00	105. 00	90. 75
	No. 1	83. 00	90. 00	95. 00	85. 75
	Factory	35. 00	45. 00	50. 00	55. 75
B. F	Clear	95. 25	100. 25	105. 25	90. 75
	No. 1	83. 25	90. 25	95. 25	85. 75
	Factory	35. 25	45. 25	50. 25	55. 75

KEY

Freight Rates	1	2	3	4	5	6	7	8	9	0
Index Letters	A	B	C	D	E	F	G	H	I	J

Then followed a list showing the delivered price or " cost " of certain kinds and grades of flooring at the 7,600 points in the United States.

It was this book that was in use when the bill in this case was filed. But Mr. Keehn claims that there has been a modification of the information thus sent out since the bill was filed and before the trial. He says the book now in use does not show the *delivered* cost; that is, the items of freight and the cost of the manufacture and distribution *are*

not actually added together. But both items are contained in the book, and all the shipper has to do is to make the addition. As said by the court, "In other words, instead of having a four, he (the manufacturer) has two and two." (Vol. I, p. 118.)

Keehn also claims that the rate book or tables do not now include the differentials and terms of sale. (Vol. I, p. 153.) But he admits that the terms of sale prescribed have generally prevailed in the lumber industry (Vol. I, p. 155), and the differentials as to 70% or 80% of the business are shown in the reports sent to the members (Vol. I, p. 177). And the estimates of so-called costs of production and distribution heretofore fully described are still made and distributed; and they show the prices of all maple flooring, which represents 90% of the business. (Keehn, Vol. I, p. 131.)

Special attention is called to the fact that in the books issued in 1922 and 1923 the tables of delivered prices are designated as "Delivered *Cost* Chart." Prior to that time these tables had been designated "Table of *Values.*" See Table issued January 6, 1921 (Ex. 34, Vol. III, p. 322, side p. 554, et seq.). In this book, after the "Concessions and Additions—Table of Values January 6, 1921," appears the statement "*Established* for First Quarter, 1921." (Side p. 694.) These words were used advisedly, and refer to the values, terms, etc., "*established*" under the minimum-price plan and the minimum-price basis. It was under those plans

that the delivered prices were *fixed;* and they were therefore designated as " values " and not " costs." Apparently in these charts, the delivered prices were not designated as *" values "* before 1916, the date when the minimum price plan originated. On p. 320, side pp. 419 and 420, appears a number of pages of a book dated May 21, 1913, which is improperly designated as " Gov. Exhibit 26," but which is probably a part of Gov. Exhibit 30 f. They show delivered prices, but are not designated " Tables of Values," as appears in the table issued May 15, 1916. (Side pp. 513, 514–521.)

But whether called " Table of Values " or " Delivered Costs Chart " they contained the same information, and were distributed for the same purpose, i. e.: to enable the members to observe a minimum selling price; and they accomplished the same result.

A method of determining the freight rate which the members have included in the price of flooring has been in existence ever since the first association was organized in 1905. Mr. Keehn says, " I was connected with the association on April 1, 1905. I am very familiar with this paper ' Prices on Maple Flooring, effective April 1, 1905.' * * * It is what it purports to be. * * * Tables of prices on maple flooring by geographical zones." (Vol. I, p. 111.) The document spoken of is filed as Gov. Ex. 29. (Vol. III, p. 320, side p. 408, but improperly numbered

498.) That was a simple document as compared with subsequent tables; but it showed the prices which were expected to be charged for lumber delivered at various points in the United States. Some specific points were mentioned, but generally a specified delivered price applied to all, or the greater portion of a state. It appears, however, that by 1911, a table of the nature of those used in recent years and now in use had been developed. (See Gov. Ex. 30E, Vol. III, p. 320, side p. 417.) And in 1913 the system had about reached perfection. (Gov. Ex. 30f [not 26] Vol. III, p. 320, side pp. 418, 419.)

That those producing and selling an article may observe uniform prices or a minimum price, and thus avoid competition, it is essential that some method be devised whereby they can easily ascertain what the delivered prices of the article are at the various points to which the commodity is shipped.

Different methods have been invented, but this court has so far had presented to it no method so complete in all of its details as the one adopted by this association. *Here in most instances no computation was left to be made by the manufacturer; and all he had to do was to turn to his book and find the point to which the shipment was destined, and he had the price before him.*

That the association rate books have in fact been used by members as price lists is shown by the depo-

sition of Ralph A. Brown, who has been engaged since 1910 in selling flooring in New York City as a mill representative and wholesaler. Mr. Brown was manager of the New York office of the Strable Lumber and Salt Company from 1910 to 1917; and from 1917 until he became connected with the John A. Daly Lumber Company, a wholesaler, he continued to represent the Strable Company, but on a commission instead of a salary basis. The Daly Company handles principally the stock of the Strable Company and of the Holt Hardwood Company. (Vol. II, pp. 569–570.) Mr. Brown testified:

> Q. During the time that you have known of the existence of the Maple Flooring Manufacturers Association, have you known of the activities that association has carried on?
>
> A. No, I have not been very familiar with their activities, except that they issue a price book and rate book, which practically everybody uses, to determine delivered prices in various parts of the country.
>
> Mr. JOHNSTON. You are referring to the freight rate book?
>
> The WITNESS. Yes, sir.
>
> Q. It is what is called a table of values?
>
> A. Yes, sir; a table of values.
>
> Q. Is that list furnished to you?
>
> A. Yes, sir.
>
> Q. By the companies which you represent?
>
> A. Yes, sir.
>
> Q. Do you know whether or not that list is furnished to representatives of other com-

panies with whom you are in competition here?

A. I do not know definitely, but I presume it is.

Q. When you have spoken of prices being cut or your cutting prices in order to obtain business, you mean cutting the prices in the rate book or that table of values?

A. Well, it might not be necessarily cutting the prices in the table of values, because that is gotten out and used as a basis—so much over or long base; and if the market prices were over list we might cut down the prices, but they would still possibly be above the list in that book. You can see what I mean; that is, sometimes these lists would go along for months and, to save printing, they would just say "add" or "deduct" so much from list. That simplified sending out a lot of price lists every little while. (Vol. II, p. 575.)

This last paragraph above of Mr. Brown's testimony undoubtedly refers to the Tables of Concessions and Additions which the Association sent out from time to time prior to 1922.

If it was not intended by the members that the prices of lumber should be controlled or in some way affected by this organization, why was each member furnished with a list of fixed or designated prices at innumerable points in the United States? What did prices at those points have to do with the cost of production? To say that these elaborate calculations and their distribution among the

members were not intended to have, and did not have, any effect upon the prices charged by the members is to disregard absolutely the well known relationship between human motive and the actions that result therefrom.

VIII

Exchange of Statistics

The most effectual device yet invented to keep competitors in line as to prices is the exchange of statistics which show the prices each has been charging in sales actually made.

In the Articles of Association in existence from January 1, 1913, to January 1, 1919, the article relating to statistics provided that reports should be made by each member to the secretary at the close of business each day of all deliveries and shipment of all kinds of maple, beech, and birch flooring within the United States, except flooring purchased from members of the association; and the secretary was given authority to examine the books and papers of the members to verify statements; and it was also required that a sworn statement showing total deliveries and shipments for each month should be rendered on or before the fifth of the following month (Vol. III, p. 7); *but there was no provision made for the distribution of statistics by the secretary among the members of the association.* The articles which were in existence for the first three months in 1919 had a simi-

lar provision (Vol. III. pp. 20–21). The articles relating to statistical reports in the Articles of Association which went into effect January 1, 1922, and continued until January 1, 1925 (Vol. III, p. 64), have heretofore been copied in full (p. 56); and, briefly stated, they provide that each member shall report monthly on or before the fifth day of each month (a) stocks on hand of the three varieties of flooring; (b) unfilled orders; (c) amount in feet of shipments made during the preceding month within the United States except purchases made from other members; (d) production for previous month; (e) new orders booked during month; and (f) average prices f. o. b. flooring plant for 13/16" x 2¼" Clear, No. 1 and Factory; and that each member shall report promptly *at the end of each week* all sales made during the week of the three varieties of flooring, the reports stating quantity, kind, and grade of flooring sold, the delivered price at which sold, the average freight rate to destination, and the commission paid, if any; and that all the statistical reports shall relate solely and entirely to past and completed transactions and shall be mailed " by the members to the Secretary, *who shall report the same to the members.*" (Vol. III, p. 70.)

Monthly statistical reports of stocks on hand, of unfilled orders, of shipments, of production, and of average prices realized have apparently been made by the association to its members at least since January, 1912. (Government Exhibit No. 40, Vol.

III, side pages 956–960.) The earliest such report printed in the record is dated January 18, 1913. (Gov. Ex. 40A, Vol. III, side pages 1003–1009.) This report gives practically the same bare statistical information as does the report dated April 17, 1923, which is fully described below (p. 114); but it does not give the information in as great detail as does the later report; nor does it contain any of the elaborate comparisons in percentages and by the graphic representation, called a barometer, which the later report makes between the current statistics and those for earlier months and years.

With the exception of a few months during 1914 and during 1916, when an exchange of quotations was operated through the association (Vol. III, pp. 209 and 227, and Vol. IV, p. 430), no detailed reports of actual prices were furnished the members by the association until the weekly sales reports were started in 1920. During this period the only reports of actual prices were the monthly reports of average prices f. o. b. cars at the factory of $\frac{13}{16}$'' x 2¼'' face maple flooring. Specimens of these reports, then called Current Net Values, dated January 18, 1913, October 28, 1913, and September 19, 1916, are printed in the record. (Vol. III, side pages 1004, 2130, and 1322.) The earliest of these reports merely gives the average price realized for five groups of mills and the general average; but the later reports are in the same form as the report of Average Prices Realized, dated April 17, 1923, which is described below (p. 115).

Mr. Keehn says that he doesn't recall exactly when the weekly reports of sales were started, but that it may have been some time in 1920. (Vol. I, pp. 176–7.) The minutes of the annual meeting held February 12, 1920, establish definitely, however, that the collection and distribution of weekly reports of sales were authorized at that meeting. The pertinent portion of those minutes reads as follows:

> *Weekly Sales Reports.*—In view of the extraordinary business conditions now existing, it was the sense of the meeting that weekly reports of sales should be made in order that the members of the Association may have as much information as possible regarding current market conditions.
>
> On motion the following resolution was adopted by unanimous vote:
>
> "*Resolved,* 1. That the members make reports to the Secretary on Saturday of each week, giving a complete record of all sales made during that week of one carload or more of Maple, Beech, or Birch Flooring, the reports to give date of sale, quantity sold (if one carload or more), the thickness, face, grade and wood, the delivered prices sold at, and the Rate Book index letters to indicate destination, but the names of towns to be omitted.
>
> "2. The information contained in the reports to be tabulated by the Secretary and exchanged by him among the members only who make the reports." (Vol. IV, p. 528.)

The earliest weekly sales report secured under subpœna and introduced as evidence is dated March 2, 1920, but it indicates that similar reports had been issued for at least several weeks preceding that date. (Vol. III, pp. 356–359.)

Because of the decision in the United States District Court at Memphis in the Hardwood Case, on advice of counsel the entire reporting system was suspended from April 1, 1920, to August, 1920. (Vol. I, pp. 146–7.) The weekly sales reports were also omitted for a few weeks in December, 1921, and January, 1922, because of the decision of the Supreme Court in the same case. (Vol. III, p. 152.) The Government filed as exhibits statistical reports which cover practically the entire period from 1913 to 1923, and weekly sales reports which cover practically every week of the period from January, 1921, to October, 1923, but has had printed only a sufficient number to fully illustrate the entire reporting system from its inauguration down to the present time. As we are now especially concerned with the manner of reporting at the time the original bill was filed, we call special attention only to such reports as illustrate the system then in use, and also to one or two reports made since the filing of the bill which indicate the slight change which Mr. Keehn claims has been made in the system since that time.

Government Exhibits 44 to 48, inclusive (Vol. III, p. 404, side pp. 2852–2858), are forms for in-

dividual reports to be made by members to the secretary of the association. The first form (Exhibit 44) is for a report showing (1) date, (2) quantity, (3) thickness and face, (4) grade, (5) wood, (6) delivered price at which sold, (7) average freight rate to destination, and (8) rate of commission paid, if any, as to each shipment, and at the bottom the member is asked to report every Saturday, and if no sale has been made during the week, to send the blank in with such notation. (Vol. III, side p. 2852.) Government Exhibit 45 is a form for reporting the average prices realized f. o. b. plant $\frac{13}{16}$'' x 2¼'' face Clear, No. 1 and Factory maple flooring, and it shows the number of feet, the delivered price, the quantity, and freight to destination of each grade (side p. 2853). Exhibit 46 is a form showing (1) maple flooring on hand of each dimension and grade and (2) the unfilled orders on hand of each dimension and grade (side p. 2854.) Exhibit 46A gives similar information with reference to beech flooring, and Exhibit 46B the same with reference to birch flooring (side pp. 2855 and 2856). Exhibit 47 is the form of a report showing the amount of production of each grade and new orders booked for each variety of flooring, and Exhibit 48 is a summary of shipments showing quantity of each variety shipped (side pp. 2857 and 2858). Exhibit 44 is a weekly report, while the remainder are reports made at the end of each month.

From the information obtained by these reports the secretary compiles the information which he sends out to the various members.

Government Exhibit 43-FFF (Vol. III, pp. 377-384) is the report of all sales made by every member during the week ending April 1, 1922. As heretofore shown, this was sent out to each member about the middle of the following week. It is dated April 6, 1922. This report shows the date of each sale, the exact quantity of each dimension and grade, the delivered price, the Cadillac freight rate, the commission allowed, if any, and the member by which the sale was made, the member being indicated by its identification number. Government Exhibit 43-ZZZZZ (Vol. III, p. 390) is the report for the week ending July 14, 1923. *It was made nearly four and a half months after the bill was filed, and is in precisely the same form as the one made for the week ending April 1, 1922.* But Mr. Keehn says that at the meeting held July 19, 1923, the form of this weekly report was so changed that it no longer identifies the particular mill reporting each sale. Government Exhibit 43-AAAAAA (Vol. III, pp. 398-402), the report distributed among the members for the week ending July 21, 1923, which is the first report made after the alleged change, contains exactly the same information as the previous reports except that the number of the member reporting each sale is omitted, but in this report the groups of mills are designated so as to show that

the first ten sales were made by members of eastern lower Michigan mills, that the next eight sales were made by the western lower Michigan mills, and the remaining seven were made by the Upper Michigan and Wisconsin mills.

It appears from defendants' exhibit G I (Vol. IV, side pp. 5340–5342), a weekly sales report dated November 9, 1923, that other changes in the form of the report were made between July 27, 1923, and that date, as the later report has a different grouping system, which is described below (p. 113), and also the July, 1923, reports have the following additional information appended, which does not appear in the report dated April 6, 1922:

Averages of Sales Week Ended November 3, 1923

	Clear	No. 1	Factory
¹³⁄₁₆ x 2¼" face Clear, No. 1 and Factory Maple Flooring, Standard Grades and Lengths:			
Averages of Delivered Prices	$98.62	$87.57	$52.58
Averages of Average Freight Rates	.29	.26	.32
Average Cost of Freight	5.80	5.20	6.40
Averages of Prices Realized F. O. B. Flooring Mill Basis	92.82	82.37	46.18

Total Sales of ¹³⁄₁₆ x 2¼" Face Maple Flooring

Clear	620 M feet.
No. 1	416 " "
Factory	260 " "
Total	1,296 " "

(Vol. IV, side page 5342.)

In fact the reports had formerly separated the sales according to the geographical groups of members. The sales reports dated March 2, March 16,

and April 20, 1920 (Vol. III, pp. 356-367), separated the sales made according to the groups of the members, but did not show the individual member making each sale. The reports dated January 13, January 20, January 27, 1921, February 3, 1921 (Vol. III, pp. 261–276), and October 6, 1921 (Vol. III, side pp. 2394–2396), gave the identification number of the member making each sale and also separated the members according to groups, although in the last-mentioned report the separation into groups was only indicated by lines across the report. The small volume entitled "Additional Exhibits" contains weekly reports distributed by the secretary beginning with the week ending March 4, 1922 (p. 1), and continuing to the report dated February 24, 1923 (p. 41), although reports are not printed for all the weeks. In the first of these reports the mills were divided into groups, but in the report for the week ending May 20, 1922, and in the succeeding reports they were not so divided. Manifestly the resumption of this division after it had been determined to omit the number of the member reporting was to enable the members to identify as nearly as possible the members by whom the sales were made.

Until some time after July, 1923, the several groups and the numbers of the members in each group were as follows:

Grouping prior to July, 1923

Eastern lower Michigan mills	Western lower Michigan mills	Upper Michigan and Wisconsin mills
2	3	4
24	5	7
33	14	[1] 23
49	26	[1] 34
	30	42
	37	44
	47	[1] 45
		[1] 50

[1] Wisconsin.

One of the pages of the Monthly Barometer Report for September, 1923, dated October 19, 1923 (Vol. III, side p. 2863), shows that after the use of the identification numbers was abandoned, the Upper Michigan mills and the Wisconsin mills were placed in separate groups, and another page of the same report gives in a footnote the following explanation of the present grouping system (Vol. III, side p. 2866):

Group 1.	Eastern Lower Michigan Mills	4
2.	Western Lower Michigan Mills	6
3.	Upper Michigan Mills	4
4.	Wisconsin Mills	4
5.	Chicago, St. Paul, Tupper Lake Mills	3
	Total Mills	21

The record does not contain any statement as to the present grouping of the members, but it appears quite obvious that No. 47, William Horner, with a plant at Reed City in the Upper Peninsula of Michigan, has been transferred to the Upper

Michigan group, and that the members constituting each group are now as follows:

Grouping after July, 1923

Eastern lower Michigan mills	Western lower Michigan mills	Upper Michigan mills	Wisconsin mills	St. Paul, Chicago, Tupper Lake
2	3	7	23	22
24	5	42	34	48
33	14	44	45	51
49	26	47	50	----------
----------	30	----------	----------	----------
----------	37	----------	----------	----------

The creation of a separate group for the Wisconsin mills, so that one group only includes three mills, three groups only include four mills apiece, and the other group only includes six mills, must render it comparatively easy for any person well acquainted with the industry to determine with reasonable accuracy which member has made each sale reported.

The monthly reports are illustrated by Government Exhibit 40–5R (Vol. III, p. 350, side pp. 2049–2059). The first page is entitled "Stock Conditions and Barometer for March, 1923," and is dated April 17, 1923. It gives a complete analysis of current market conditions. The first table on the page gives the percentage sold of the available stock of maple, beech, and birch flooring; of maple flooring; and of maple 2¼" flooring; and of each grade of each of those three varieties as of March 31, 1923, March 1, 1923, and March 31, 1922, and the second table gives the increases in

the percentages sold (stated as " points up ") of the three varieties of flooring, of maple flooring, and of maple 2¼" flooring as compared with the same day the preceding month and with the same date the preceding year. Under these tables there is a column of statistics showing stocks on hand, unfilled orders, shipments, production, and new orders booked, on March 31, 1922, and March 31, 1923, and showing as to each the increase or decrease both in actual amounts and in percentages. At the bottom of the page is a comparison of the average values of 13/16" x 2¼" face Clear, No. 1 and Factory Maple Flooring for March, 1922, and March, 1923, and the increase stated both in dollars and in percentage. On the right-hand side of the page are seven columns which illustrate the stocks and unfilled orders on hand March 31, 1923, and the shipments, the production, the new orders booked, and the average values for March, 1923, compared with March, 1922.

The second page of this exhibit shows the following data as to each member individually for March, 1922, and March, 1923, to wit: "Stocks on Hand," "Unfilled Orders," "Shipments," "Production," "New Orders," and "Stock Changes," and the increase or decrease as to each. The third page is a record of the average prices realized f. o. b. flooring mills for new orders booked for 13/16" x 2¼" Clear, No. 1 and Factory maple flooring, standard grades and lengths, after deducting freight, the members

there appearing in groups and the average price being given for each member and for each group. On the next page appears, first, "Shipments of each wood March, 1922–1923," showing the increase, both actually and in percentage; second, "Production by Grades" of each variety of flooring and of all three varieties for the years 1916 to 1922, the average yearly production for that period, and the production for March, 1923; and, third, the average prices realized f. o. b. Michigan and Wisconsin mills for $\frac{13}{16}$" x 2¼" face maple flooring, after deducting freights and commissions, for each of the three grades, and for the product, for March of each year 1916–1923, and the averages for that period, and also for March, 1923, and a comparison of the figures for March of each later year, with March, 1916, as 100% (side p. 2052). The next page shows, first, flooring of each grade and dimension, all varieties, on hand March 31, 1923, and, second, unfilled orders on hand March 31, 1923, for each grade and dimension (side p. 2053).

Side page 2054 shows, first, maple flooring of each grade and dimension on hand March 31, 1923; and second, unfilled orders for maple on hand March 31, 1923. Side page 2055 shows the surplus maple flooring stock on March 31, 1923, of each grade and dimension. By " surplus " is meant an excess of 100,000 feet. Page 2056 shows maple flooring surplus in M feet March 31, 1923, and also

the " Summary of Surpluses." Page 2057 shows first, beech flooring on hand March 31, 1923, giving each grade and dimension, and second, unfilled orders for beech on hand. Page 2058 gives the same information with reference to birch flooring, and page 2059 is a record of the receipt of March, 1923, reports, and shows the date of the receipt of each report of stocks and unfilled orders, shipments, production and new orders, and average prices realized. Monthly reports for other dates are printed, but a study of those cited as Exhibit 40–YYY (Vol. III, p. 346, side p. 1620–1629), which is for May 17, 1919, shows that there is no substantial difference in their contents.

Exhibits 40 and 41–2 U (Vol. III, side pages 991–996 and 2107–2108) are respectively the Annual Statistical Report for the year 1921, dated February 17, 1922, and the Semi-Annual Statistical Report for the first half of 1923, dated July 14, 1923. It is not necessary to describe these reports in detail as they are in the same general form as the monthly report. Briefly stated, they summarize and consolidate the monthly statistics and compare the totals and the averages for the half year and the year with the statistics for the first half of the preceding year and with the preceding year.

An analysis of the reporting system clearly shows that there is no information withheld by one member from another; and that everyone is perfectly familiar, not only with summaries which show

market conditions generally, but also with the exact condition of the business of each of his fellow members.

The reporting system here in effect is more complete in its details than that used by the Hardwood Association, which organization was held to be illegal in *American Column & Lumber Company* v. *United States,* 257 U. S. 377.

Oral Testimony as to Value of Reporting System

The importance that is attached by the members to the information contained in these reports is not a matter of conjecture or inference, as the witnesses in this case have testified with an unusual degree of frankness upon the subject. This will appear from the following citations and quotations from the evidence of a number of the witnesses:

J. L. Colby, of Cummer-Diggens Company, after being cross-examined at length upon the subject (Vol. I, pp. 215–218), on reexamination says: "I don't want to give anyone the impression that we don't pay any attention to the statistics distributed by the association. I do want to state that the statistics are not the primary consideration with us " (pp. 221–2) ; and to the question " Why is that price always exchanged between you members if it is not worth anything?" he answered, " It is a matter of statistical information, some members might consider it worth more than others. I assume that the member can consider it or not just as he likes when he gets it." (Vol. I, p. 224.) This witness

probably was the least willing of all the witnesses to admit the manifest use of the statistics made by the members.

Mr. McLurg, of Kneeland-McLurg Lumber Company, testified as follows:

Q. You say, Mr. McLurg, that you consider those statistics when you go to make up prices?

A. Yes, sir.

Q. Are you the sales manager?

A. No, sir.

Q. You consider them pretty carefully, don't you?

A. I don't. My sales manager watches them. I pay very little attention to the selling.

Q. You examine and consider those weekly sales reports?

A. He does; yes, sir.

Q. And they show the prices?

A. Yes, sir.

Q. At which the sales were made?

A. Yes, sir.

Q. And you regard that as of value?

A. *Very valuable.*

Q. And you also regard it as very valuable, the reports as to production?

A. Not so much production as I do stocks on hand.

Q. Stocks on hand.

A. I don't care so much about production as I do with what they have on hand.

Q. Why is that valuable if it does not enter into the making of the price?

market conditions generally, but also with the exact condition of the business of each of his fellow members.

The reporting system here in effect is more complete in its details than that used by the Hardwood Association, which organization was held to be illegal in *American Column & Lumber Company* v. *United States,* 257 U. S. 377.

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Q. Why is that valuable if it does not enter into the making of the price?

A. *I said it did enter into my making the price.*

Q. If those statistics showed that those competitors were getting a good, big, high price, why, you follow, don't you?

A. If our stocks are such that we can, and if they are low, we buy from them, try to find out who it is and buy some stock.

Q. But if they get a good high price, you follow, don't you?

A. We try to get all we can; yes, sir.

Q. Well, you follow them?

A. We don't follow that as a lead.

Q. If they get a higher price than you do, you try to follow them, don't you?

A. Try to get all we can for our stock.

Q. *Mr. McLurg, if they are selling higher than you are, you try to follow them, don't you?*

A. *Yes, sir.* (Vol. I, pp. 229-230.)

Mr. DeWitt, of Holt Hardwood Company, when asked on examination in chief what the advantages of being a member of this association were, said:

Well, one of the big advantages is the statistical reports that we get; it enables us to find out what the market is doing, and as I testified before on that, then we can put the proper grade of lumber into our mills to produce the grade of flooring that is demanded by the market, and it is not only an advantage to the manufacturers but it is also an advantage to the consumer. If we did not do that, there would be times when there would be a great shortage of some

particular kind of flooring; naturally the price of that would be high and the consumer would suffer, but from the fact that we have that information it gives us a chance to keep our stock pretty well balanced with the requirements of the market; *also that same report gives us the prices being obtained by other members of the association; although that information is generally about two weeks old when we get it, it is valuable to us.* The standardization has been a very valuable thing. (Vol. I, p. 252.)

And on cross-examination this witness said:

Q. And that is the very reason you take those statistics, isn't it; you want to know what your competitors are getting for their lumber?

A. That was one of the reasons.

Q. Well, that is your main reason, isn't it?

A. No; the other parts of the statistics are also very valuable to us as I have already testified.

Q. It is all valuable.

A. It is all valuable, that part too.

Q. *When you go to make your price you consider all those statistics, don't you?*

A. *Yes, sir.*

Q. *And you fix the price very considerably by what you learn from these statistics, don't you?*

A. *That is one of our sources of information.*

Q. *An important one, isn't it?*

A. *Important one; yes.* (Vol. I, p. 257.)

Mr. Shepeck, of I. Stephenson Company, Trustees, on examination in chief testified:

> The statistics issued by the Association are a big benefit to us. The information that we gather from these statistics as to stocks on hand, production, new orders booked, also the weekly sales reports, are of considerable benefit to us. They enable us to form an opinion as to what the conditions are and assist us in intelligently handling our flooring business.
>
> Q. How do you handle your flooring business, whether you consider present prices or future prices, or both?
>
> A. We are concerned with both. (Vol. I, p. 264.)

And on cross-examination he testified:

> Q. Isn't your dollars and cents in the price which you are able to make on account of these statistics, there are your dollars and cents?
>
> A. Sometimes the statistics cost us money, in order to get out.
>
> Q. How do you lose money out of these statistics?
>
> A. I feel pretty good sometimes, until the statistics come along, and then I feel sick and cut my price.
>
> Q. If you didn't get the sickness you might have to cut more; sickness helps you in that case. If it wasn't for the statistics you wouldn't belong to that Association right now?

A. *No; I don't think we would; we might.* (Vol. I, p. 266.)

And again:

Q. But anyway, you do say that these statistics showing demand and supply and stocks on hand and all those things, and prices paid, *are of very great value to you?*

A. *Yes, sir.*

Q. And, of course, that means that they are of great value to you in that they enable you to get more money out of your lumber?

A. Not necessarily; no, sir.

Q. Isn't that what you are striving for, to get more money for your lumber?

A. To a certain extent; yes, sir.

Q. Would you be in business if it was not for the money you get out of it?

A. No, sir.

Q. You are striving for profits?

A. Yes, sir.

Q. And that is all you are striving for, profits?

A. Oh, not entirely; no.

Q. You are not doing it for exercise, are you?

A. No.

Q. Or amusement; you could get amusement somewheres else?

A. I get amusement out of my business.

Q. You are just the same as other men in business; you are in business to make money out of it?

A. Yes, sir.

Q. And the thing that is valuable to you is that which enables you to make more money?

A. It enables us to keep from going broke.

Q. That is the same thing?

A. Yes; to a certain extent.

Q. That is, it keeps you from losing money?

A. Yes, sir. (Vol. I, p. 267.)

Mr. Hodges, of the Oval Wood Dish Corporation of Tupper Lake, New York, who is the only member in or near that locality, testified in chief:

I think the statistics that are furnished our Company by the Secretary of the Maple Flooring Manufacturers' Association are very valuable.

The weekly reports are valuable as showing a trend of the market, whether the prices are going up or going down and another valuable feature is the amount of sales, that enable us to know approximately how much of each grade, for instance, has been sold within a certain time.

Q. Do you regard the prices there more or less important than the statistics with regard to volume?

A. I think the statistics in respect to volume are fully as valuable as the price statistics, because oftentimes it does not matter to me what somebody in Michigan is getting in prices; if I know my competitor who lives eleven miles from me is getting two dollars less than my figures show, that

would influence me more than what I might see in the sale reports. (Vol. I, p. 291.)

And again with reference to making prices:

> Well in the first place I think I would take into consideration the economic situation, that is, the general trend of the market, whether it was up or down, and then I would take into consideration my own particular stock conditions. If I had a surplus of some one item and wanted it moved, why I would be apt to make a lower price, *particularly if I saw that some one else was making a lower price on that same item.* On the other hand, if the general trend of the market was upward and I had no accumulation of that stock *and I saw somebody was getting more money than I was, it may tend to influence me to raise my prices.* (Vol. I, p. 292.)

And—

> The mere fact that some one else was charging higher prices or lower prices than I had been would not automatically cause me to lower or increase my prices. I would consider my own stock and the other conditions above mentioned. The fact that some one else was charging higher or lower prices than I was would be considered as one factor and would be given consideration by me. (Vol. I, p. 293.)

On cross-examination this witness said:

> Q. Now, in regard to those statistics, didn't you join this Association very largely

to get the information that is contained in those statistics?

A. Yes, sir.

Q. Don't you use it all the time?

A. What do you refer to?

Q. I mean all the statistics; don't you use them all?

A. Why, yes; certainly.

Q. Aren't you studying them continually with reference to your changing prices?

A. I wouldn't say that; but we do study them; we look them over wherever we get them and take them into account. *That is one of the factors that determine our price.*

Q. If it wasn't for those statistics you wouldn't belong to the Association, would you?

A. *I don't think so; it would be of no value to us.* (Vol. I, p. 300.)

Mr. Ralston, formerly Sales Manager for the Receiver of William Horner, in chief testified:

A. The Statistics, as a rule, *are very, very, valuable,* especially as regards the production and the stocks on hand and the general information given in these statistics that we received from time to time. (Vol. I, p. 324.)

And on cross-examination he testified as follows:

Q. You said these statistics that you get from the Association you regard as very valuable?

A. In the main; yes.

Q. And you emphasized the " very "—as a matter of fact, you repeated it. You re-

gard that as one of the most valuable activities in which the Association engaged, don't you?

A. The statistics?

Q. Yes.

A. Yes; as to costs and production, and etc.

Q. Taking statistics as a whole, regardless of prices and production?

A. I said before that there are some features of those statistics that I don't regard of any value at all, and never did.

Q. And there are some other features that are more valuable than other features?

A. Absolutely.

Q. And of course those statistics are valuable in that they aid you in getting more money for your lumber?

A. For our flooring?

Q. More money for your flooring?

A. Some cases, and some cases the opposite.

Q. If it didn't aid you in getting more money for your flooring, they wouldn't be of any value, would they?

A. There is something in that; true.

Q. Isn't that absolutely true?

A. Not always. (Vol. I, pp. 329–330.)

Mr. Klesner, the representative of the receiver for William Horner, testified as follows on cross-examination:

Q. If you were selling at 90 and they were selling at 95, and you got the information through that report of the fact that they

were selling at 95, you would go up to 95 at once, wouldn't you, or you will go at least to 94?

A. Well, possibly.

Q. Well, wouldn't you do it, isn't that common sense?

A. Yes; that is common sense.

Q. Why, of course, and that is the way you run your business, isn't it?

A. I will tell you, as I say, we pay very little attention to the report; we are simply governed by the market conditions, the price for lumber, the cost of manufacture, we try to get as near that price as we can, but if we can't get our price and we have to meet legitimate competition, naturally we do it if we need the business.

Q. *When you speak of market conditions the price is a part of the market condition?*

A. *Yes, sir.*

Q. *And the price revealed in those statistics is a part of the market conditions, isn't it?*

A. *Yes, sir.*

Q. *And the stock on hand is a part of the market conditions; that is true, isn't it?*

A. *Yes, sir.*

Q. *That is, the stock that belongs to everybody else and the stock that you have got is a part of your market conditions?*

A. *Yes, sir.*

Q. *And you are controlled by all of those things; as a matter of fact, you are controlled by the stock on hand and the price at which*

the flooring is moved—that is the fact, isn't it?

A. *That is the fact.*

Q. *And all those things are revealed by those statistics, aren't they?*

A. *Yes, sir.* **(Vol. I, p. 338.)**

Mr. Greene, of the West Michigan Flooring Company, after a lengthy cross-examination upon the subject, said:

Q. Let us see about working both ways. As a matter of fact you always want to get all you can for your lumber?

A. We are in the business for that purpose.

Q. And now after you get those reports, and those reports show, say, that you are selling at 95 and that your competitors are selling at 90, just as long as you can get 95 you will get it, won't you?

A. I presume I would; yes, sir.

Q. Yes; of course you will; never come down until you have to, of course.

A. But it is fair to say——

Q. Is that true?

A. I come down to meet market conditions.

Q. You never come down until you have to, until pressure is brought to bear on you from the demand; isn't that true?

A. That is usually immediately; yes, sir.

Q. Whether it is usual immediately or not, just as long as you can get your 95 you are going to get it, aren't you?

A. Yes, sir.

Q. But if you examine those reports and you are selling at 90, and they are selling at 95, you immediately are going to get your 95 if you possibly can, aren't you?

A. Not necessarily, if my stock condition does not warrant it.

Q. Not necessarily, but you are going to get it if you can, aren't you?

A. Within a period of time; yes, sir.

Q. Just as quick as you can?

A. I presume so.

Q. Don't you know? You run your business that way to get all the money you can out of it?

A. Yes, sir. (Vol. I, p. 391.)

Mr. Dewey, of Bigelow-Cooper Company, described his use of the statistics as follows:

> I analyze the statistics that are furnished us from time to time by the Secretary of the Association so as to get as intelligent an idea as possible of the condition of the industry. These statistics throw a great deal of light on that subject. I use the statistics in the same way as I use other information regarding general conditions. I prefer light rather than darkness, so far as business conditions and the conditions of the industry are concerned. (Vol. I, p. 397.)

The exhibits introduced in evidence by the Government also contain many statements showing the great value and importance attached by the members to the information contained in the statistics, and especially in the price statistics, furnished to

them by the association. As stated heretofore, no detailed reports of sales were furnished to the members until March, 1920; and the statements made prior to that date with reference to the current net-values reports, which were monthly reports of average net prices f. o. b. mills and to their effect in stabilizing, maintaining, and increasing prices, must be much more applicable to the effect of the present detailed weekly reports of individual sales. Some of these statements are as follows:

Market Conditions Committee Report, December 19, 1918

> As the present method of reporting Current Net Values was adopted by the Association, it is a matter of deep regret to the Committee that all the members do not make this report, as the Committee would then have complete data upon which to base its conclusions. As it now stands, the 23 members who exchange this report are advised of the prices obtained by each other, but they have no knowledge of the prices obtained by the six members who do not report, while each of the six members is traveling alone, and in the dark as to the prices obtained by the other 28 members of the Association. These conditions can not but have a depressing effect upon values, as all the members are not in the position to refute statements made by buyers regarding low prices, which they would be in if they knew from the reports of the member himself the prices he is getting for his Flooring. *All the steps taken during the past two years in the work of*

the Association, tending to greater publicity and a freer and franker exchange of information among the members themselves, have been of benefit to them, and in times of slackened demand and stories and rumors of low prices team-work among those who are vitally interested in maintaining stable conditions in their own industry has the greatest value to them. (Vol. III, p. 203.)

Market Conditions Committee Report, January 28, 1914

The improved method of reporting current net values should also be noted. The old plan was to report the sales during the month which were shipped during the same month. Now all of the sales of the specified items during the month are reported, regardless of when shipment is made. This covers a larger range of transactions and more clearly indicates the trend of prices from month to month. (Vol. III, pp. 207-8.)

Market Conditions Committee Report, February 13, 1914

It has been hoped that the few members who do not make the Current Net Values report would conclude to do so in order that every member may have the benefit of knowing what every other member is getting for his Flooring, as there is no question but that some of the members, who do not make this report, are led to believe that other members are selling for less than they are actually getting, and the same condition applies to the members who do report, respecting the prices the members who do not report are

said to be selling at. This, as you will readily see, can cause much demoralization in values, because if a buyer tells you that so-and-so is selling his Flooring at such a price, you are not in a position to refute his statement because you are not fortified with the information from the member himself of what he is getting for his Flooring. Whether or not all the members report, it would seem that the interests of the Association can be best served by sending to every member the individual reports of Current Net Values, so I trust the members who are making these reports will waive the reciprocal conditions under which their reports are made and permit the information to be sent hereafter to the entire membership with the other regular monthly reports. (Vol. III, pp. 331–332.)

Market Conditions Committee Report, March 25, 1914

In view of this data, the present selling values of flooring may be considered $3.50 off on Clear, $2.00 off on No. 1, and $3.50 off on Factory from the Recommended List of May 21, 1913, and while these values are lower than our statistics, the demand for our goods and the market price of the raw material warrant, *the Committee is convinced that without the exchange from month to month of the information in the individual reports of Current Net Values prices would have gone much lower because of the dull season of the year and the general uncertainty and apprehension regarding the business outlook for 1914.* (Vol. III, p. 205.)

Market Conditions Committee Report, September 24, 1914

In view of the complicated situation it would indeed seem prudent to go slow and be guided by a careful study of our statistics from month to month, pursue a policy of "watchful waiting" in respect to production, and safeguard ourselves all we can by a liberal exchange among ourselves of all available information regarding trade conditions as they develop. (Vol. III, pp. 219–20.)

Tenth Annual Report of the Secretary, January 29, 1915

You have already received the annual statistics, and while they will be reviewed in detail in the report of the Market Conditions Committee, I would like to submit a contrast of stock conditions and current net values during the past three years. It proves beyond a doubt that cooperation can be made helpful in bad times as well as in good times. (Vol. III, p. 116.)

Market Conditions Committee Report, February 25, 1915

Because of the critical situation we are now in it is of the utmost importance that our statistical reports be in the hands of the membership very early in the month in order that the information in the reports may be of greater value to the association.

* * * * * * *

May we not depend upon your cooperation in this respect, because after all it takes no more time to make out your reports on the 2d or 3d of the month than it does to make

them out two or three weeks later, and at this particular time of all times there is nothing more important to us all than to have accurate information as quickly as possible regarding conditions which have such a direct bearing upon our own welfare. (Vol. III, p. 233.)

Minutes of Association Meeting, July 16, 1915

The members who make the monthly reports of Current Net Values are in a position to analyze in detail the net prices obtained by other members and by each geographical group. If you are not making this report you are missing information that has proven to be of great value in handling sales. (Vol. III, p. 124.)

The great value both of the weekly sales reports and of the statistical reports, and the importance of their analysis by the members before attending the association meetings were emphasized in the Report of the Market Conditions Committee dated October 28, 1921, part of which reads as follows:

Weekly Sales Reports.—The importance of making the Weekly Sales Reports regularly and promptly was discussed and the great value of the information contained in the reports regarding the current state of the market was conceded, and three of the members of the Committee who are not making these reports promised to do so. All the other members of the Association who are not making these reports are earnestly urged

to do so, in order that every member of the Association may keep in close touch with conditions instead of working in the dark.

* * * * * * *

More Cooperation.—We wish to make the following recommendations in order that there may be more cooperation in the work of the Association:

1. That Dr. Earle, as President of the Association, is requested to call a general meeting of the Association to be held as early in November as possible.

2. *That all the members of the Association make their Weekly Sales Reports regularly and promptly.*

3. *That all the members send in during the first week in November their statistical reports for the month of October so that a conference can be held on November 16th or 17th.*

4. That if the Secretary receives by November 7th all the October reports from all the members, that his report be made out and mailed to the members on November 10th or 11th, *so they will receive the October statistics in advance of the meeting and have an opportunity to analyze them and can come to the meeting fully informed respecting trade conditions as reflected by the statistical reports.* (Vol. III, pp. 254–255.)

A letter from Mr. Keehn, dated December 3, 1921, to the three members who were not then contributing to the weekly sales reports, again emphasized the value of the information contained in them, and especially of the information as to the

current movement of flooring—a feature of the reports to which great importance was attached by several of the witnesses examined. This letter reads as follows (Vol. IV, pp. 535–536):

> GENTLEMEN: One of the members of your Market Conditions Committee, writing about our latest weekly Record of Completed Transactions, states that it is very gratifying to note the number of members who are now reporting regularly. They feel confident that the members who do not report, evidently having discontinued their reports because other members had neglected to report, now fail to realize the importance of the valuable information contained in our weekly reports and that all but three of the members are reporting.
>
> We believe our Weekly Sales Reports to the members have a number of very good features. Aside from their indication of the current trend of the market, the demand for each grade, face and thickness in each wood, the total volume alone of weekly bookings in each group, and the total of all groups, is enlightening.
>
> You probably had an unusually large volume of flooring orders for the week ended November 16th, and assumed that the experiences of the other members were similar, but could any member have known (or estimated) without the existence of our Weekly Sales Reports that the total New Business Booked of 19 members for the week ended November 19th was very close to five

millions? Without these reports they could have knowledge only of an increased demand for Maple, Beech, and Birch Flooring, but the real extent of this demand as affecting the different grades and sizes of our flooring in combined volume would not be known until weeks later, upon the compilation of our November statistical reports.

It has occurred to us that you may feel that you can not afford to be without this exchange of information when you learn that all but three of our members have indicated they want this information by taking a minute or two of their time to daily record all sales on the blank forms provided and mailing them to us at the close of each week. And we and the reporting members would like to have our weekly reports show our members' sales 100% reported. We can do this if you, and the other two missing members we are writing to-day, will kindly send us the report of sales for week ended to-day. May we count on your cooperation?

IX

Association Meetings

Article IX of the Articles of Association under which the defendants were operating when the petition was filed provides that an annual meeting for the election of officers and trustees and the transaction of other business shall be held on the third Wednesday of January of each year; that regular meetings for the transaction of business shall be held on the third Wednesday of April,

July, and October of each year; and that special meetings may be called by the President or a majority of the Board of Trustees on not less than five days' notice. (Vol. III, p. 67.) Each of the Articles of Association under which the defendants operated from 1916 to 1922 contained a similar provision (Vol. III, p. 17, p. 28, and p. 40), but the Articles in effect from January 1, 1913, to December 31, 1915, provided that there should be five regular meetings in addition to the annual meeting (Vol. III, p. 4).

Mr. Keehn testified that he never kept a minute book, but that he made rough notes and wrote them up and mimeographed them, and sent the reports to the members as memoranda of the proceedings of meetings. He also testified that he did not have any of the minutes of the meetings during the period when the Articles of Association dated January 1, 1913, or any of the succeeding articles were in effect, other than those he had given to the Department of Justice. (Vol. I, p. 79.) All those minutes or memoranda, and all other minutes, reports of the Market Conditions Committee, and reports and circular letters to members from the secretary, which the Government secured under subpœna duces tecum to each member of the association, were introduced in evidence and appear in various portions of the record. With reference to the Market Conditions Committee, Mr. Keehn stated:

> These associations at one time had a committee called " Market Conditions Commit-

tee," with, I think, about 7 or 8 or 9 members. The functions or rather the duties of that committee were in a general way to find out the state of the market, the trade conditions, and to make an analysis of conditions generally and report to the association as to their findings. *They sometimes made their reports to the association in the meetings,* sometimes by mail to the association. I sent out the reports of that committee to the members of the association, and when the reports were made verbally at association meetings I might reduce them to writing or they might be referred to in the minutes of the meetings. Anyway, I circulated them among the members of the association.

I couldn't say positively from what sources this committee got its information. I suppose from all sources. The committee ascertained from past transactions what the prices were at which maple flooring was being sold. **(Vol. I, p. 95.)**

The last report of the Market Conditions Committee which was introduced in evidence is dated October 28, 1921, and according to Mr. Keehn that committee was not succeeded by another committee; but a new committee was created called the "Cost Surveys Committee," which has been operating since in accordance with the articles of association of January 1, 1922. (Vol. I, p. 96.)

With reference to the number of meetings held, **Mr. Keehn testified:**

Q. Now Mr. Keehn, going on to another matter, you held meetings?

A. Yes.

Q. How often were those meetings held?

A. *During the past year I think they were held about monthly, there may have been months they were not held. In former years they were held quarterly and semiannually and annually.*

Q. When did you begin holding those meetings monthly?

A. I would say from memory some time late in 1921 or during the year 1922.

Q. * * * *Anyway, those meetings began to be held monthly after the decision in the Hardwood Lumber Company case.*

A. *Not in every case monthly, but I would say in a general way monthly.*

Q. Before that they had been held quarterly?

A. There were sometimes special meetings, and semiannual meetings and annual meetings.

The Court: Haven't you the records here that show the proceedings of these meetings?

A. We have many of them, but not any of the old ones.

Q. Did you keep minutes of all the meetings?

A. *We kept minutes of all meetings but didn't keep all minutes of all meetings.*

Q. What did you do with the minutes that you haven't got?

A. That we have got or haven't got?

Q. Haven't got?

A. They go back for a long period of time, and we don't keep all those things.

Q. Have you got all minutes for the last two years?

A. I think probably we have. (Vol. I, pp. 132–133.)

The first meeting in 1922 was held January 12th. Other meetings were held during that year on February 25th, March 9th, March 29th, April 20th, May 17th, June 21st, July 19th, August 16th, October 24th, November 15th, and December 19th.

We held meetings subsequent to that and are holding them now. (Vol. I, p. 134.)

And with reference to the proceedings and discussions at meetings of the association, Mr. Keehn testified:

We had no stenographer present at the meetings and didn't undertake to take down just what was said and done.

Q. You just made a memorandum of some things?

A. Made a memorandum of all things that were talked about in these meetings and wrote them up afterwards.

Q. Do you mean to swear that your minutes of those meetings show everything that was talked about?

A. By the Association as an Association meeting, with the exception of the details of the defense of this suit. That was not written out.

Q. Well, I believe you swore the other day that you didn't have, or didn't record the action of the meeting with reference to a discontinuing of that allotment?

A. No; we didn't record that. That was in 1920.

Q. In those meetings what did you discuss?

A. *Well, discussed trade conditions generally as reflected by statistical information; they discussed the market prices of rough maple flooring or lumber; they discussed manufacturing and market conditions;* they sometimes discussed labor conditions; they would devote a large amount of time to discussing the advertising campaign which the Association has had under way during the last year and a half or two years; spent considerable time on Grade Committee work, also on the petition presented to President Harding when he was alive about doing something on the duty on Canadian flooring; all those things were fully outlined in the minutes of the meeting.

Q. Did you ever discuss the price of maple flooring?

A. We do not discuss the price of maple flooring at the present time.

Q. Never mention it?

A. We do not discuss the future prices to be charged. There is no reason to discuss past prices because they are contained in the weekly sales report which the members have before they come to the meetings.

Q. You never mention the prices of flooring at all?

A. Not as an association discussion.

Q. What about the individuals that stand around?

A. I don't know what they talk about. They may talk about a hundred different things. I am speaking about the association discussions—what the association discusses.

Q. That is when they assemble around there and do not get up publicly to make speeches to each other?

A. They do not talk about the price of flooring they are going to charge.

They met every month and discussed the particular matters outlined in our minutes of the meetings. They were written up in the minutes of the meetings. They usually meet at the Congress Hotel. Sometimes about 11 o'clock, and staying in session until about 12.30 or 1 o'clock, then have lunch and get together again about half past 1 or 2 o'clock, and many of them go to the ball game, and that is the end of the meeting. It usually breaks up about three o'clock. (Vol. I, pp. 134–135.)

On cross-examination Mr. Keehn testified further with reference to the same matter:

We have never discussed the prices to be charged or asked for maple flooring. We of course have the weekly reports of sales and monthly report, and which are past transactions, and sometimes as those reports were distributed at the meeeting they looked them over. (Vol. I, p. 174.)

Mr. William L. Saunders stated on direct examination that at the association meetings in Chicago he met his maple-flooring friends with less trouble than would otherwise have been the case, that he was frequently able to dispose of rough maple lumber at the meetings to manufacturers who do not own their own stumpage; and that at the meetings they also discussed wages or manufacturing troubles, also car service, traffic difficulties, and the merits of the different flooring machines, etc. He also stated that standardization of flooring had been perfected only step by step during the past fifteen years and is one of the features of association work, and that at the meetings which he had attended there had never been any discussions with respect to the *future* prices of flooring.

On recross-examination Mr. Saunders testified as follows:

> Q. Since he went into these meeting matters, I will ask a question or two. You tried to prove the things you did not discuss when you get together. Do you ever say anything about the market for lumber?
>
> A. Of our rough lumber?
>
> Q. No; Maple Flooring; when you meet these gentlemen who are concerned in manufacturing Maple flooring, do you ever speak about market conditions?
>
> A. As to the question of supply and demand—things of that kind, do you mean?
>
> Q. Yes. Do you talk about that?

A. *Individually, not collectively, not as an Association.*

Q. *You mean as you are standing about together, or lunching together, you talk that all over?*

A. Yes, sir.

Q. Do you talk about the prices that you have been getting for your lumber?

Mr. DARBY. Do you mean flooring or lumber?

Mr. FOWLER. When I say lumber I mean flooring.

A. Personally, I have no knowledge of prices ever being talked.

Q. You talk about everything else but prices?

A. That is the least of our troubles.

Q. If you don't get a good price, you will soon go to the wall?

A. Yes, sir.

Q. That is what you are specially interested in?

A. Yes. sir. (Vol. I, p. 206.)

Q. So you mean to say that you gentlemen will talk about everything else connected with the Maple flooring industry but you won't hint prices?

A. I think that subject is the least discussed of any.

Q. Then it is discussed, is it? You say it is the least discussed?

A. Oh, it would be impossible not to mention it sometimes in your conversation. I might confess that my price was so-and-so,

and the other fellow might say his was so-and-so.

Q. Since you have been reporting your prices from week to week, every single sale to the Association, why are you so awfully particular not to talk about it between each other?

A. The individual member does not know what my prices are as I report them to the Association.

Q. He did up to July last, didn't he?

A. Yes.

Q. Before last July—if your mouth has been shut so tight since—before last July when you were reporting your prices to the Secretary and he was sending it right out to every member of the Association, why were you so awfully particular not to talk about it?

A. I took the chance of his remembering as to what my quotations were previously and it wasn't necessary for me to mention it.

Q. *Would you ever talk about what the prices would likely be in the future, whether prices were going up or down, market conditions were favorable or unfavorable, ever talk about that?*

A. *I might have expressed my opinion about that.*

Q. *Didn't you time and again talk that one thing?*

A. *You mean now as an individual talking to an individual?*

Q. *Individuals talking around there, either on the floor of the Association or at your luncheons, or anywhere?*

A. *Or in the lobby of the hotel?*
Q. *Lobby of the hotel or anywhere?*
A. *We might discuss those things.*
Q. *Well, didn't you, as a matter of fact?*
A. *I think, as a matter of fact, we would to certain extent.* (Vol. I, p. 207.)

Mr. Frank M. Hodges stated on his direct examination that there could not have been more than two or three meetings after he joined the association in August, 1921, and he did not remember whether he attended all of them, and that he attended perhaps two-thirds of the meetings during 1922. (Vol. I, pp. 295–296.) He then testified:

The COURT. Now, during 1922, at these meetings which you attended, was there any discussion of market conditions, trend of the market, prices realized?

A. I don't recall any such discussions in the meetings. We had reports of costs committees, of course, on rough lumber and manufacturing costs and things of that sort.

The COURT. You certainly discussed those, did you not?

A. Yes, sir.

The COURT. Can you tell me why? Was not the natural discussion of market conditions, the market trend, the outlook?

A. Yes.

The COURT. Will you tell me why there wasn't any discussion of it?

A. Well, I think that after the decision of the Supreme Court about those things that

our attorneys advised us that those things were not to be discussed; I don't recall.

Q. But you did discuss the past transactions, did you not?

A. Oh, yes.

Q. And the cost of rough lumber and manufacturing costs and the advertising campaign was discussed?

A. Yes, sir.

Q. And traffic questions would come up, but those of past transactions, I understand, you discussed.

A. What do you mean?

Q. These reports which would show what—the monthly reports of the secretary.

A. Oh, yes.

Q. But there was no understanding or agreement with respect to future prices.

A. No, sir.

The COURT. What benefit did you derive from discussing past transactions?

A. Well, we were enabled to find out how much stock of certain grades had been shipped and what had been obtained for it, that was valuable information.

The COURT. What was the benefit of that?

A. It shows what stock was being moved at the time.

The COURT. Well, it enabled you to forecast what was going to happen in the future?

A. To a certain extent.

The COURT. And that was the only benefit?

A. To a certain extent; yes, sir. (Vol. I, pp. 296–297.)

On cross-examination Mr. Hodges testified as follows:

Q. How far is Tupper Lake from Chicago?

A. Oh, it is probably 900 miles, something like that.

Q. How long would you be in session there at Chicago?

A. One day, usually.

Q. *When you had those meetings you had these weekly sales reports before you, didn't you?*

A. *Yes, sir.*

Q. *They were distributed around among you, weren't they?*

A. *Yes, sir.*

Q. *So that you would have them right before your eyes while you were going on with your discussions?*

A. *Sometimes they were.*

Q. Anyway, after you got there, he distributed them among you?

A. Possibly the last week's statistics, if they had not been mailed he would distribute them at the meeting.

Q. Distribute them monthly. These stock reports and shipments and things of that kind, you had them before you, too, didn't you?

A. Yes, sir.

Q. So you had the whole situation there right before your eyes, every member during those discussions, did you?

A. We did not discuss them at the meetings.

Q. What did you have them before your eyes for? What were they distributed among you for, and why did you have them in the meeting if you did not discuss them?

A. Well, we could look them over; they were distributed to us there rather than to be mailed to us at our home.

Q. Well, what did you talk about, then, that was in those reports, if you didn't talk about prices?

A. About stock conditions, manufacturing costs, things of that sort.

Q. Now, you mean to say, do you, that when it came to a question of price on past transactions that your mouths were simply shut; is that right?

A. I wouldn't say that entirely. (Vol. I, pp. 297–299.)

Mr. Ralston was one of the frankest witnesses examined with reference to the matters discussed at the association meetings.

On cross-examination he stated that he was a member of the Market Conditions Committee for about a year or a year and a half; that the committee simply gathered information as to the costs of manufacture, test runs, the average of the test runs, and general information on the markets and on conditions for the benefit of the members of the association; that there was no report made of any kind to amount to anything, but generally the committee just talked in the general meeting of what they had found, and that the report was discussed

in the open meeting. (Vol. I. p. 330.) He then testified as follows:

> Q. As a matter of fact, that is one of the principal things that was discussed in those meetings, was it not—the general market conditions?
>
> A. *The general market conditions were always discussed; yes.*
>
> Q. *And the range of prices?*
>
> A. *Sometimes.*
>
> Q. *Wasn't that one of the things that was generally discussed—range of prices?*
>
> A. *Not always; no.*
>
> Q. *Didn't you consider where the prices were, going down or going up, or had been going down or going up?*
>
> A. *There was probably some talk of that, more or less; yes.*
>
> Q. *That was the interesting thing, wasn't it, whether prices were going down or up?*
>
> A. *Absolutely it is to any manufacturer, it might be.*
>
> Q. When you were talking about general market conditions, it was with reference to whether it would justify prices going up or whether it would necessitate their going down?
>
> A. Not necessarily, it was merely the talk from that Committee was merely on general conditions and on the general state of the market.
>
> Q. Wasn't the ultimate thing you had in mind whether or not the price should be advanced or whether you would have to lower the price?

A. That may be true, I couldn't say what was in their minds.

Q. Really, wasn't that true that that is what you were driving at all the time?

A. *There is no question at all if I went to one of those meetings, I went there to get information if I could as to market conditions, and the reason I wanted that information was to know what I would do with my prices; yes.*

Q. That was the ultimate object you had in mind all the time?

A. *Absolutely.*

Q. *That is what you wanted all of this information for?*

A. *Why, it would be useless to us for any other purposes.*

Q. *And that is the reason all of you exchanged all this information about yourselves, was it?*

A. *Yes, it was spoken of that way.* (Vol. I, pp. 330–331.)

On recross-examination Mr. Ralston testified as follows:

Q. *You discussed past prices?*

A. *Past prices, yes; and general market conditions.*

Q. Did you stop right at the minute you were talking or did you stop an hour or two beforehand?

A. I really couldn't say where the stop was. The talk as a rule was all general.

Q. Just discussed the prices until you got up to the present and then you quit; is that it?

A. I didn't say that; I just simply said I really couldn't say. (Vol. I, pp. 332–333.)

An interesting commentary on the value of attending the Association meetings is contained in a letter dated January 31, 1923, from the North Branch Flooring Company to the Flanner Steger Land & Lumber Company, and in the answer of the latter company dated February 5, 1923. Part of the first letter reads as follows:

> The writer was very glad to see Mr. Flanner at the meeting last week and wishes to take this opportunity to encourage your regular representation at these meetings. *We can say from actual experience that the personal contact and association with the other members has become very valuable to us and we have been able to capitalize this to a remarkable degree.* (Vol. IV, p. 479.)

And the answer stated:

> *We are quite in accord with what you have to say regarding the value of attending the Flooring Association meetings.* It is the expectation of Mr. Frank Flanner and myself that some one from this company will be at these meetings. (Vol. IV, p. 480.)

The appellants' brief states that "inasmuch as the expenses of members to and from the monthly meetings were paid by the association, it is not surprising that a majority of the members usually attended these meetings" (p. 232). But although that fact may explain why the member from Tupper Lake is able to make the 900-mile trip to Chi-

cago every month, it does not explain why the member in Chicago is willing to contribute, through the association expense fund, a portion of the expenses of that trip. The latter fact certainly constitutes unparalled generosity on the part of the member in Chicago, if, as intimated in the appellant's brief, the primary object in attending the association meetings is to secure the instruction or diversion offered by a great city or to make sales to customers in Chicago.

Great emphasis is placed by counsel for the appellants on the alleged reformation in the practices of the association in accordance with an opinion given by Mr. Newman after the decision by the Supreme Court in the Hardwood case. As stated heretofore, however, no change was made in the reporting system of the association on account of that decision, and the only material modification made in the form of the association's activities appears to have consisted of the discontinuance of the Market Conditions Committee and of the monthly reports made by that committee analyzing and commenting on the association statistics, in accordance with the advice that the association "must see to it that no one classifies, analyzes, interprets, comments upon, or makes any recommendations concerning the same, or makes any prophesies as to the future prices, output, or other matters." (Vol. III, p. 152.)

During the period from 1913 through 1921 the members of the association regularly received

written analyses of conditions by the Market Conditions Committee along with their statistical reports, and it was not necessary for them to hold more than four or five meetings a year to transact the business of the Association. But, when the distribution of the committee's comments was stopped on advice of counsel, monthly meetings were begun so that the same information and advice could be obtained by word of mouth.

The character of the reports and observations which the members had regularly received from the association for many years, and of the value of those reports as a basis for estimating future conditions, is covered very adequately and fully in the Semiannual Report of the Market Conditions Committee dated July 20, 1917; which is as follows (Vol. IV, pp. 438–440):

> *To members:*
>
> GENTLEMEN: The statistical reports prepared by Mr. Keehn for the first half of the year give all the available data of that character. Whether such reports are regarded as merely a comprehensive review and record of a past period or whether they have an additional value as a guide for the future, depends largely upon the method of their analysis and interpretion. When the significance of each of the various factors of the statistical data is determined and the influence of other factors, such as outside competition, building activity, and manufacturing costs, buying seasons and the character of the demand, is properly estimated, we have

acquired the Eyes of Business, can see ahead with greater clearness, and can plan for the future with greater confidence of success.

As an aid in the analysis of statistics a barometer has appeared in our monthly reports during the past year to show a graphic comparison of conditions with the corresponding month of the previous year. The barometer gives a birdseye view of conditions but does not estimate the comparative value of its various factors. However, before discussing this feature, an explanation of the construction of the barometer, how and why it is thus made, may be informative and increase its value.

During January and February we had 25 members, during March 24, and during April, May, and June 23. The barometer is adjusted to these changing conditions in the following manner:

The first shaft is the Measure, and you may have noted that it is always the same height. It is an arbitrary yardstick.

The relative heights of the other shafts are determined by the percentage of increase or decrease of the various factors based on the reports of the same members for corresponding periods. Consequently the June 1916, business of the two members who have dropped out since the first of this year was not considered in making the barometer for June, 1917.

The barometer each month reflects a comparison under like statistical conditions with the same month of the previous year.

Returning now to the comparative values of the various factors of the barometer:

The factors are:

Stock on Hand.
Unfilled Orders.
Shipments.
Production.
New Business.
Average Values.

Inasmuch as the value of any factor may change with the changes in surrounding conditions, it is impossible to formulate any arbitrary or fixed rules for determining market conditions. The monthly combination of factors is kaleidoscopic—never twice the same. Consequently the significance of the various factors of the barometer must be estimated by judgment based on experience.

This may be illustrated by the barometer for June. Based on the half year, it shows slightly less than the average "Stocks on Hand," the lowest "Production," and the highest "Average Values" of the period. These are important factors and if considered by themselves would seem to foreshadow good results for July. But the other statistical factors show that relatively "Unfilled Orders" fell 26 points in June and that "New Business" and "Shipments" are the lowest in six months. This gives us comparative results based on corresponding periods last year.

To show the trend of current conditions, a comparison of May and June this year indicates that during June:

Stocks on Hand decreased 1 Point.
Unfilled Orders decreased 11 Points.
Shipments decreased 15 Points.
Production increased 4 Points.
New Business decreased 36 Points.
Average Values increased 3 Points.

The reduced volume of New Business in June may be due to earlier booking in anticipation of advancing prices, but the falling off in Shipments should be seriously considered. And it should also be noted that the first of this month records the smallest volume of Unfilled Orders shown this year.

It is obvious that right here the non-statistical factors demand attention. These are:

1. Building Activity.
2. Character of Demand.
3. Manufacturing Costs.
4. Outside Competition.
5. Buying Seasons.

We know (1) that there is a material decrease in building activity that requires hardwood flooring; (2) that the demand for Clear is relatively less than for No. 1 and Factory; (3) that the manufacturing cost of flooring was never before so high as it is now and that costs are increasing; (4) that outside competition is active and aggressive; and (5) that July is normally a quiet month for new business and is more likely to be so under present conditions.

The foregoing brief analysis of conditions the first of this month affords a basis for the conclusion that the volume of Shipments

and New Business for July will be less than normal, but that the special demand for No. 1 and Factory may support some advance in prices of those grades. It is also evident that at present the demand can not be increased by price concessions. Also that prices are not likely to be reduced on account of high manufacturing costs and easy warehouse conditions. The present manufacturing plan should be to reduce the output of Clear flooring and increase the output of No. 1 and Factory.

This is not a Semiannual Report in conventional form. It is rather a report and explanation of methods, and your committee has taken the liberty of offering it with the hope that it may suggest ways of analyzing our statistical reports from month to month so that they may be more valuable to you as a basis for estimating future conditions.

Respectfully submitted.

MORRIS E. THOMAS, *Chairman,*
E. HARVEY WILCE,
B. P. WHEDON,
WILLIAM E. COX,
GEORGE STRABLE,
C. H. LAW,
J. D. STAPLE,
Of Market Conditions Committee.

The monthly reports which the association now prepares and places in the hands of the members either before or at the monthly meetings, show the analysis of the statistical factors at a glance, so that

their interpretation by a committee of experts is not required; and the evidence clearly establishes that all the "non-statistical factors" referred to in the committee report quoted above, are freely and habitually discussed at the association meetings, that the members now have the weekly sales reports, and that they are therefore now—even if future prices are not discussed at association meetings—in a more advantageous position than ever before to reach a common analysis of conditions and consensus of opinion as to prices and production.

The defendants who testified, and counsel for appellants in their brief, emphasize the necessity for the frequent meetings to discuss questions relating to grades and grading rules, to standardization, to manufacturing difficulties, to advertising, to traffic questions, to the tariff on flooring, to freight rates, and to labor troubles, *but such questions must have arisen as frequently if not more frequently prior to 1922 than after that date, as no changes in the association grades or grading rules or in the standard sizes have been made since the present articles of association went into effect.*

The following table shows what subjects were actually discussed at the association meetings during 1922 after the reorganization of the association was completed and the new Articles of Association were adopted. *The first twelve subjects are those suggested by the defendants as those requiring frequent discussion, and the last seven subjects are*

those which the government contends suggest the correct answer to the question why the practice of holding monthly meetings was instituted after the decision by the Supreme Court in the Hardwood Case and the consequent discontinuance of the written reports analyzing and interpreting the statistics.

1. Standardization				July 19				
2. Grades	Apr. 20		June 21			Oct. 24		
3. Manufacturing difficulties								
4. Marketing problems								
5. Advertising	Apr. 20			July 19	Aug. 16	Oct. 24	Nov. 15	Dec. 19
6. Traffic questions							Nov. 15	
7. Tariff on flooring							Nov. 15	
8. Freight rates (Rate Books)					Aug. 16	Oct. 24		Dec. 19
9. Labor Troubles								
10. Manufacturing Costs								
11. Wages								
12. Merits of Flooring Machines								
13. Average Cost of manufacturing and marketing and reports on cost		May 17		July 19	Aug. 16	Oct. 24		Dec. 19
14. Surveys of Cost and Test Runs			June 21					Dec. 19
15. Special statistic l compari on						Oct. 24		Dec. 19
16. Trade conditions and relations of supply and demand as reflected by Statistical Reports.	Apr. 20			[1]July 19	Aug. 16	[1]Oct. 24	(2)	[1]Dec. 19
17. Rough Lumber—Supply and Market Value		May 17	June 21	July 19	Aug. 16	Oct. 24	Nov. 15	Dec 19
18. Flooring Data	Apr. 20	May 17	June 21	July 19	Aug. 16	Oct 24	(2)	Dec. 19
19. Stock o di ions	Apr. 20	May 17	June 21	July 19	Aug. 16	Oct. 24	(2)	Dec. 19

[1] Not mentioned in memorandum of meeting, but given in call for meeting as one of the subjects for discussion.

[2] Representatives of Department of Justice present at meeting.

NOTE.—The minutes of the Association meetings from which the data showing the subjects discussed was taken appear in the record as follows: April 20, 1920, Vol. III, p. 164; May 17, 1922, Vol. III, p. 171; June 21, 1922, Vol. III, p. 173; **July 19, 1922, Vol. III, p.** 176; August 16, 1922, Vol. III, p. 181; October 24, 1922, Vol. III, p. 185; November 15, 1922, Vol. III, p. 191; and December 19, 1922, Vol. III, p. 197.

That flooring data, stock conditions, and average costs computed in accordance with Article XIV of the Articles of Association were subjects of primary importance for discussion at the Association meetings held in 1922 is further shown by a consideration of the letters sent out by Mr. Keehn to remind the members of each meeting.[1]

The letter dated May 10, 1922, with reference to the meeting to be held May 17, 1922, reads in part as follows:

> Among the subjects to be discussed at the meeting are the following:
>
> * * * * *
>
> 3. The Committee on Cost Surveys will meet on the afternoon of the 16th and will make a comprehensive analysis of the Average Cost of Manufacturing and Marketing Maple Flooring as ascertained according to Article XIV of the Articles of Association, and will make a report to the general meeting.
>
> If you have recently purchased any rough Maple Lumber on the open market or if you have any information regarding any purchases or sales of same, will you please send the information on the 15th to the Secretary, giving the prices F. O. B. sawmill (omitting the location of the sawmill), and the cost of

[1] Letters to members giving the dates of meetings and the subjects for discussion were sent out under the following dates, and are printed in the record as indicated: Vol. III, May 10, 1922, p. 170; June 15, p. 172; July 13, p. 175; Aug. 16, p. 181; Sept. 21, p. 184; Oct. 24, p. 185; Nov. 10, p. 190; Dec. 14, p. 196.

freight from the sawmill to your flooring plant? This information will be very useful to the committee in its work and it will be held strictly confidential and no information will be given revealing the identity of the buyer or seller, or the source of the information, if you so desire.

There has been a good volume of New Orders Booked since the last meeting, and it will be very interesting to know how business has been running during the first half of May. It looks as if the 13/16" x 2¼" face No. 1 Maple flooring will be oversold to a greater extent than on April 18th, the date of our last compilation.

Please remember to bring with you to the meeting the flooring data as per blank form below, so the data can be summarized and the members fully informed as to actual stock conditions, etc., on May 15th.

Flooring Data, May 1–15, Incl.

Shipments	--------	M
New Orders	--------	"
Production	--------	"

Stock conditions of 13/16 x 2¼" face maple flooring

On May 15	Clear	No. 1	Factory	Total
Stock on Hand	------M	------M	------M	------M
Unfilled Orders	------"	------"	------"	------"
Unsold	------"	------"	------"	------"
Oversold	------"	------"	------"	------"

(Vol. III, p. 170.)

Each notification of a meeting to be held requested the members to send or bring flooring data as per the blank form copied above, and the letters

dated July 13, 1922, and Aug. 10, 1922, emphasized the importance of this information as follows:

> It is important to know how the flooring business is running so far this month, and we wish to suggest that if the members will supply the data as outlined on the blank form below, covering the first half of July, and mail the data to us at the close of business July 15th or on Monday the 17th at the latest, that we will compile same and have it ready as soon as the meeting is called to order. This will save time and give you a better opportunity to consider the relations of supply and demand as reflected by the data than if the matter is delayed by our not getting these reports until the members arrive in Chicago and then not getting them compiled until late in the afternoon. (Vol. III, July 13, p. 175.)
>
> Please be sure and bring with you to the meeting the flooring data as per blank form below *so that you will have as complete information as possible regarding statistical conditions on the day of the meeting.* (Vol. III, Aug. 10, p. 181.)

That the flooring data requested in each notification of a meeting is especially important in enabling the members to forecast future conditions, and that the discussion of the statistical and trade conditions at least was not confined to the past, is indicated by the letter dated February 19, 1923, which Mr. Keehn sent to the members and which reads as follows (Vol. IV, p. 470):

FEBRUARY BUSINESS

To members:

GENTLEMEN: We have received flooring data from 14 members of the Association covering the first 13 days of February, from which it is estimated that if the business during the remainder of February averages about the same as the first 13 days and if the trade experiences of the other 8 members are about the same, that the February business will turn out about as follows:

Shipments about 26% less than in January.

Production about 21% less than in January.

New orders about 41% less than in January.

The stock conditions of 13/16 x 2¼" face Maple flooring on February 13th of the same 14 members indicate as follows:

On Feb. 13—	Stocks on hand	Unfilled orders	Oversold	% sold 14 members	% sold Feb. 1, all members
Clear	2, 158 M	8, 502 M	6, 344 M	394%	411%
No. 1	1, 424	6, 812	5, 388	479	407
Fety	1, 099	3, 118	2, 019	284	389
	4, 681	18, 432	13, 751	394	405

A note as to a discussion of the subject "Trade conditions and the relations of supply and demand as reflected by our (the association's) statistical reports" is found in only two of the memoranda of meetings analyzed in the above table (p. 163). It is, however, reasonable to assume from the statement

in the letter dated December 14, 1922 (Vol. III, p. 196), to the effect that the November reports would be ready for the meeting so the members could know how the November business turned out, that those reports were discussed at the December meeting, to assume from the paragraph quoted above from the letter dated July 13, 1922 (p. 166), that the relations of supply and demand were discussed at the July meeting, and to assume from the following paragraphs in the letter dated October 24, 1922, not only that the subject of trade conditions and the relations of supply and demand was discussed at the October meeting, but also that it has been the principal subject for discussion at every meeting:

> *It has now been two months since there has been a "gathering of the clan," and it is hoped that every member of the Association will be represented at the meeting so that trade conditions and the relations of supply and demand for flooring can be discussed and considered.*
>
> We expect to have our statistical reports for the month of September made out and in the mail for you on the 19th or 20th, so that you will have an opportunity to look them over in advance of the meeting and see how the September business turned out. (Vol. III, p. 185.)

None of the memoranda of association meetings held since January 1, 1922, indicates that any dis-

cussion was held with reference to prices, past, present, or future, but the record contains letters to members dated June 15, 1922, and July 13, 1922, in which Mr. Keehn specially requested the members to send in their weekly sales reports so that he could make up the association report and have it ready for the general meeting. (Vol. IV, pp. 461 and 462.) The remark appended to the request of July 13, "hoping you will be able to do this so that you will have information up to date regarding the market," certainly indicates that the sales reports were intended to be used as the basis for a discussion at the meeting of past and up to the minute prices; and substantiates Mr. Ralston's testimony that past prices and general market conditions were discussed at the association meetings even after the 1922 reorganization.

The evidence considered heretofore with reference to the procedure and discussion at the association meetings establishes that, as in the case of the changes made in the sales and statistical reports shortly before the hearing in the court below, the change made in the activities of the association after the decision by the Supreme Court in the Hardwood Case related entirely to the form of the activities, and not at all to their substance and effect. The Market Conditions Committee was discharged, and the association resolved itself into a Committee of the Whole for the monthly discussion and analysis of the same matters

which had formerly been discussed and analyzed in the monthly reports of the Market Conditions Committee. In fact, the practice of having the Market Conditions Committee analyze, interpret, and comment on the statistics was discontinued even before that committee was discontinued, *because the members recognized the superior advantages of their present system of discussions at association meetings.* This is shown by the following paragraph from the minutes of the general meeting held August 19, 1921:

> *Market Conditions Committee.* — Mr. Thomas, Chairman of the Market Conditions Committee, stated that his Committee had nothing special to report as a Committee, no meeting having been held prior to the convening of the general meeting, *as the members of the Committee felt that trade conditions and our July statistics could be discussed to just as good, if not better, advantage by the Association as a whole as to hold a separate meeting of the Committee.* (Vol. III, p. 137.)

X

Results of the Association's Activities

The brief for appellants states (p. 161) that the Government has abandoned its contention that there has ever been uniformity of prices. The record clearly shows what the Government's contention was in the court below, and it maintains the same contention here; which is, that competi-

tion between defendants in the manufacture and sale of maple, beech, and birch flooring has been greatly suppressed, and that the prices of such flooring have been very materially increased in consequence of the practices pursued by this combination between defendants known as the "Maple Flooring Manufacturers' Association." As has been pointed out by the Government in previous cases, the results accomplished by these associations are manifested in different ways, dependent upon the character of the commodity manufactured or dealt in by the members and the existing market conditions. Through the influence of such a combination the prices of a commodity of uniform quality, like cement or linseed oil, under ordinary marketing conditions will be reduced to practically a dead level. However, when there is a sharp change in marketing conditions, as when the demand greatly increases or diminishes, there will necessarily be divergencies in prices till the demand and supply are again stabilized. If there were a marked subsidence at some point in the bottom of the ocean, it would require an appreciable time for the entire surface to again become level. Such a condition is illustrated by the prices of linseed oil during the existence of the Armstrong Bureau, as shown in the *Linseed Oil case* (262 U. S. 371).

When there is a wide difference in the quality and cost of production of the commodity, and especially if it is composed of many grades, like lumber, entire uniformity of prices is impossible. How-

ever, the variations will be much less when marketing conditions are normal than when abnormal. This is illustrated by the variations in the prices of lumber shown in the *Hardwood case* (257 U. S. 377). There the activities of the association actually produced a greater spread in prices. For illustration, the spread in prices of f. a. s. sap gum in January, 1919, was $7.00, while in January, 1920, it had increased to $22.50; and during the same period the spread in f. a. s. plain white oak increased from $6.00 to $81.25; and in No. 1 common poplar from $5.00 to $53.25. This, as this court found, was due to the activities of the association exerted upon the extraordinary economic conditions then existing.

The principal object of such an association is to enable its members to realize higher prices for their product; and therefore their practices are designed to press the prices upward. When a runaway market exists there is hardly any limit to the prices that may be obtained; but when conditions are normal there is a point beyond which prices can not be forced. As there must be leaders in every upward movement, there will necessarily be a variation in prices; but as the extreme point is approached the variations will decrease and prices will become nearer uniform.

Many of these associations do not seek uniformity. Their object is, not to eliminate *all* competition, but to destroy absolutely what they are pleased

to denominate "cut-throat" competition. They accomplish that end by agreeing either formally or tacitly upon a *minimum price,* which enables the most expensively manufactured goods to be sold at a profit, or at least not at a loss; and means are devised to enforce the agreement either by penalties or by moral force. Competition to sell *above* the minimum price is encouraged; *but that competition consists in each endeavoring to sell at a higher price than his competitors.* By so doing he makes a better showing among his fellows; and he knows that he will soon be imitated. This is exactly the character of the defendant association. According to the Government's theory the following should be the history of prices of flooring since the adoption and putting into effect of the last articles of association, which require among other practices the weekly distribution among the members of reports showing in detail the sales of competitors. When the first cost price list—really a minimum price list—was distributed some were selling below and some above the prices designated therein. Those selling above were not expected to, and did not reduce their prices to conform to the list, but those selling below raised their prices, probably gradually, until practically all sales were made *at or above* the designated prices.

In the meantime the competition to obtain higher prices than their competitors had caused many members to advance their prices. And when a

large per cent of them had made a substantial advance a new list was distributed with prices at a higher level. Of course, while the prices of many then conformed to or exceeded these new prices, some were selling below them, and a short time would be required for the prices of all to be advanced to the new level. New lists would be distributed just as often as the market would stand the strain. Therefore uniformity in figures need not be expected. But we may expect to find that a large per cent of the sales were made at the designated list prices, as it is only the bolder ones who take the initiative in advancing prices, and the others will not follow until they ascertain that the ground is secure. Furthermore, it may be expected that a number of sales will be found below the list prices, but they will gradually decrease after a new list has been adopted until another advance is announced.

So far as it possibly could after the data was received, the Government had tabulations made based on the weekly sales reports to ascertain how far the facts corroborate its contention. These tabulations constitute Exhibit 79, and most of them are printed in the record. (Vol. IV, pp. 583–796.) The evidence of Horace A. Lewis, a special agent of the Bureau of Investigation of the United States Department of Justice, who made the tabulations, and the discussion between court and counsel with reference to them, are found on pp. 846–859, Vol.

II, of the printed record. Briefly stated, the explanation of these tabulations is as follows:

The item 13/16" x 2¼" Maple Flooring, standard lengths, in the three grades clear, number one, and factory, was selected for the price comparison because it is the most representative. The 13/16" x 2¼" maple flooring constitutes approximately 70% of the entire amount of flooring produced by the members of the association, and the average percentages of the three grades produced are: Clear, 50%; No. 1, 35%; and Factory, 15%. The item 13/16" x 2¼" Clear Maple Flooring therefore constitutes approximately 35% of the total amount of flooring produced by the members. (Vol. IV, p. 842, Vol. III, side pp. 1622 and 2052.)

The tabulations based on the sales reports which were in the possession of the Government prior to the hearing in the court below were figured for the three grades, but those based on the reports which came into the possession of the Government during the course of the hearing were only figured for the clear grade because of the lack of time. Only the tabulations for the item 13/16" x 2¼" Clear Maple Flooring were therefore considered, and only those based on the sales reports for the weeks ending November 19, 1921, to June 30, 1923, inclusive, are printed in the record.

The procedure followed in making the tabulations was to take each sales report and to take from it and to set down on what Mr. Lewis called the tabulation sheet all the data given with reference

to each sale of the selected item. These sheets, therefore, have the same general appearance as the sales reports, and show in successive columns from left to right (1) the date of the order, (2) the number of the mill making the sale, (3) the quantity, (4) the delivered price per M, and (5) the average freight rate. These items of information are merely transcribed from the sales reports, except that during part of the period the sales reports give the index letters or freight-rate symbols, whereas the average or Cadillac freight rate is shown on all the tabulation sheets. Mr. Lewis testified, however, that in every case he decoded the freight symbols by using the freight-rate book. The next column is entitled "Actual freight allowed" and sometimes "Freight charged." It might more properly be termed "Actual Cadillac freight" or "Actual average freight," as it shows the freight per M feet calculated on the basis of the average freight rate shown on the sales report and of the association standard weight for the item of flooring under consideration of 2,000 pounds per M feet. The practice adopted for the association rate books is, however, followed and the nearest multiple of 25 is actually used for the "freight allowed." Each calculation was checked with the freight table showing the cost of freight per 1,000 ft., which is included in the July 19, 1923, Rate Book and Index of Towns. The data given in one other column on the tabulation sheets, "commissions," is transcribed directly from the sales reports.

A uniform practice was unfortunately not followed in presenting the remaining data on the tabulation sheets. The sheets which were prepared first show in the last column on the right what is called "Net Factory Price," which is the delivered price, less the freight, less the commission, if any. Other tabulation sheets show what is called sometimes "Net Price Cadillac" and sometimes "Price F. O. B. Cars at Mill." The columns so entitled show the delivered price less the freight. This might more properly be called the "Cadillac Base Price."

To determine whether the so-called "average costs" have been maintained as minimum prices, either of two methods could have been adopted for the purpose of comparing the prices actually obtained (as shown on the sales reports) with the so-called average cost; either the average cost *plus* the freight could have been compared with the delivered price reported (as was done on the sales reports during the operation of the January 6, 1921, Minimum Price Basis, as described heretofore on p. 39), or the delivered price reported *less* the freight could have been compared with the average cost. The Government chose the latter method, perhaps unfortunately, as the use of the former would not have given the appellants an opportunity to claim, as is done on pages 336–348 of their brief, *that the commission allowed, if any, should also have been deducted in order to arrive at the Cadil-*

lac base price. It is, however, frankly stated in the Appellants' Brief that that procedure, in accordance with which the elaborate calculations and charts appearing in the Brief and Appendices to the brief were prepared, *is based on the theory that what the seller received should be compared with the so-called "Average Cost."*

There is nothing in the record to sustain this contention, but every fact and circumstance is against it.

That the cost prices which were designated on the surveys of costs distributed among the members and were shown in the rate books, and which with the addition only of the average cost of freight—or Cadillac freight—were shown as the delivered costs or values on the sheets distributed for insertion in the rate books, were the ones to be observed in quoting prices and selling flooring regardless of whether or not a commission was allowed which made the seller's net realization less, is conclusively shown by the following facts:

(1) *The commission is actually embraced in the estimate of costs.* The questionnaire answered by the members, upon which answers the manufacturing and distributing costs are estimated, contains the following inquiry, "6. Selling expenses, *including commissions* and advertising and office expenses including selling administrative expenses." And in compiling the answers to the questionnaire sent out in May, 1922, the average of the replies to this question was $3.75 (see p. 69). The manufacturing and selling expenses added to the costs

of rough lumber, including the waste, constitute the " average costs," which are shown in the rate books—and the estimates of costs which are from time to time distributed. *If the commission is already included in the estimated costs why should it again be added to ascertain whether a sale is made at or under the so-called cost price; or the same thing, why should it be deducted from the price at which the sale is made? The commission is included in the estimated costs to avoid the necessity of doing that very thing.*

(2) The sales reports show that a commission is generally paid, but they do not show in any instance whether it is allowed to the purchaser as a deduction from the quoted price, or to a wholesaler or a commission man for his services, or to a salesman in lieu of a salary. Mr. McLurg testified that the Kneeland-McLurg Company does not allow the retail dealer any commission because it sells through traveling salesmen, which costs more than on commission and that it allows some wholesalers a commission of $1.50 to $2.00 (Vol. I, p. 229), and Mr. Shepeck testified that the I. Stephenson Company allows very few wholesalers a commission as it does not care to sell through them, but that it allows a commission to brokers and even pays its own traveling salesmen on a commission basis instead of a salary. (Vol. I, p. 262.) Mr. Ralston testified that from 1919 to May, 1923, while he was sales manager for William Horner, the largest manufacturer in the association, eighty per cent of his flooring was sold through representatives who were

wholesalers in various cities in the country and to whom commissions were allowed; (Vol. I, p. 319); Mr. Hodges testified that the Oval Wood Dish Corporation sells largely to jobbers and wholesalers and to some big yards and allows commissions (Vol. I, p. 288); Mr. Greene testified that the West Michigan Flooring Company sells through representatives who guarantee the accounts and to whom commissions are allowed (Vol. I, p. 385); and Mr. Dewey testified that exclusive representatives at various points throughout the United States handle the flooring of the Kneeland-Bigelow Company on a commission basis (Vol. I, p. 393). No other defendant testified about the method of distributing the product and allowing commissions, and in accordance with the stipulation as to what the other defendants would have testified to if called (Vol. I, p. 409), it is perfectly clear that most if not all of the commissions shown on the sales reports were allowed to wholesalers, commission men, or traveling salesmen, in payment for their services in the distribution of the product. There is no evidence to support the contention made in the appellants' brief (p. 342) that the allowance of commissions is merely a means of meeting competition or reducing prices; and an examination of the depositions of dealers in Chicago, New York, Boston and Philadelphia, which were introduced in evidence by the defendants and appear in Vol. I and Vol. II of the Record, fails to disclose any instance *of a price subject to commission being quoted to a retail dealer.*

(3) The trial court was inclined to the view that the base prices with which the sales prices should be compared were the prices designated in the surveys of costs and in the rate books *less* a commission of $2.00, that being the commission more often paid. This view is in fact borne out by the "Declaration of business policy," which accompanied Keehn's letter of September 16, 1921, wherein it was proposed to agree to pay 10% on all sales "at values below the average cost of production, plus the average cost of freight to destination * * * after allowing for commission not exceeding $2.00 per M feet to wholesalers and commission men and to our special representatives." (Vol. IV, p. 568.) In other words the standard for determining whether the proposed agreement was violated was to be the comparison of the delivered price minus the commission with the average cost minus the commission plus the freight. An examination of all the Weekly Sales Reports for 1922 and 1923 which are printed in the record shows that the following commissions were allowed: 14 of $1.00; 344 of $1.50; 1244 of $2.00; 3 of $2.50, and 3 of $3.00. The average of these commissions is $1.89, and that undoubtedly represents about the amount included in the average costs for commissions allowed. No average cost figure or price stated otherwise than in even dollars has ever been established, and therefore if the delivered prices less the freight *and less the commissions, if any,* are to be compared with the average cost with any pretense of fairness, *two dollars must be deducted from the*

average cost. As stated by the trial court, therefore, the method actually adopted on the Lewis Exhibit was against the Government.

(4) The rate books and the surveys of cost issued by the present association state prices in elaborate detail, they being figured out and shown in the rate book for thousands of points; and there is not anywhere a hint that any consideration should be given to the allowance of a commission. *If the commission were regarded as an additional selling expense to be taken into consideration in making prices, that fact would certainly have been suggested at some time in some way.*

In paragraph 3 of Mr. Keehn's letter which accompanied the freight rate book of 1922 he explained:

> For the further information of the members so called "Delivered Costs Charts" have been compiled. These charts include the Average Cost of Freight to destination of shipment; *in other words, the Average Cost of Freight is added to the Average Cost of the flooring f. o. b. cars at flooring* mills to illustrate what the Delivered Cost would be at destination. (Vol. III, p. 319.)

(5) The Minimum Price Plan of January 1, 1919, specified the commission which might be allowed "*from minimum prices in effect at time of sale.*" (Vol. III, p. 89.) In the Market Conditions Committee's report of June, 1919, with reference to "values of ⅜" " it was said:

> Please bear in mind that the ⅜" prices do not carry any concessions, but are net *being*

subject only to commissions to your registered special representatives and to registered wholesalers and commission men.

The Minimum Price Basis of January 6, 1921, did not specifically state that the commissions authorized might be allowed from the established minimum prices (Vol. III, p. 94), but the comparisons which the sales reports for January, 1921, made between the sales prices and the Minimum Price Basis prices as heretofore described on p. 39, show conclusively that that was the practice followed. There is therefore every reason to assume that the same understanding and practice as to the method of handling the allowance of commissions are still maintained.

(6) The prices actually considered, and very largely observed, were those designated in the surveys of costs and in the rate books. This is conconclusively shown by the tabulations hereafter discussed.

The actual comparison between the average cost as determined from time to time and reported to the members by the association, and the prices at which the members sold 13/16" x 2¼" clear maple flooring as shown by the weekly sales reports but reduced to a Cadillac base in the manner heretofore described, is made on what Mr. Lewis called the recaption sheets.

In order to illustrate clearly the manner of making this comparison, and also the different forms of tabulation sheets which were prepared, both the

tabulation sheets and the recaption sheets of sales for the weeks ending, respectively, January 6, 1923, and June 30, 1923, are set forth in full below:

TABULATION SHEET

Net factory prices maple flooring, ¹³⁄₁₆ x 2¼, for week ending January 6, 1923

(Vol. IV, p. 735)

CLEAR

Date	Mill	Quantity	Delivered price	Freight rate	Freight charged	Commissions	Net factory price
1/5	2	5,302	107.50	0.24	4.75	2.00	100.75
30	2	22,000	100.50	.24	4.75	2.00	93.75
30	2	60,000	100.50	.24	4.75	2.00	93.75
29	2	2,000	108.25	.39	7.75	2.00	98.50
8	24	17,000	102.50	.37	7.50	1.00	94.00
3	33	5,000	100.50	.27	5.50	2.00	93.00
4	33	5,000	100.00	.25	5.00	2.00	93.00
4	33	5,000	98.75	.19	3.75	2.00	93.00
5	33	11,000	100.00	.25	5.00	----------	95.00
5	33	10,000	97.75	.19	3.75	1.00	93.00
2	5	5,000	103.50	.43	8.50	2.00	93.00
5	5	7,500	112.00	.85	17.00	1.50	93.50
2	14	25,000	98.00	.15	3.00	1.50	93.50
2	26	5,000	98.00	.16	3.25	2.00	92.75
2	30	15,000	103.50	.43	8.50	2.00	93.00
2	30	4,000	97.50	.18	3.50	----------	94.00
6	37	16,000	107.50	.62	12.50	2.00	93.00
29	47	10,000	102.50	.37	7.50	2.00	93.00
29	47	2,000	102.50	.37	7.50	2.00	93.00
2	47	14,800	101.00	.25	5.00	2.00	94.00
4	47	30,000	99.00	.20	4.00	2.00	93.00
4	47	10,000	102.00	.35	7.00	2.00	93.00
5	47	10,000	99.50	.20	4.00	2.00	93.50
2	4	5,000	99.50	.22	4.50	1.50	93.50
2	4	6,000	99.75	.24	4.75	1.50	93.50
2	4	2,000	101.00	.27	5.50	1.50	94.00
6	4	1,000	100.50	.27	5.50	1.50	93.50
6	4	5,000	100.50	.27	5.50	1.50	93.50
6	4	40,000	103.50	.27	5.50	1.50	96.50
3	7	20,000	109.75	.82	10.50	----------	99.25
4	7	1,000	97.50	Mill	----------	1.50	96.00
4	7	3,000	100.00	.25	5.00	----------	95.00
5	7	6,000	100.00	.20	4.00	1.50	94.50
6	7	10,000	98.00	.15	3.00	1.50	93.50
6	7	4,000	100.50	.27	5.50	----------	95.00
5	34	12,000	100.50	.27	5.50	2.00	93.00
28	50	4,000	100.50	.27	5.50	----------	95.00
28	48	12,009	105.00	.24	4.75	----------	100.25

High:
Low:

Recaption Sheet

Average cost for last quarter of 1922 (Vol. IV, p. 734), 13/16 x 2¼, Clear Maple Flooring, was $95.00 F. O. B. Cars at Flooring Mills, as shown by Association Report dated Oct. 25, 1922, Captioned Average Cost—Based upon three test runs of 1921.

[Compiled from Record of Completed Transactions]

Report of sales made during the week ended January 6, 1923:

2	Sales	@	$94.00,	total 14,000 ft.	
1	"	"	94.75	" 5,000 "	19,000 ft.=.043%
23	Sales	@	$95.00		220,700 ft.=.508%
2	Sales	@	$95.50,	total 12,000 ft.	
2	"	"	95.75	" 82,000 "	
2	"	"	96.00	" 20,800 "	
1	"	"	97.50	" 1,000 "	
1	"	"	98.00	" 40,000 "	195,302 ft.=.449%
1	"	"	99.25	" 20,000 "	
1	"	"	100.25	" 12,000 "	
1	"	"	100.50	" 2.000 "	
1	"	"	102.75	" 5,502 "	
38	Sales				435,002 ft.=100%

TABULATION SHEET

Net factory prices maple flooring $\frac{13}{16}$ *x* 2¼, *clear*

(Vol. IV, p. 796)

[Compiled from Record of Completed Transaction for week ending June 30, 1923]

Date	Mill	Quantity	Delivered price	Av. Frt. rate	Act. Frt. allowed	Price F. O. B. cars at mill	Com.	Net price F. O. B. cars at mill
6-25	2	24,000	108.50	0.18	3.50	105.00	2.00	103.00
6-27	----------	3,850	119.50	.23	4.50	115.00	2.00	113.00
6-22	49	2,500	122.00	.85	17.00	105.00	2.00	103.00
	----------	13,000	122.00	.85	17.00	105.00	2.00	103.00
6-30	----------	15,000	112.50	.63	12.50	100.00	2.00	98.00
6-27	5	41,500	122.00	.85	17.00	105.00	1.50	103.50
6-29	----------	17,000	109.00	.20	4.00	105.00	----------	105.00
6-25	----------	11,000	110.50	.27	5.50	105.00	2.00	103.00
6-30	----------	30,000	122.00	.85	17.00	105.00	1.50	103.50
6-30	----------	10,000	112.50	.37	7.50	105.00	1.50	103.50
6-28	26	5,000	108.50	.18	3.50	105.00	2.00	103.00
6-27	----------	1,000	113.00	.15	3.00	110.00	----------	110.00
6-26	----------	2,550	124.00	.85	17.00	107.00	2.00	105.00
6-25	30	12,000	110.50	.28	5.50	105.00	----------	105.00
6-27	----------	1,000	114.00	Mill	----------	114.00	----------	114.00
6-27	37	7,000	122.00	.85	17.00	105.00	2.00	103.00
6-25	47	20,000	105.00	Mill	----------	105.00	2.00	103.00
6-23	23	22,000	103.50	.27	5.50	98.00	----------	98.00
6-23	----------	15,000	107.75	.38	7.50	100.25	----------	100.25
	----------	5,000	107.75	.38	7.50	100.25	----------	100.25
6-25	34	8,000	115.50	.52	10.50	105.00	2.00	103.00
6-28	----------	800	110.00	Mill	----------	110.00	----------	110.00
	----------	9,000	110.50	.27	5.50	105.00	1.50	103.50
6-23	42	8,800	115.50	.43	8.50	107.00	2.00	105.00
6-25	----------	17,000	123.50	.85	17.00	106.50	2.00	104.50
6-25	----------	3,000	111.75	.24	4.75	107.00	2.00	105.00
6-30	50	6,000	100.50	.27	5.50	95.00	----------	95.00
	48	23,000	120.00	.24	4.75	115.25	----------	115.25

Recaption Sheet

Average cost for second quarter of 1923 (Vol. IV, p. 795), 13/16 x 2¼ clear maple flooring was $105.00 f. o. b. cars at flooring mill, as shown by report of the association dated March 24, 1923, captioned Average Cost—Based upon composite results of nine test runs.

[Compiled from record of completed transaction report of sales made during the week ending June 30, 1923]

1	Sale	@ $95.00	total	6,000 ft.	
1	Sale	@ 98.00	"	22,000 ft.	
1	Sale	@ 100.00	"	15,000 ft.	
2	Sales	@ 100.25	"	20,000 ft.	
5	Sales			63,000 ft.	=18.9%
14	Sales	@ 105.00	total	210,000 ft.	=62.9%
1	Sale	@ 106.50	"	17,000 ft.	
3	Sales	@ 107.00	"	14,350 ft.	
2	Sales	@ 110.00	"	1,800 ft.	
1	Sale	@ 114.00	"	3,850 ft.	
1	Sale	@ 115.25	"	23,000 ft.	
9	Sales			61,000 ft.	=18.2%
28	Sales			334,000 ft.	=100%

It is apparent that the base prices compared with the average cost of $95.00 on the first recaption sheet above are not what are called the Net Factory Prices on the first tabulation sheet above but are those prices *plus the commission which had been deducted previously.* As explained above (p. 178), this is done in order to have the actual delivered sales prices reduced to the adopted price, but not to an actual mill realization basis.

A simple method of tabulation, and one that demonstrates the Government's contention that the commissions paid, if any, can not properly be con-

sidered when comparing the prices obtained by the members with the so-called average costs, is shown by refiguring and rearranging the tables above set forth (pp. 184, 186) as follows:

Week ending January 6, 1923—average cost or f. o. b. Cadillac price for 13/16" x 2¼" clear maple flooring, $95.00, as per determination of average cost, October 25, 1922.

Delivered Price As reported on Sales Report	Delivered Cost Price as per Rate Book	Freight Rate As reported on Sales Report		Freight Computed as per Rate Book
		Rate	Index Letters	
107.50	99.75	0.24	BD	4.75
100.50	99.75	.24	BD	4.75
100.50	99.75	.24	BD	4.75
108.25	102.75	.39	CI	7.75
102.50	102.50	.37	CG	7.50
100.50	100.50	.27	BG	5.50
100.00	100.00	.25	BE	5.00
98.75	98.75	.19	AI	3.75
100.00	100.00	.25	BE	5.00
97.75	98.75	.19	AI	3.75
103.50	103.50	.43	DC	8.50
112.00	112.00	.85	HE	17.00
98.00	98.00	.15	AE	3.00
98.00	98.25	.16	AF	3.25
103.50	103.50	.43	DC	8.50
97.50	98.50	.18	AH	3.50
107.50	107.50	.62	FB	12.50
102.50	102.50	.37	CG	7.50
102.50	102.50	.37	CG	7.50
101.00	100.00	.25	BE	5.00
99.00	99.00	.20	BJ	4.00
102.00	102.00	.35	CE	7.00
99.50	99.00	.20	BJ	4.00
99.50	99.50	.22	BB	4.50
99.75	99.75	.24	BD	4.75
101.00	100.50	.27	BG	5.50
100.50	100.50	.27	BG	5.50
100.50	100.50	.27	BG	5.50
103.50	100.50	.27	BG	5.50
109.75	105.50	.52	EB	10.50
97.50	----------	Mill		----------
100.00	100.00	.25	BE	5.00
100.00	99.00	.20	BJ	4.00
98.00	98.00	.15	AE	3.00
100.50	100.50	.27	BG	5.50
100.50	100.50	.27	BG	5.50
100.50	100.50	.27	BG	5.50
105.00	99.75	.24	BD	4.75

(NOTE.—A comparison of the first with the second column shows whether sales were made below, at, or above the so-called "Average Cost Price.")

SUMMARY

	Number of sales	Feet	%
Delivered Sales Less than Average Cost	3	19,000	04.4
Delivered Sales at Average Cost	23	213,500	50.0
Delivered Sales over Average Cost	12	195,302	45.6
Total	38	427,802	100.0

(NOTE.—The figures and percentages of feet sold appearing on this summary do not agree exactly with those on the first reception sheet above (p.) as an error was made in totaling the sales at average cost on that sheet. The figures and percentages on this summary are correct.)

Week ending June 30, 1923—Average cost or f. o. b. Cadillac price for $\frac{13}{16}$" x 2¼" clear maple flooring $105.00, as per determination of average cost, October 25, 1922

Delivered Price As reported on Sales Report	Delivered Cost Price as per Rate Book	Freight Rate As reported on Sales Report		Freight Computed as per Rate Book
		Rate	Index Letters	
108.50	108.50	0.18	AH	3.50
119.50	109.50	.23	BC	4.50
122.00	122.00	.85	HE	17.00
122.00	122.00	.85	HE	17.00
112.50	117.50	.63	FC	12.50
122.00	122.00	.85	HE	17.00
109.00	109.00	.20	BJ	4.00
110.50	110.50	.27	BG	5.50
122.00	122.00	.85	HE	17.00
112.50	112.50	.37	CG	7.50
108.50	108.50	.18	AH	3.50
113.00	108.00	.15	AE	3.00
124.00	122.00	.85	HE	17.00
110.50	110.50	.28	BH	5.50
114.00	----------	Mill	----------	----------
122.00	122.00	.85	HE	17.00
105.00	----------	.28	----------	----------
103.50	110.50	.27	BG	5.50
107.75	112.50	.38	CH	7.50
107.75	112.50	.38	CH	7.50
115.50	115.50	.52	EB	10.50
110.00	----------	Mill	----------	----------
110.50	110.50	.27	BG	5.50
118.50	113,50	.43	DC	8.50
123.50	122.00	.85	HE	17.00
111.75	109.75	.24	BD	4.75
100.50	110.50	.27	BG	5.50
120.00	109.75	.24	BD	4.75

SUMMARY

	Number of Sales	Feet	%
Delivered Sales *less* than Average Cost	5	63,000	18.9
Delivered Sales *at* Average Cost	14	210,000	62.9
Delivered Sales over Average Cost	9	61,000	18.2
Total	28	334,000	100.0

The results of the above calculations are of course exactly the same as the results of the comparisons shown on the recaption sheets set forth on pages 185, 187, but on account of the variations in delivered prices due to freight differentials, the method of comparison last used does not give the information as to the actual spreads in prices that is given by reducing all the actual prices reported to a common basis.

All the Freight Rate Books, Tables of Values, Tables of Delivered Values, Average Cost Charts, Delivered Cost Charts, and Tables of Concessions and Additions secured by the Government were introduced in evidence; and all those relating to the period from January 1, 1921, to June 30, 1923, were used as the basis for the comparisons between the actual prices reported and the average costs. The following table gives the several average costs established during the period from November 12, 1921, to June 30, 1923, and the references to the tables or charts printed in the record on which they appear:

Average Cost F. O. B. Cadillac, ¼" x 2¼" Clear Maple Flooring	Date Established	Title of Reports in Record	Reference
$90.00	Nov. 17, 1921	Letter to Members. November 17, 1921.	Vol. III. p 143.
$90.00	May 31, 1922	Survey of Costs, May 31. 1922	Vol. III, pp. 279–281.
		Rate Book and Average Cost Charts, etc., May 31, 1922.	Vol. III, side pp. 737–905.
$95.00	Oct. 25, 1922	Survey of Costs. October 25 1922.	Vol. III pp. 284–286.
$100.00	Feb. 15, 1923	Survey of Costs. February 15, 1923.	Vol. III, pp. 287–289.
		Tables of Differentials and Average Cost Charts, February 15, 1923.	Vol. III side pp. 910–929.
$100.00	March 10, 1923	Survey of Costs, March 10, 1923.	Vol. IV, pp. 497–499.
$105.00	March 24, 1923	Survey of Costs, March 24. 1923.	Vol. IV, pp. 499–501.

It should be kept in mind that the present articles of association were not adopted until some time in March, 1922. Prior to that time the association was in a rather chaotic condition, because of the decision of the lower court in the Hardwood case and the suggestion of a criminal prosecution by the Department of Justice. *But defendants were seeking a method by which closer cooperation could be observed. This was accomplished by the full and detailed reports of members and their distribution by the secretary, and through the meetings which were begun to be held monthly.* By October 25, 1922, the date of the first advance on this item after the adoption of the present articles, the scheme was working smoothly; and the data thereafter is especially interesting. However, the results of the comparisons which appear on all the recaption sheets printed in the record are shown below, in summarized and tabulated form:

Comparison of sales of $\frac{13}{16}$'' x 2¼'' clear maple flooring as reported by members and reduced to Cadillac Basis with average costs reported to members

Sales report for week ending—	Sales at average cost price as calculated by Association and distributed to members			Sales above average cost price			Sales below average cost price		
	Number of sales	Feet	Per cent of entire feet sold	Number of sales	Feet	Per cent of entire feet sold	Number of sales	Feet	Per cent of entire feet sold
1921									
Nov. 19	5	67,500	5.1	2	7,953	0.7	66	1,232,567	94.2
Nov. 26	10	153,750	21.4	7	43,109	6.9	34	520,636	72.5
Dec. 3	15	321,500	30.1	14	269,734	44.5	11	473,000	25.4
Dec. 10	13	132,217	32.6	6	24,511	6.2	12	248,050	61.2
Dec. 17	11	126,300	46.3	8	35,259	5.2	8	133,000	48.5
1922									
Jan. 14	9	131,100	43.8	6	45,395	15.1	2	123,000	41.1
Jan. 21	18	179,000	54.3	4	11,010	3.4	11	139,300	42.3
Jan. 28	13	280,700	76.6	6	13,557	3.7	5	72,200	19.7
Feb. 4	7	84,187	38.2	8	15,956	7.3	10	120,000	54.5
Feb. 11	21	177,000	34.9	8	28,052	5.5	16	302,356	59.6
Feb. 18	7	31,450	12.6	8	33,240	13.4	6	184,300	74.0
Feb. 25	11	78,000	46.0	8	29,277	17.2	5	62,500	36.8
Mar. 4	18	203,100	66.2	5	17,682	5.5	10	86,000	28.3
Mar. 11	9	86,288	52.0	7	39,642	23.9	3	40,000	24.1
Mar. 18	23	122,872	39.7	7	73,168	23.6	10	113,500	36.7
Mar. 25	20	235,000	58.3	9	37,740	5.8	22	382,500	35.9
Apr. 1	10	91,460	37.7	3	18,264	7.7	8	132,500	54.6
Apr. 8	26	240,500	46.6	4	21,880	4.3	16	253,500	49.1
Apr. 15	24	216,700	25.2	3	18,922	2.2	29	626,300	72.6
Apr. 22	22	186,500	32.3	2	15,545	2.8	20	374,700	64.9
Apr. 29	46	461,700	53.2	4	36,980	4.3	22	369,000	42.5
May 6	29	436,700	54.5	5	36,600	4.7	23	327,000	40.8
May 13	42	528,000	56.7	13	133,519	15.5	13	268,500	27.8
May 20	55	664,450	78.1	10	76,018	9.0	14	109,576	12.9
May 27	74	834,400	61.3	16	244,828	18.0	17	281,320	20.7
June 3	5	914,865	70.7	12	105,449	8.2	11	272,800	21.1
June 10	49	634,840	58.4	20	205,200	18.9	11	246,900	22.7
June 17	37	557,250	77.2	14	135,141	18.8	3	29,000	4.0
June 24	32	485,210	71.3	10	127,750	19.5	8	67,400	9.2
July 1	41	577,532	52.9	43	430,042	39.5	8	83,775	7.6
July 8	25	456,926	67.2	21	200,437	29.6	1	22,000	3.2
July 15	11	175,373	31.7	23	249,186	45.3	7	127,000	23.0
July 22	15	252,043	39.2	38	384,939	59.9	1	5,000	.9
July 29	12	139,500	23.5	28	445,100	74.6	1	9,000	1.9
Aug. 5	14	211,500	36.6	23	337,290	58.5	2	28,000	4.9
Aug. 12	8	122,000	23.6	29	394,000	76.4	----	----	----
Aug. 19	13	150,000	25.3	38	442,171	74.7	----	----	----
Aug. 26	6	179,000	25.2	46	579,879	74.8	----	----	----
Sept. 2	5	53,450	6.6	43	734,695	91.5	1	16,000	1.9
Sept. 9	----	----	----	35	469,187	100.0	----	----	----
Sept. 16	1	1,500	0.3	44	436,339	99.7	----	----	----
Sept. 23	----	----	----	50	668,630	97.8	3	14,500	2.2
Sept. 30	----	----	----	56	781,600	100.0	----	----	----
Oct. 7	----	----	----	28	503,322	100.0	----	----	----
Oct. 14	----	----	----	49	815,100	100.0	----	----	----

Comparison of sales of 13/16" x 2¼" clear maple flooring as reported by members and reduced to Cadillac Basis with average costs reported to members—Continued

Sales report for week ending—	Sales at average cost price as calculated by Association and distributed to members			Sales above average cost price			Sales below average cost price		
	Number of sales	Feet	Per cent of entire feet sold	Number of sales	Feet	Per cent of entire feet sold	Number of sales	Feet	Per cent of entire feet sold
Oct. 21				50	924, 181	100.0			
Oct. 28	31	571, 500	78.4	7	97, 801	11.9	5	72, 500	9.7
Nov. 4	27	526, 000	78.2	8	84, 300	12.6	5	62, 000	9.2
Nov. 11	29	477, 000	71.9	14	133, 400	20.2	4	53, 000	7.9
Nov. 18	12	229, 000	46.4	4	114, 500	23.2	2	150, 000	30.4
Nov. 25	34	425, 700	63.0	11	163, 699	24.4	5	86, 039	12.6
Dec. 2	26	489, 101	73.4	9	124, 400	18.7	5	53, 000	7.9
Dec. 9	25	583, 000	83.0	8	105, 252	15.1	3	14, 000	1.9
Dec. 16	43	966, 350	82.1	15	150, 145	12.8	3	60, 000	5.1
Dec. 23	34	736, 501	83.3	12	138, 539	15.6	2	9, 000	1.1
Dec. 30	33	668, 619	73.6	12	135, 300	15.0	5	104, 000	11.4
1923									
Jan. 6	23	220, 700	50.8	12	195, 302	44.9	3	19, 000	4.3
Jan. 13	46	1, 262, 800	91.4	9	63, 740	4.7	4	55, 000	3.9
Jan. 20	95	1, 739, 050	86.8	7	70, 000	3.4	7	194, 000	9.6
Jan. 27	91	1, 287, 000	85.2	17	194, 000	12.8	5	31, 000	2.0
Feb. 3	63	1, 302, 957	80.0	24	206, 800	12.6	7	128, 000	7.4
Feb. 10	14	409, 000	39.2	30	603, 350	58.0	3	29, 000	2.8
Feb. 17	16	269, 500	29.2	34	626, 300	68.0	1	26, 150	2.8
Feb. 24	36	696, 000	59.8	16	300, 800	25.9	8	167, 000	14.3
Mar. 3	31	552, 000	76.4	14	118, 870	16.4	5	52, 000	7.2
Mar. 10	22	385, 600	53.3	18	271, 839	37.4	3	67, 000	9.3
Mar. 17	21	322, 000	54.0	13	204, 000	34.1	4	71, 000	11.9
Mar. 24	26	398, 000	42.4	24	466, 300	49.7	5	74, 000	7.9
Mar. 31	7	104, 000	19.9	5	121, 200	23.2	16	297, 400	56.9
Apr. 7	15	362, 000	64.9	5	89, 000	16.0	12	106, 800	19.1
Apr. 14	26	396, 700	71.1	9	114, 689	23.0	4	32, 500	5.9
Apr. 21	12	134, 000	35.2	13	233, 100	61.1	2	14, 000	3.7
Apr. 28	11	526, 325	73.6	10	174, 051	24.3	1	15, 500	2.1
May 5	12	222, 300	55.8	10	161, 420	40.4	2	15, 000	3.8
May 12	8	131, 100	41.9	9	177, 970	57.1	1	3, 303	1.0
May 19	6	45, 000	43.4	6	58, 500	56.6			
May 26	4	157, 500	46.2	15	176, 010	51.3	2	7, 000	2.5
June 2	6	47, 000	14.4	17	147, 220	61.6	4	61, 500	24.0
June 9	1	5, 000	9.2	3	39, 905	73.4	2	9, 500	17.4
June 16	4	21, 000	27.0	4	14, 450	16.6	4	46, 000	56.4
June 23	9	123, 500	59.7	11	83, 200	40.3			
June 30	14	210, 000	62.9	9	61, 000	18.2	5	63, 000	18.9

(NOTE.—The brief for appellants (pp. 345-346) calls attention to the fact that for the weeks ending September 30, October 7, October 14, and October 21, 1922, the reception sheets compare the Cadillac Base prices with the average cost dated October 25, 1922, or $95.00, instead of with the earlier lower average cost of May 21, 1922, or $90.00. The error obviously was not unfair to the defendants, as it represented some sales as having been made at prices less than the average cost, which the Government contends is a *minimum price*, whereas the correct comparison shows that during those weeks *every sale was made at a price above the minimum price*. The corrected figures have been used in the above tabulation.)

The following tables give summaries of the above figures for: (1) Each month of the period from November 19, 1921, to June 30, 1923; (2) The period from November 19, 1921, to March 25, 1922, or until the reorganization of the Association was consummated by the adoption of the present articles of association; (3) The period from April 1, 1922, to June 30, 1923, or the entire period of the operation of the Association under its present articles of association; (4) The period from October 28, 1922, to June 30, 1923, when the Association was operating smoothly and was preparing and sending out Surveys of Costs at least quarterly, as provided for in the present articles of association, and (5) The entire period from November 19, 1921, to June 30, 1923.

The results shown clearly demonstrate that there has been a remarkable uniformity in the delivered prices charged by the defendants, and an even more remarkable observance of the so-called average costs as minimum prices, especially during the operation of the association under its present articles.

TABLE I

Period	Sales at average cost			Above			Below		
	No. sales	Feet	Per cent	No. sales	Feet	Per cent	No. sales	Feet	Per cent
1921									
Nov.	15	221,250	10.9	9	51,062	2.5	100	1,753,283	86.6
Dec.	30	880,017	31.5	28	329,504	21.5	31	854,050	46.7
1922									
Jan.	40	590,800	59.3	16	69,992	7.0	18	234,500	23.7
Feb.	46	370,637	32.3	22	106,525	9.3	37	669,156	58.4
March	70	647,260	45.1	28	168,232	11.8	45	622,060	43.1
April	128	1,196,860	39.1	16	111,591	3.6	95	1,756,000	57.3
May	200	2,463,550	62.5	44	490,965	12.5	67	986,395	25.0
June	123	2,592,165	68.5	56	573,540	15.2	33	616,100	16.3
July	104	1,601,374	45.0	153	1,709,704	48.1	18	266,775	6.9
Aug.	41	862,500	27.1	136	1,753,340	71.7	2	28,000	1.2
Sept.	6	54,950	1.7	226	3,090,451	97.3	4	30,500	1.0
Oct.	31	571,500	19.2	134	2,340,404	78.4	5	72,500	2.4
Nov.	102	1,657,500	66.2	37	495,869	19.8	16	351,039	14.0
Dec.	161	3,443,571	79.4	56	653,636	15.0	18	240,000	5.6
1923									
Jan.	255	4,509,550	84.6	45	523,042	9.8	19	299,000	5.6
Feb.	129	2,677,457	56.2	104	1,737,250	36.5	19	350,150	7.3
March	107	1,751,500	50.3	74	1,182,209	33.7	33	561,600	16.0
April	64	1,419,025	64.5	37	610,840	27.7	19	168,500	7.6
May	30	555,900	48.1	40	573,900	49.7	5	25,303	2.2
June	34	606,500	43.6	44	345,775	37.1	15	180,000	19.3
Total period	1,725	27,984,166	50.8	1,317	16,917,831	30.8	599	10,144,872	18.4

TABLE II

Period	Sales at average cost			Above			Below		
	No. sales	Feet	Per cent	No. sales	Feet	Per cent	No. sales	Feet	Per cent
Nov. 10, 1921, to March 25, 1922	210	2,469,964	32.7	113	725,285	9.8	231	4,232,909	57.5
April 1, 1922, to June 30, 1923	1,515	25,574,202	53.6	1,204	16,192,546	33.9	368	5,911,963	12.4
Oct. 26, 1922, to June 30, 1923	913	17,002,863	66.8	444	6,220,352	24.4	149	2,218,192	8.8
Nov. 10, 1921, to June 30, 1923	1,725	27,984,166	50.8	1,317	16,917,831	30.8	599	10,144,872	18.4

An analysis of the reception sheets clearly demonstrates the soundness of the Government's contentions that the so-called average costs are in fact

recommended prices, and that they exert a strong influence upon, in fact largely control, the selling prices. The so-called " Average Cost price " was advanced from $90 to $95 on October 25, 1922. In September 97.3% of the flooring marketed was sold at prices above $90 and 1.7% at that price, leaving only 1% sold below the pretended average cost. The advance therefore was made to establish a price which was already being received for a considerable amount of the flooring then sold. And notwithstanding the advance, 78.4% of the flooring sold in October brought more than, and 19.2% brought exactly, the designated price, leaving only 2.4% that sold for less than such price. The fact that 14% was sold for less than the designated price in November does not indicate that the price had been reduced. That resulted from the fact that $95 per M was the adopted price for the whole of November, while $90 was the adopted price in October up to the 25th day of the month.

The sheet for the week ending January 6, 1923, shows that only three sales were made under $95.00 per M; that the prices on two of these sales were only $1.00 per M and the price on the other was only 25c per M below, and that the total amount of these sales was only 19,000 ft., or 4.3% of the total volume sold during the week. The same sheet shows that *23 sales, totaling 220,700 ft., or 50.8% of the entire amount, were made exactly equal to the adopted price,* and that twelve sales aggregating

195,302, or 44.9% of the total amount, were made above such price. (Vol. IV, p. 734.)

No material changes in the comparative results appear on the reception sheets for the weeks ending, respectively, January 13, January 20, and January 27, 1923, except that the number and volume of sales made exactly equal to the adopted price were much larger. The figures for those weeks are as follows:

Sales at base price exactly equal to average cost for item of $95.00

Week ending	Sales	Ft.	% of total
January 13	46	1,262,800	91.4
January 20	95	1,739,050	86.8
January 27	91	1,287,000	85.2
February 3	63	1,302,957	80.0

For the same weeks the volume of sales made below such price were, respectively, 55,000 ft., or 3.9%; 194,000 ft., or 9.6%; 31,000 ft., or 2%; and 128,000 ft., or 7.4%, and during the first three of those weeks 71% of the total volume of the sales below and above the adopted price did not vary from it more than $1.00 per M. (Vol. IV, pp. 736, 739, 743, 747.)

The price of $100.00 per M, which was adopted February 15, 1923, first appears on the sheet for the week ending January 20, 1923, as the price on one small sale. It is the highest price appearing on that sheet. One small sale at the same price appears on the sheet for the week ending January 27, but on the sheet for the week ending February 3,

there are 12 sales for a total of 125,000 ft. at the $100.00 per M price. This represents 60% of the total volume sold above the established price of $95.00.

The sheet for the week ending February 10 (Vol. IV, p. 751) shows 3 sales totaling 29,000 ft. or 2.8% of the entire amount, made under the established price, 14 sales totaling 409,000 ft., or 39.2% of the entire amount made at exactly that price, and 30 sales totaling 603,350 ft., or 58% of the entire amount, made above it. Eighteen sales aggregating 513,100 ft., or 85% of the volume sold for more than such price, were made at the $100.00 per M. *Therefore $100.00 per M was accepted as the prevailing price for 13/16" x 2¼" Clear Maple flooring, and it was so established on February 15, 1923.*

The sheet for the week ending February 17, of course, does not reflect to any considerable extent any results from the distribution to the members of the increased average cost. The comparison for that week is therefore still made with the $95.00 average cost. The sheet shows 1 sale, aggregating 26,850 ft., or 2.8% of the total, at a price below the average cost; 16 sales, aggregating 269,500 ft., or 29.2% of the total, at the average cost price; and 34 sales, aggregating 626,300 ft., or 68% of the total, above the average cost price. Twenty-one sales, for a total of 357,100 ft., or 38.7% of the total, were made at the $100.00 base price. (Vol. IV, p. 754.)

The sheets for the weeks ending February 24 and March 3 show clearly the results accomplished by sending out the Association report dated February 15, which established the increased average cost. For the week ending February 17 twenty-two sales, aggregating 436,850 ft., or 47.4% of the total, were sold at prices less than $100.00, *but for the week ending February 24 only 8 sales, aggregating 167,000 ft., or 14.3% of the total, were sold at prices below the new average cost price of $100.00 per M; and for the week ending March 3 only 5 sales, aggregating 52,000, or only 7.2% of the total, were sold at prices below the average cost.* For the former week, five and for the latter three of the lower sales appearing on the two sheets were made at $95.00, the old average cost price. For the same weeks there were, respectively, 36 sales, aggregating 696,000 ft., or 59.8% of the total, and 31 sales, aggregating 552,000 ft., or 76.4% of the total, made exactly at the base price of $100.00. (Vol. IV, pp. 757, 760.)

The sheets for the weeks ending respectively March 10 and March 17 show respectively three sales aggregating 67,000 ft., or 9.3% of the total amount, and four sales aggregating 71,000, or 11.9% of the total amount, at prices less than the average cost; 22 sales aggregating 385,600 ft., or 53.3% of the total amount, and 21 sales aggregating 322,000 ft., or 54% of the total amount at prices exactly equal to the average cost; and 18 sales aggregating 271,839 ft., or 37.4% of the total amount, and 13

sales, aggregating 204,000 ft., or 34.1% of the total amount at prices above the average cost. (Vol. IV, pp. 763, 765.)

The price of $105.00 first appears on the sheet for the week ending February 24. The sheets for that and the following weeks show:

Sales at $105.00

Week ending	Sales	Feet	Per cent of total amount sold
February 24	2	8,000	0.7
March 3	7	58,370	8.0
March 10	10	197,000	27.3
March 17	6	119,000	19.9

A Survey of Costs dated March 10, 1923, was prepared and distributed to the members, but it did not make any change in the average cost for 13/16" x 2¼" Clear Maple Flooring. Another Survey of Costs dated March 24 was prepared and distributed, *and it adopted the base price of $105.00 as the new increased average cost.*

The sheet for the week ending March 24 shows 5 sales aggregating 74,000 ft., or 7.9% of the total amount, made at prices less than the average cost, the $100.00 average cost of February 15, of course, being still used as the basis of comparison, 26 sales aggregating 398,000 ft., or 42.4% of the total amount made at the prices exactly equal to the average cost, and 24 sales aggregating 466,300 ft., or 49.7% of the total amount, made at prices higher than the average cost. Fifteen of these sales ag-

gregating 242,300 ft., or 25.8%, of the total amount, were made at the price of $105.00 per M.

The full effect of the Survey of Costs dated March 24, 1923 (Saturday), could not of course be reflected in the sales for the week ending the next Saturday, March 31, but the sheet for that week nevertheless makes the comparison with the new average cost of $105.00. On that basis it shows 16 sales aggregating 297,400 ft., or 56.9% of the entire amount made at prices less than the average cost; seven sales aggregating 104,000 ft., or 19.9% of the entire amount made at the average cost price, and 5 sales aggregating 121,200 ft., or 23.2% of the entire amount made at prices above the average cost. Nine sales aggregating 151,500, or 28.9% of the entire amount, were sold at the old average cost price of $100.00, and if that had been used as the basis of comparison, only 3 sales representing .5% of the entire amount would have been sold below the average cost price.

The sheets for the weeks ending April 7 and April 14 reflect the full effect of the action establishing the increased average cost at $105.00 per M. They show:

Sales at price exactly equal to new average cost of $105.00

Week ending	Sales	Feet	Per cent of total amount sold
April 7	15	362,000	64.9
April 14	26	396,700	71.1

The same sheets show respectively 12 sales aggregating 106,800 ft., or 19.1% of the total amount, and 4 sales aggregating 32,500 ft., or 5.9% of the total amount, at prices below the average cost, but of these sales, respectively 5 sales aggregating 41,000 ft., or 38.4% (of amount sold below average cost), and 3 sales aggregating 28,000 ft., or 81.6%, were made at the old average cost.

In Appendices U and V to appellants' brief comparisons are made between the actual prices *for certain items* appearing on *a few sales reports,* with the established average costs of those items. Both the average freight and the commission allowed, if any, are deducted from each price reported, and the results, called the "net prices f. o. b. mill basis," are compared with the average costs. As demonstrated heretofore, this procedure creates an entirely false appearance unless the average commission, or $2.00, is also taken out of the average costs before making the comparisons, but this is not done. The same comparisons made in a correct manner show entirely different results, but for the following reasons a complete analysis of the correct comparisons would not give sufficient additional information to warrant the necessary expansion of this brief.

1. Appendix U to appellants' brief only makes comparisons between the average costs and certain prices appearing on the Sales Reports for the weeks ending March 4, 1922; May 20, 1922; June 3, 1922;

June 17, 1922; August 19, 1922; September 30, 1922; October 21, 1922; December 2, 1922; February 3, 1923; February 24, 1923, and March 17, 1923. *The appellants' brief does not explain how these scattered reports were selected for the purpose of making the comparisons, or why two reports were selected for some months while other months were disregarded entirely;* but even if an impartial selection had been made, as very apparently was not the case, and, say, the first or last report for each month had been selected as fairly representative of all, such a method of comparison could not possibly disclose the results of the combination as effectively as do the tables heretofore set forth with reference to all sales of the most representative item of maple flooring,—to 35% of the defendant's entire business.

2. No costs were established by the present association until May 31, 1922, and the comparisons of the prices appearing on the reports for the weeks ending March 4 and May 20, 1922, are made with the costs established on November 17, 1922. The time intervening between the dates of the costs and of the sales makes these comparisons practically valueless; especially as during that time the association's activities were in a rather chaotic condition while a plan was being devised which it was hoped would evade the effect of the decision by this court in the Hardwood Case. As might be expected from the circumstances, these reports do

not show any general conformity of the actual prices to the established costs.

The survey of costs dated May 31, 1922, did not change the cost prices of any item of clear flooring, but did increase the cost price of each item of No. 1 flooring $10.00 per M and of each item of Factory flooring $5.00 per M. It is therefore not fair to compare these new cost prices with the prices appearing on the report for the week ending June 3, 1922, and even the prices appearing on the report for the week ending June 17, 1922, can not alone give a true and complete picture of the results achieved by the May recommendation. However, these reports disclose the following interesting situations:

13/16" x 1½" No. 1 Maple Flooring. The report for the week ending May 20, 1922, shows 4 sales totaling 82,000 ft., or 63% of the entire amount at the average cost price of $58.00; 2 sales totaling 8,000 ft., or 6% of the entire amount under and 4 sales (all at $63.00 per M.), totaling 41,000 ft., or 31% of the entire amount over that price. Nevertheless the survey of costs dated May 31, 1922, increased the price of this item to $68.00, or five dollars over the highest sales price theretofore reported; and all the sales appearing on the report for the week ending June 3, 1922, were made at exactly the new established price. The report for the week ending June 17, 1922 shows three large mill sales of this item at $63.00 per M., which would

appear to be due to some special consideration, as otherwise the report shows only one sale of 20,000 ft. which was made at the old cost price of $58.00 and 5 sales totaling 37,000 ft. made at the new cost price.

13/16″ x 2″ No. 1 Maple Flooring. The report for the week ending May 20, 1922, shows one sale of 8,606 ft., or 31% of the total amount at the $62.00 cost price, two sales totaling 17,500 ft., or 64% under that price and one sale of 1,455 ft., or 5% over it, at $68.25. Yet the Survey of Costs dated May 31, 1922, increased the price of this item to $72.00; and the effect of this is shown by the fact that on the report for the week ending June 3, 1922, the lowest price for this item was $67.00 and the highest was $75.00, although none of the three sales reported was made at exactly the new cost price. Apparently the entire recommended increase on this item was not made effective, at least immediately, as the report for the week ending June 17, 1922, shows only one sale at the $72.00 cost price, one over it, and five under—66% of the entire quantity being sold at $67.00, or $5.00 over the old cost price.

13/16″ x 2¼″ Factory Maple Flooring. The report for the week ending March 4, 1922, shows no sales at the cost price of $25.00, and only 5 small sales totaling 27,650 ft., or 9% of the entire amount, at higher prices. The report for the week ending May 20, 1922, shows six sales totaling 26,767, or 7%

of the entire amount sold over the cost price of $25.00; 12 sales totaling 65,000 ft., or 16% at, and 23 sales totaling 315,000 ft., or 77% under that price. The highest price obtained on any sale was $29.75. *Nevertheless the cost price was increased to $30.00 on the May 31, 1922 Survey of Costs. The report for the week ending June 3, 1922, shows the immediate effect of that action, as 8 sales were made by seven different members of the association at exactly the new established price.* The prices on the factory items on all the sales reports vary much more than do those of the clear and No. 1 items, undoubtedly because the factory flooring under normal conditions is practically a by product from the manufacture of the better grades; and the effect of the increase in its cost price is best shown by the changes in the spreads and in the average prices. The following table shows these factors:

Week ending—	Low price	High price	Average price	Cost price
March 4, 1922	$17.50	$39.00	$22.89	$25.00
May 20, 1922	16.50	31.00	23.07	25.00
June 3, 1922	18.50	30.50	26.33	30.00
June 17, 1922	20.25	42.25	28.97	30.00
August 19, 1922	24.25	42.25	33.44	30.00

The instances cited show that the increases in the prices recommended by the Survey of Costs dated May 31, 1922 were not justified by the prices theretofore actually obtained, but that the prices obtained nevertheless responded immediately to the recommendations. In these instances it is obvious that the so called costs did not follow the prices, as

the appellants' brief (p. 346) claims, but that the prices followed the costs.

3. The appellants' brief on pp. 345–346 criticizes the government for comparing the prices on the reports for the weeks ending Septembr 30 to October 28, 1922, inclusive, with the average costs established by the Survey of Costs dated October 25, 1922—which made increases over the cost prices established on May 31, 1922, on all but three items. The error in the comparisons made by the Government was in favor of the appellants, but although the appellants claim that the compilation of the Lewis Exhibit on that basis was very unfair, *they nevertheless adopt the same error in their favor in making the comparisons between the average costs and the prices on the reports for the weeks ending September 30 and October 21, 1922.* Appendix U to the appellants' brief, pp. 11–14, therefore, shows nearly all the sales prices as less than the cost prices, but the same comparisons when made correctly show that practically all the prices reported were above the cost prices established May 31, 1922.

4. In selecting the additional data (Additional Exhibits, pp. 1–48) for use in comparing prices and average costs, appellants omitted entirely the item of 13/16″ x 2¼″ No. 1 flooring, although it represents approximately 24.5% of the defendants' entire business, and is second in that respect only to the item of 13/16″ x 2¼″ Clear which the Government

used for the comparisons in the Lewis Exhibit. The only item selected by appellants for their comparisons which represents any considerable volume of sales is the 13/16" x 2¼" Factory; and it represents only approximately 10.5% of the defendants' entire business. On the basis of value it is of course even less important. The reason for the selection of the items used in Appendix U to appellants' brief is apparent from the testimony of Mr. Saunders to the effect that they are practically by-products from the manufacture of the important items of 13/16" x 2¼" Clear and No. 1 flooring.. Mr. Saunders' testimony also makes it clear that any failures to maintain the agreed minimum prices, as well as the present average costs or recommended minimum prices, undoubtedly relate to the relatively unimportant items of flooring. He said:

> The architects of the country very largely control the width of flooring. In some localities you can not sell 3¼-inch face or 1½-inch face. In working up our lumber in the most economical method known in order to take care of our widths and avoid waste, we must make a certain amount of 3¼-inch and an inch and a half and two inch faces. It is necessary for us to sell such widths in the markets where they are used, regardless of price, when our surplus gets to a point where we feel that we must unload.
>
> It was impracticable to maintain the so-called minimum price plans for the reason that these various widths and grades, par-

ticularly the widths, would be dumped in the markets that were using them. For instance, the Eastern market uses—and it is practically the only market that does—3¼-inch face. I dare say when a 3¼-inch order goes out, everybody is right after it because that is one of the widths that accumulates on our hands. The 2¼-inch face is a standard article, and the architects of the country have gotten into the habit of ordering it, almost exclusively, regardless of whether it is in abundance or not. Possibly 75 per cent of our production of flooring is 13/16 by 2¼-inch face (Vol. I, p. 199).

5. Appendix V to appellants' brief makes comparisons similar to those in Appendix U, but based on the prices appearing in the sales reports for the weeks ending October 1, 1921; January 14, 1922; April 1, 1922; July 7, 1923; July 12, 1923; July 21, 1923, and November 3, 1923. The appellants' brief insists very earnestly that the present association should be judged solely by its expressed purposes and activities, without any reference to the defendant's previous activities for interpretation and clarification—yet in these comparisons presumably made to show the lack of effect of the present association's activities, only data are used which appear on sales reports either antedating the first determination of average cost by the present association; or postdating the filing of the Government's petition, the decision by the court below that

the petition states a cause of action, and the setting of the case for hearing. No analysis will therefore be made of the comparisons shown in this appendix.

XI

Economic Defense

The defendants introduced in evidence in the court below the depositions of Edward Gordon, Grant Keehn, Professor Hettinger, and Professor Vanderblue, statisticians and economists either now or formerly connected with the Harvard School of Business Administration. Mr. Gordon and Mr. Keehn explained a number of comparative charts and tables which were introduced as exhibits to their depositions, and on the basis of which they testified that, as stated by Mr. Keehn—

> the study which Mr. Gordon and I made developed data and material such as to clearly indicate that the members of the Association did not have the ability to continuously control the prices of maple flooring, or, even if it be assumed that they had such ability, comparisons with other prices, with prices of competing floorings, with the costs of maple flooring, and with the conditions of supply and demand of that product, do not offer any evidence of fixation or unreasonableness. (Vol. II, p. 714.)

Professor Hettinger and Vanderblue testified that they had reviewed the work of Mr. Gordon and Mr. Keehn and concurred in their conclusions.

The charts and tables introduced in connection with the defendants " economic defense " covered the period from 1913 through the first half of 1923, and the conclusion that they do not offer any evidence of the fixation or control of the prices of maple flooring of course pertains to the same period. According to these statisticians and economists, therefore, they have conclusively demonstrated that the agreements, called the Allotment Articles and the Minimum Price Plans and the Minimum Price Basis of the Maple Flooring Manufacturers Association, and the operation of the association and its members under and in accordance with those agreements; the practice of having a committee of experts, called the Market Conditions Committee, analyze statistics and conditions and advise the association members as to the prices they could and should obtain and as to the policies they should follow with reference to sales and production; and the practice of holding association meetings at which a " concensus of opinion " was frequently reached as to the prices that should be obtained, *did not constitute fixation or control of the prices of maple flooring.* If the price comparisons made by this economic defense have any value or probative force for the purpose for which they were used, they certainly indicate that there has been price fixation or control of the commodities used as the basis of comparison rather than that there has been no fixation or control of the prices of maple flooring.

John Knox Arnold, a special agent of the Federal Trade Commission who has been engaged for twelve years in the investigations of industries, usually under Congressional resolutions, testified as a witness for the Government. After analyzing the exhibits to the Gordon and Keehn depositions, Mr. Arnold stated a number of reasons why the conclusions reached by Mr. Keehn and Mr. Gordon can not possibly be proved by the charts and tables introduced by them for that purpose. Some of these reasons as given by Mr. Arnold are as follows:

> The Court: Let me ask you this question: From your experience in research work is it not true that unless there is an absolute monopoly and thus an absolute control, will not the general trend of prices of any commodity be in accordance with the law of supply and demand—now I mean by that the trend?
>
> A. The trend will be; yes, sir. (Vol. II, p. 821.)
>
> *It must be kept constantly in mind that such charts merely show the direction and rate of the change and not the extent or magnitude of the change.*
>
> An attempt has been made by means of various charts, indicated as exhibits in the testimony of Messrs. Gordon and Keehn, to show that other causes than concerted action or control have been responsible for the extent or magnitude of changes that have occurred in the prices, production, and stocks of maple flooring. To do this, it would of

course be necessary to account for one hundred per cent of all changes in prices, production, and stocks as being due to other causes, so as to leave nothing for the control cause to effect; but this has not been done; no such exact quantitative effect is shown by any of the charts; only trends and especially cyclical trends are shown, which is attempted to disprove control by ignoring it; by the same method it could be shown that costs of production have no effect upon prices of maple flooring. Merely omit costs and state that the other factors show the same trend of movement as the prices show, which would probably be true, and it would be proven that cost don't affect prices. (Vol. II, p. 823.)

In connection with what you have just stated, your Honor, I might add this, that in describing these charts and these trends, and so forth, I have not been criticising their use in connection with this so-called cyclical trend, which merely is a guess and something that is necessary, however, in the business, because it is a little better guess than a guess based on nothing. It has not been perfected up to this time, however, to any considerable extent. *What I am basing my remarks on is solely whether these charts and the comment on them prove that there was not control. I do not argue on the other side that the charts prove there was control, because you can not prove that by charts: you can't prove it either way.* (Vol. II, p. 824.)

There is another fact which shows the worthlessness of appellant's expert testimony. As pointed out in appellant's brief (p. 232) there are about 1,800 trade associations in the United States. Nearly every line of industry is dominated by one or more. Much of their activities is no doubt legitimate and much illegitimate when measured by the Government's contentions in this case. That the trend of prices of a very large per cent of the commodities produced in the United States is artificially affected by these associations there can not be the least doubt. Therefore the trend of prices in general can constitute no trustworthy basis for the comparison of prices of any particular commodity.

XII

Discussion of the law

It is believed that no principles of law can be better settled than are those which control the questions involved in this case; and that to refuse to apply them to the facts proven in this record would be in effect to overrule the previous decisions of this court, and to license trade associations to engage in every practice which they may pretend is adopted as a reasonable regulation to promote the general welfare of business, regardless of how it may effect production and prices, and how oppressive it may be upon the public. The cases which have a direct bearing upon the activities of associa-

tions are comparatively few in number, and will now be given more than passing consideration as was done in the former brief filed by the Government.

Eastern States Retail Lumber Dealers' Association v. *United States,* 234 U. S. 600, may be considered as the leading case in applying the Anti-trust Act to practices of trade associations. The association attacked was composed of retail lumber dealers; and the practice passed upon by the court was that of distributing among the members a list of manufacturers who dealt directly with consumers. The following was the form of the report distributed:

OFFICIAL REPORT

(Name of the particular association circulating it.) Statement to members (with the date)

You are reminded that it is because you are members of our Association and have an interest in common with your fellow members in the information contained in this statement, that they communicate it to you; and that they communicate it to you in strictest confidence and with the understanding that you are to receive it and treat it in the same way.

The following are reported as having solicited, quoted or as having sold direct to the consumers:

(Here follows a list of the names and addresses of various wholesale dealers)

Members upon learning of any instance of persons soliciting, quoting, or selling direct to consumers, should at once report same, and in so doing should, if possible, supply the following information:

The number and initials of car.

The name of consumer to whom the car is consigned.

The initials or name of shipper.

The date of arrival of car.

The place of delivery.

The point of origin.

The facts relative to the preparation and distribution of this list and the inferences to be drawn therefrom are thus stated by the court:

The record discloses a systematic circulation among the members of the defendant associations of the official report above quoted. The method of operation as stated by the learned counsel for the appellants is thus summarized in his brief:

" The names on this list are obtained and placed thereon as the result of complaints made by individual retailers. When an individual member of a retail association learns of a sale by a wholesaler to one of the customers of the retailer he may complain in writing to the secretary of his association, whose duty it is thereupon to ascertain the facts by correspondence with the wholesaler in question and such other means as may seem proper. Should the report or complaint be without proper foundation or should the secretary become satisfied that

the matter is a trifling one or the result of inadvertence, the incident usually terminates at this point; but should the complaint appear to be serious and well founded the case is submitted to the board of directors of the retail association at its next meeting and should the board be satisfied that the wholesaler is generally making a practice of selling to consumers or customers of the retail trade, the secretary is directed to report the name of such wholesaler for the official list. Thereupon the secretary sends the name to Mr. Crary of New York who adds it upon the next report to the names of those already thereupon. Each report contains the names of all wholesalers who have been reported from the very beginning as selling to consumers and whose names have not been removed for cause. The reports or lists after being printed in New York are distributed amongst the secretaries of the defendant associations; those for each association being marked with its name and in that way only being distinguished from those sent to the other associations. The secretary of each association then distributes the lists to his members. Should any wholesaler desire to have his name removed from the list he can have it done upon satisfactory assurance to the local secretary that he is no longer selling in competition with the retailers. In practice the greatest care is taken to make the list accurate, and as a matter of fact, it only contains the names of such wholesalers

as are absolutely committed to the practice of competing with retailers for the custom of builders and contractors."

The reading of the official report shows that it is intended to give confidential information to the members of the associations of the names of wholesalers reported as soliciting or selling directly to consumers, members upon learning of any such instances being called upon to promptly report the same, supplying detailed information as to the particulars of the transaction. When viewed in the light of the history of these associations and the conflict in which they were engaged to keep the retail trade to themselves and to prevent wholesalers from interfering with what they regarded as their rights in such trade there can be but one purpose in giving the information in this form to the members of the retail associations of the names of all wholesalers who by their attempt to invade the exclusive territory of the retailers, as they regard it, have been guilty of unfair competitive trade. These lists were quite commonly spoken of as blacklists, and when the attention of a retailer was brought to the name of a wholesaler who had acted in this wise it was with the evident purpose that he should know of such conduct and act accordingly. True it is that there is no agreement among the retailers to refrain from dealing with listed wholesalers, nor is there any penalty annexed for the failure so to do, but he is blind indeed who does not see the purpose in the

predetermined and periodical circulation of this report to put the ban upon wholesale dealers whose names appear in the list of unfair dealers trying by methods obnoxious to the retail dealers to supply the trade which they regard as their own. Indeed this purpose is practically conceded in the brief of the learned counsel for the appellants:

"It was and is conceded by defendants and the Court below found that the circulation of this information would have a natural tendency to cause retailers receiving these reports to withhold patronage from listed concerns. That was of course the very object of the defendants in circulating them."

In other words, the circulation of such information among the hundreds of retailers as to the alleged delinquency of a wholesaler with one of their number had and was intended to have the natural effect of causing such retailers to withhold their patronage from the concern listed. (234 U. S. 607–609.)

In reply to the contention that no agreement between the defendants was proven, the Court said:

But it is said that in order to show a combination or conspiracy within the Sherman Act some agreement must be shown under which the concerted action is taken. It is elementary, however, that conspiracies are seldom capable of proof by direct testimony and may be inferred from the things actually done, and when in this case by concerted action the names of wholesalers who were

> reported as having made sales to consumers were periodically reported to the other members of the associations, the conspiracy to accomplish that which was the natural consequence of such action may be readily inferred. (p. 612).

The pressure thus brought to bear upon the manufacturer, which induced him to trade through retailers and not directly to the public was not the only restraint deemed material by the court. With reference to the moral effect upon the retailers themselves who received the lists the court said:

> The circulation of these reports not only tends to directly restrain the freedom of commerce by preventing the listed dealers from entering into competition with retailers, as was held by the District Court, *but it directly tends to prevent other retailers who have no personal grievance against him and with whom he might trade from so doing, they being deterred solely because of the influence of the report circulated among the members of the associations.* In other words, the trade of the wholesaler with strangers was directly affected, not because of any supposed wrong which he had done to them, but because of the grievance of a member of one of the associations, who had reported a wrong to himself, which grievance when brought to the attention of others it was hoped would deter them from dealing with the offending party. This practice

> takes the case out of those normal and usual agreements in aid of trade and commerce which may be found not to be within the act and puts it within the prohibited class of undue and unreasonable restraints, such as was the particular subject of condemnation in *Loewe* v. *Lawlor, supra.* (pp. 612–613).

In answer to the contention that what was done was for the protection of the retail trade, the court said:

> The argument that the course pursued is necessary to the protection of the retail trade and promotive of the public welfare in providing retail facilities is answered by the fact that Congress, with the right to control the field of interstate commerce, has so legislated as to prevent resort to practices which unduly restrain competition or unduly obstruct the free flow of such commerce, and private choice of means must yield to the national authority thus exerted. *Addyston Pipe Co.* v. *United States,* 175 U. S. 211, 241, 242. (p. 613).

The court concluded its opinion thus:

> When the retailer goes beyond his personal right, and, conspiring and combining with others of like purpose, seeks to obstruct the free course of interstate trade and commerce and to unduly suppress competition by placing obnoxious wholesale dealers under the coercive influence of a condemnatory report circulated among others, actual

> or possible customers of the offenders, he exceeds his lawful rights, and such action brings him and those acting with him within the condemnation of the act of Congress, and the District Court was right in so holding. (p. 614).

The principles there decided are directly applicable to and in fact control this case, but the practice there condemned was simple and innocuous in comparison with the scheme adopted and enforced by defendants. There the immediate purpose was not the control or increase of prices, though prices were no doubt incidentally affected by the practice. It was not claimed that the general volume of business was reduced. The restraint consisted in diverting the trade from the path which it otherwise would have taken; or rather in forcing it to remain in its usual path. While the distribution of the list was made pursuant to an understanding between the members of the association, yet there was no agreement between them that they would give any consideration to the lists. The restraint resulted entirely from the moral effect the information distributed had upon the members. If one was " blind indeed who does not see the purpose in the predetermined and periodical circulation of this report " as said by the court in that case, he is unquestionably blind if he fails to see the purpose of the distribution by the defendant association of the pretended " average cost " tables, the freight rate books giving the pretended " delivered costs " of

flooring at thousands of points in the United States, the statistics showing every sale by each member and prices received, and the monthly meetings to discuss economic conditions, and all questions pertinent to the industry.

American Column & Lumber Co. v. *United States,* 257 U. S. 377, was the first case in which an association was attacked because it engaged in what is known as "Open Price Competition." As great effort is made by counsel for appellants to distinguish that case from the present one, the opinion of the court therein will be considered at some length. The opinion may be divided into four parts, to wit:

(1) A statement of the plan;
(2) The manner of its enforcement;
(3) The results of its operation; and
(4) Application of the law.

Beyond question what the court condemned was *the plan;* and the evidence showing the manner in which it was enforced and the results therefrom was cited and discussed only to show the purpose intended to be accomplished by the association and what was actually accomplished. In interpreting this decision, counsel for many associations, as was done by counsel for the defendant association, have made the mistake of assuming that the case is not an authority unless the identical acts be committed in enforcing the association's plan that were shown to have been committed by the association

attacked in that case; when in fact the precise character of the acts are unimportant, if the plan itself is of such nature that if enforced interstate commerce will be restrained thereby, and if the proof shows that the plan has been adopted and put in operation by the members of the association. An analysis of the opinion will show, not only that no element deemed essential in that case is wanting here, but that there are elements which did not there exist but are present here, that are specially vicious, and are within themselves violative of the antitrust act.

In beginning the discussion the court said:

> The activities which we shall see were comprehended within the "Open Competition Plan," (which is sometimes called "The New Competition,") have come to be widely adopted in our country, and, as this is the first time their legality has been before this court for decision, some detail of statement with respect to them is necessary (p. 392).

The court then quotes at some length from the report of the committee which evolved the plan. In that report the committee discussed the objects of the plan and the benefits expected to be derived therefrom; and as defendants in this case are operating the same open price plan that was there attacked and condemned, that report is as pertinent here as if made by a committee of the defendant association. With reference to that report and a sub-

sequent explanation of the objects and purposes of the plan, the court in part said:

> After stating that the purpose was not to restrict competition or to control prices but to "furnish information to enable each member to intelligently make prices and to intelligently govern his production," the committee continues:
>
> "The chief concern of the buyer, as we all know, is to see that the price he pays is no higher than that of his competitors, against whom he must sell his product in the market. The chief concern of the seller is to get as much as anybody else for his lumber; in other words to get what is termed the top of the market for the quality he offers. By making prices known to each other they will gradually tend toward a standard *in harmony with market conditions,* a situation advantageous to both buyer and seller."

Not long after the consolidation, a further explanation of the objects and purposes of the " Plan " was made in an appeal to members to join it, in which it is said:

" The theoretical proposition at the basis of the Open Competition plan is that,

" *Knowledge regarding prices actually made is all that is necessary to keep prices at reasonably stable and normal levels.*

"The Open Competition plan is a central clearing house for information on prices, trade statistics, and practices. By keeping all members fully and quickly informed of what the others have done, the work of the plan results in *a certain uniformity of trade practice*. There is no agreement to follow the practice of others, *although members do naturally follow their most intelligent competitors*, if they know what these competitors have been actually doing.

"The monthly meetings held in various sections of the country each month have improved the *human relations* existing between the members before the organization of this plan." (Italics the court's p. 392.)

After quoting at length from a subsequent communication sent to the members in which the advantages of the plan were recited, the court then stated in detail the system of reporting, first by members to the association, and second by the association to the members; and without quoting, or giving a summary of the court's langauge it is sufficient to say that the system of reports there described and the system used by defendants in this case are in every material feature precisely the same. One association may not have copied the "plan" from the other; but if not, they both originated in the same mind and were copied from the same pattern. It is true that in the plan there described provision was made for each member to file at the beginning of each month a price list; but

the proof showed without dispute that this requirement was never observed. *In the operation of the defendant association no such requirement is necessary because the association itself furnishes to all the members a minimum price list or a list of so-called "average costs" of manufacture and distribution.* After a description of the reporting system the court said:

> This extensive interchange of reports, supplemented as it was by monthly meetings at which an opportunity was afforded for discussion "of all subjects of interest to the members," very certainly constituted an organization through which agreements, actual or implied, could readily be arrived at and maintained, if the members desired to make them (p. 397).

The court then said that in practice three important additions were made to the plan:

First: Instead of the monthly meetings provided for, the territory in which the association was operating was divided into four districts and forty-nine meetings were held. However the proof showed that the division was for the convenience of the members; and the members really attended a meeting but once a month.

Second: Before each meeting a questionnaire was sent out asking for reports on production for the preceding month and estimated production for the next two months, and whether it was expected that the mill would be shut down, and if so for

how long; and also for the members' views as to market conditions. From the information thus received the statistician compiled a report which was distributed among the members attending the meeting.

The evidence heretofore cited shows that before each meeting the secretary of the defendant association either sends out his monthly report showing all facts from which market conditions can be judged, or distributes it among the members at the meeting. This report is based on the reports from the several members which contain all the information asked for in the questionnaire that was sent out by the statistician of the Hardwood Association. The only feature not present here was the request for an expression of opinion in writing by each member as to market conditions. But the members had all the data before them and fully discussed market conditions in the meetings. *Although there was no attempt made to keep full minutes of the discussions, yet it appears that in the eight meetings held in 1922 after the adoption of the present articles of association, "Stock Conditions" and flooring data were discussed in them all, and "Trade conditions and relations of supply and demand as reflected by statistical reports" were discussed in seven.* What then could have been the value of an expression of opinion on paper when the members freely and fully, and doubtless with much emphasis, expressed their views in meetings?

Third: While the plan provided for a monthly market letter, Gadd, the manager of statistics, actually sent out letters of that nature with the weekly sales reports; and it is upon comments made in those letters that chief reliance is had for distinguishing that case from the present one. In fact, after the defendant association had suspended its reporting system because of the decision in the Hardwood case, it was advised by counsel that the practice could safely be resumed if the reports were not accompanied by comments. *But when that was done, the members of the association began to hold meetings monthly, the object manifestly being that they might more frequently exchange their own views and receive the views of their expert statistician in regard to market conditions.*

After stating in detail the plan as adopted with the features added in practice the court said:

> Obviously the organization of the defendants constitutes a combination and confessedly they are engaged in a large way in the transportation and sale of lumber in interstate commerce so that there remains for decision only the question whether the system of doing business adopted resulted in that direct and undue restraint of interstate commerce which is condemned by this Antitrust statute.
>
> It has been repeatedly held by this court that the purpose of the statute is to maintain free competition in interstate commerce

> and that any concerted action by any combination of men or corporations to cause, or which in fact does cause, direct and undue restraint of competition in such commerce falls within the condemnation of the act and is unlawful (pp. 399–400).

The court then, after quoting from a number of authorities in which the Antitrust Act had been construed, quotes at length from communications sent by Gadd to the members and also from letters written by members to Gadd in response to a circular letter sent out by him asking for an expression of opinion as to benefits received from the operation of the plan. And these quotations are followed with the remark:

> These quotations are sufficient to show beyond discussion that the purpose of the organization and especially of the frequent meetings was to bring about a concerted effort to raise prices regardless of cost or merit, and so was unlawful, and that the members were soon entirely satisfied that the " Plan " was " carrying out the purpose for which it was intended " (p. 409).

Therefore the comments of Gadd and the statements of the members as to benefits derived from the plan was deemed important *because they showed the purpose of the organization.* And there is no justification whatever for the assumption that the identical evidence then introduced must appear in this record before that case can be considered a controlling authority in this one. As

above shown the members of the defendant association meet and discuss face to face the very questions discussed by Gadd in his market letters and they have present with them Secretary Keehn, with whom in astuteness Gadd can not be compared. There is no probability that the Government ever will be able to introduce in another case the same evidence with reference to the results accomplished by the association, because no other manager will ever write the members asking testimonials as to its benefits. But incidentally the same character of evidence appears in the letter from the North Branch Flooring Company to the Flanner Steger Land & Lumber Company dated February 5, 1923, in which it was said:

> We can say from actual experience that the personal contact and association with the other members has become very valuable to us *and we have been able to capitalize this to a remarkable degree.* (Vol. IV, p. 479.)

And in the reply it was said:

> *We are quite in accord with what you have to say regarding the value of attending the Flooring Association meetings.* (Vol. IV, p. 480.)

After a thorough review of the facts and the law the court said:

> **To call the activities of the defendants, as they are proved in this record, an "Open Competition Plan" of action is plainly a misleading misnomer.**
>
> Genuine competitors do not make daily, weekly, and monthly reports of the minutest

details of their business to their rivals, as the defendants did; they do not contract, as was done here, to submit their books to the discretionary audit and their stocks to the discretionary inspection of their rivals for the purpose of successfully competing with them; and they do not submit the details of their business to the analysis of an expert, jointly employed, and obtain from him a "harmonized" estimate of the market as it is and as, in his specially and confidentially informed judgment, it promises to be. This is not the conduct of competitors but is so clearly that of men united in an agreement, express or implied, to act together and pursue a common purpose under a common guide that, if it did not stand confessed a combination to restrict production and increase prices in interstate commerce and as, therefore, a direct restraint upon that commerce, as we have seen that it is, that conclusion must inevitably have been inferred from the facts which were proved. *To pronounce such abnormal conduct on the part of 365 natural competitors, controlling one-third of the trade of the country in an article of prime necessity, a "new form of competition" and not an old form of combination in restraint of trade, as it so plainly is, would be for this court to confess itself blinded by words and forms to realities which men in general very plainly see and understand and condemn, as an old evil in a new dress and with a new name.*

> The " Plan " is, essentially, simply an expansion of the gentlemen's agreement of former days, skillfully devised to evade the law. To call it open competition because the meetings were nominally open to the public, or because some voluminous reports were transmitted to the Department of Justice, or because no specific agreement to restrict trade or fix prices is proved, can not conceal the fact that the fundamental purpose of the " Plan " was to procure " harmonious " individual action among a large number of naturally competing dealers with respect to the volume of production and prices, without having any specific agreement with respect to them, and to rely for maintenance of concerted action in both respects, not upon fines and forfeitures as in earlier days, *but upon what experience has shown to be the more potent and dependable restraints, of business honor and social penalties—cautiously reinforced by many and elaborate reports, which would promptly expose to his associates any disposition in any member to deviate from the tacit understanding that all were to act together under the subtle direction of a single interpreter of their common purposes,* as evidenced in the minute reports of what they had done and in their expressed purposes as to what they intended to do (257 U. S. pp. 410–411).

We have endeavored to show that there was not an essential element in that case which is not present in this one. But, there are very important fea-

tures in the present case which did not exist in the Harwood case. *That case involved solely the open price plan. Here, while the open price plan is being operated in all of its vigor, there is added to it the estimation and distribution of so-called average cost prices of manufacture and distribution, which is nothing less than minimum price lists, and also the distribution of freight rate books showing the minimum prices at thousands of points in the United States so as to make easy the observance of these minimum prices. In short there is here presented a minimum price fixing system perfectly adjusted and effectively enforced by the exchange of information through the association.*

United States v. *American Linseed Oil Company*, 262 U. S. 371, involved the validity of an organization which functioned through a bureau. The manufacturers of linseed oil made separate but identical contracts with the bureau whereby they obligated themselves to furnish reports of their sales and prices to the bureau; and the bureau was to report the information to the other members. Monthly meetings were also provided for. The plan was operated through Mr. Armstrong, who called himself a bureau, instead of through an association conducted by a secretary as in the present case, or a manager as in the Hardwood case. Naturally there is a variation in the plan as applied to different industries. The production of linseed oil is seasonal; and it is sold generally for future delivery months in advance.

For the plan to work successfully in connection with that industry it was felt necessary that change of prices should be promptly reported. Every member was at perfect liberty, so the defendants all claimed, to change its price at any time and to any extent it might see fit; but if it offered oil to a prospective purchaser for less than its list price it immediately wired its offer to the bureau, which relayed it to the members. When it was suspected that a member had made a sale for less than its list price other members had the right to make inquiry of such member about the matter through the bureau. The evidence showed that the system as outlined in the contract was pretty rigidly enforced. The court after stating at length the provisions of the contracts and the manner in which they had been enforced said:

> The Sherman Act was intended to secure equality of opportunity and to protect the public against evils commonly incident to monopolies and those abnormal contracts and combinations which tend directly to suppress the conflict for advantage called competition—the play of the contending forces ordinarily engendered by an honest desire for gain. "The statute did not forbid or restrain the power to make normal and useful contracts to further trade by resorting to all normal methods, whether by agreement or otherwise, to accomplish such purpose. * * * The words restraint of trade should be given a meaning which would

not destroy the individual right to contract and render difficult if not impossible any movement of trade in the channels of interstate commerce—the free movement of which it was the purpose of the statute to protect." *United States* v. *American Tobacco Co.*, 221 U. S. 106, 179, 180; *Ramsay Co.* v. *Associated Bill Posters*, 260 U. S. 501; *Federal Trade Commission* v. *Sinclair Refining Co.*, 261 U. S. 463.

Certain it is that the defendants are associated in a new form of combination and are resorting to methods which are not normal. If, looking at the entire contract by which they are bound together, in the light of what has been done under it the Court can see that its necessary tendency is to suppress competition in trade between the States, the combination must be declared unlawful. That such is its tendency, we think, must be affirmed. To decide otherwise would be wholly inconsistent with the conclusion reached in American Column & Lumber Co. v. *United States, supra.* (pp. 388–389).

And the court thus concluded its opinion:

We are not called upon to say just when or how far competitors may reveal to each other the details of their affairs. In the absence of a purpose to monopolize *or the compulsion that results from contract or agreement,* the individual certainly may exercise great freedom; *but concerted action through combination presents a wholly different problem and is forbidden when the*

> *necessary tendency is to destroy the kind of competition to which the public has long looked for protection.* The situation here questioned is wholly unlike an exchange where dealers assemble and buy and sell openly; and the ordinary practice of reporting statistics to collectors stops far short of the practice which defendants adopted. Their manifest purpose was to defeat the Sherman Act without subjecting themselves to its penalties.
>
> The challenged plan is unlawful and an injunction should go against it as prayed by the original bill (p. 390).

In fact, as pointed out by the court in the Hardwood and Linseed Oil Cases, combinations in the form of associations engaging in practices of the nature heretofore described fall squarely within the prohibitions of the Antitrust Act as construed in many former cases.

While as said in *United States* v. *American Tobacco Co.*, 221 U. S. 106, 179, in referring to the previous decision in the Standard Oil case, " the statute did not forbid nor restrain the power to make *normal and usual contracts* to further trade by resorting to all *normal* methods, whether by agreement or otherwise to accomplish such purpose," yet as declared in the same case (p. 181), " in view of the general language of the statute and the public policy which it manifested, *there was no possibility of frustrating that policy by resorting to any disguise or subterfuge of form,*

since resort to reason rendered it impossible to escape by any indirection the prohibitions of the statute."

It is presumed that if the evidence showed that the members of the defendant association had entered into a positive agreement either written or verbal to observe as minimum selling prices a specified list giving the prices of the different kinds, grades and dimensions of flooring, there would be no disagreement that such a combination is unlawful. There can be no distinction in principle between agreeing upon a fixed uniform price and upon a fixed minimum price. The latter is in fact more vicious than the former because it not only destroys all competition below the agreed price, *but at the same time encourages competitors to press the prices upward.* If the observance of definite prices had been agreed upon by defendants and the agreement had been observed, there would have been no advancement of prices every time the high prices indicated that the market would stand an advance of the minimum, because there would have been no testing of the market for higher prices. That is, on October 25, 1922, the price of 15/16" x 2¼" clear maple flooring would not have been advanced from $90 to $95 per M, and on February 3, 1923, to $100, and on March 10 to $105; but the price would have continued at $90. If then it is unlawful to positively agree upon minimum prices, although no provision is made to enforce the agree-

ment, how can the plan adopted and now operated by defendants possibly escape condemnation? The old "gentlemen's agreement," which has been so often condemned by this court, was never very effective because of the disposition of the parties not to observe it. Some of the witnesses testify in this case that in years past prices of flooring were agreed upon, but the result was unsatisfactory. Literally this plan, as said by the court in the Hardwood case "is, essentially, simply an expansion of the gentlemen's agreement of former days, skillfully devised to evade the law." While it is impossible to prove a *positive* agreement written or verbal between the defendants that they would observe specified minimum prices, yet a system has been devised by which by moral coercion and "the inherent disposition to make all the money possible" *a practical observance of specified prices as a minimum has been actually accomplished.* And not only that, but through absolute freedom and an incentive to oversell those prices, they are steadily forced upward. Is it possible that the Antitrust Act is effective against a positive agreement which is not legally binding, and which can not be, and in fact is not successfully enforced, and at the same time is without virtue in the presence of a combination which effectually fixes minimum prices and compels an increase of prices? Is it the form and not the substance at which the Antitrust Act is directed? Such a

thought was of course expressly repudiated in the Hardwood and Linseed Oil cases. And if the system of exchanging information and holding meetings condemned in the Linseed Oil case was "a new form of combination," and a " resorting to methods which are not normal," and the scheme of reporting sales and prices, the advising of reduction in production of lumber and stability or increase of prices, and holding of monthly meetings proven in the Hardwood case was " simply an expansion of the gentlemen's agreement of former days," what can be said in defense of the plan or scheme devised and enforced by defendants? Here, when the bill was filed, not only were defendants exchanging information which laid bare to each other the minutest details as to stocks on hand, production, shipments, and quantities of flooring sold and prices at which sold, not only were they holding monthly meetings in which market conditions and every phase of the industry were fully discussed with admissions of members that views were at times interchanged, generally privately, on the floor or at their luncheons about the prohibited subject of prices, *but they also compute and distribute among the members what they claim to be* "AVERAGE *costs*" *of production and distribution, not the cost of any one member but claimed to be the* AVERAGE *of all, but really as heretofore demonstrated, not* COST *prices at all, but prices adjusted to meet market conditions; and these prices were*

accompanied with a freight rate book which gave the DELIVERED *prices at thousands of points in the United States and instructions how such prices could be easily computed for all other points. Is that the* USUAL *and* NORMAL *way in which real competitors conduct their business? When the Anti-trust Law was enacted did Congress have in mind such a scheme or device as a* USUAL *and* NORMAL *method for those engaged in the same industry to compete with each other?*

Why this distributing among the members of "*average* cost" prices? Why this sending out freight rate books showing the exact delivered prices at thousands of points? Why this weekly exchange of information as to sales and the exact prices received? Why these monthly meetings to discuss among each other production, market conditions and all other questions affecting the industry? Blind indeed is he who can understand that these practices were engaged in for any other purpose than to maintain minimum prices that would give the member most unfavorably situated some, and many members an exorbitant, profit; and at the same time to steadily and certainly increase prices. And who can believe that they did not accomplish such purpose? It is inconceivable that maple, birch, and beech flooring would have sold since March, 1922, at the same prices at which they have been sold had no such organization as the defendant associa-

tion existed, had each member of the association conducted his own business independent of such influences and in the way it was understood when the Antitrust Act was passed the business of genuine competitors is conducted. The closing remarks of Circuit Judge (subsequently Mr. Justice) Lurton in the great opinion delivered in *John D. Park & Sons Co.* v. *Hartman*, 153 Fed. 24, 46, is specially applicable in this case:

> *It has been suggested that we should have regard to new commercial conditions and a tendency toward a relaxation of old common-law principles which tend to prevent development on modern lines. This is an argument better addressed to legislative bodies than to the courts. Neither is it wise for the courts to countenance the introduction of artificial distinctions dependent upon the variant economic views of individual judges. Distinctions which are specious or analogies which are but apparent will but afford opportunities to whittle away broad economic principles lying at the bottom of our public policy, principles which have long received the sanction of statesmen and the approving recognition of a long line of jurists. A like argument is expected whenever some new method of circumvénting freedom of commerce comes under the tests of the law. It was made and answered by Judge Taft in the Addyston Pipe Case with a strength to which we can add nothing.*

The relief to which the Government is entitled

Defendants appear to insist that the association has the right to do certain things, as, for instance, to standardize maple flooring and maintain inspectors; and therefore that the court should specify what particular things the association can do, and so limit the injunction as to exclude such activities from its provisions. *But to comply with such contention would be for the court to undertake to construct an association for the defendants which according to the court's view would be a legitimate one.* This the court will not do, because it never can be determined in advance what the effect of a particular organization will be; and the court might authorize the formation of an association to exercise certain functions which in actual operation would result in the most serious restraint of interstate commerce. Certainly parties who have openly violated the law by creating and engaging in an unlawful combination can not invoke the agency of the court to create for them a different combination which the court might consider legitimate.

The situation here presented is quite different from the conditions existing when the acquisition of various properties by a corporation, or the merger of a number of corporations into one, have been held to constitute a monopoly or an unlawful combination in violation of the Anti-Trust Act. There the rights of property are involved, and the

court will not destroy the property, but direct that it be restored to the original owners, or be so divided that a further violation of the statute will not exist. But here no property rights are involved. There exists nothing but an agreement or combination which the defendants have entered into and in which they are engaging; and the status quo is restored and the restraints upon commerce are stopped by a simple decree declaring the agreement and combination unlawful, and inhibiting the defendants from further engaging therein, or in any combination of like character.

An unlawful conspiracy may be composed of elements each of which when considered alone is lawful. As said in *Swift* v. *United States,* 196 U. S. 375, 396:

> The scheme *as a whole* seems to us to be within reach of the law. The constituent elements, as we have stated them, are enough to give to the scheme a body and, for all that we can say, to accomplish it. Moreover, whatever we may think of them separately, when we take them up as distinct charges they are alleged sufficiently as elements of the scheme. *It is suggested that the several acts charged are lawful and that intent can make no difference. But they are bound together as the parts of a single plan. The plan may make the parts unlawful.*

Defendants' contention leads to the absurd result that where each element of a conspiracy is

when standing alone lawful no injunctive decree can be entered, although the conspiracy composed of these several elements may be unlawful and accomplish the most harmful results.

This question was conclusively settled in *American Column & Lumber Co.* v. *United States, supra. There the court entered a sweeping decree declaring the association an unlawful combination and inhibiting the defendants from engaging in any of the activities provided for by its organization.* On the hearing defendants' counsel earnestly insisted that the decree was too broad and that the court should specify certain things which the association could legitimately do. *The court disregarded this insistence and affirmed the decree of the court below intoto. A petition for a rehearing was filed, in which it was again urged upon the court that a limitation should be placed upon the decree and that the defendants should not be enjoined from separately doing a number of things prescribed by the association, but the petition was dismissed by the court.*

In fact the question had been settled in the case of *Swift* v. *United States,* 196 U. S. 375, 401–2. A broad decree inhibiting the defendants from engaging in any of the things alleged in the bill had been entered by the court below, and it was insisted that the decree should be modified in certain particulars. The only modification directed by the court was that in one or two particulars it should be made more specific. But the court especially considered

the allegations in the bill (the case had been disposed of on demurrer) wherein it was alleged that defendants had engaged in and would continue arrangements with the railroads whereby the defendants received, by means of rebates and other devices, rates less than the lawful rates for transportation, and were exclusively to enjoy and share this unlawful advantage to the exclusion of competition and the public (p. 392). The court stated that the acts here charged, apart from the combination and the intent, might perhaps not necessarily be unlawful except for the adjective which proclaimed them so, and the court assumed for the purpose of the decision that they were not unlawful, and that the defendants severally might lawfully obtain less than the regular rates for transportation if the circumstances were not substantially similar to those for which the regular rates were fixed; but the Court said:

> Whether this particular combination can be enjoined, as it is, apart from its connection with the other elements, if entered into with the intent to monopolize, as alleged, is a more delicate question. The question is how it would stand if the tenth section were the whole bill. Not every act that may be done with intent to produce an unlawful result is unlawful, or constitutes an attempt. It is a question of proximity and degree. The distinction between mere preparation and attempt is well known in the criminal law. *Commonwealth* v. *Peaslee,* 177 Massachu-

setts, 267, 272. The same distinction is recognized in cases like the present. *United States* v. *E. C. Knight Co.,* 156 U. S. 1, 13; *Kidd* v. *Pearson,* 128 U. S. 1, 23, 24. We are of opinion, however, that such a combination is within the meaning of the statute. It is obvious that no more powerful instrument of monopoly could be used than an advantage in the cost of transportation. And even if the advantage is one which the act of 1887 permits, which is denied, perhaps inadquately, by the adjective "unlawful," still a combination to use it for the purpose prohibited by the act of 1890 justifies the adjective and takes the permission away. (196 U. S. 401, 402).

For the foregoing reasons the decree of the court below should be in all things affirmed.

JAMES M. BECK,
Solicitor General.

J. A. FOWLER,
C. STANLEY THOMPSON,
Special Assistants to the Attorney General.

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IN THE

Supreme Court of the United States.

OCTOBER TERM, 1924.

No. 342

MAPLE FLOORING MANUFACTURERS ASSOCIATION, W. D. YOUNG & COMPANY, MITCHELL BROTHERS COMPANY, *et al.*,

Appellants,

vs.

THE UNITED STATES OF AMERICA.

APPEAL FROM THE DISTRICT COURT OF THE UNITED STATES FOR THE WESTERN DISTRICT OF MICHIGAN.

STATEMENT AND BRIEF ON MOTION FOR PERMISSION TO FILE BRIEF AMICUS CURIAE ON BEHALF OF THE NATIONAL MALLEABLE & STEEL CASTINGS COMPANY, ET AL.

HERBERT POPE,
Counsel for The National Malleable & Steel Castings Company, et al., Petitioners.

GUNTHORP-WARREN PRINTING COMPANY, CHICAGO.

IN THE

Supreme Court of the United States.

OCTOBER TERM, A. D. 1924.

No. 342

MAPLE FLOORING MANUFACTURERS ASSOCIATION, W. D. YOUNG & COMPANY, MITCHELL BROTHERS COMPANY, *et al.*,

Appellants.

vs.

THE UNITED STATES OF AMERICA.

APPEAL FROM THE DISTRICT COURT OF THE UNITED STATES FOR THE WESTERN DISTRICT OF MICHIGAN.

MOTION FOR PERMISSION TO FILE A BRIEF AS AMICUS CURIAE IN THE ABOVE ENTITLED CAUSE ON BEHALF OF THE NATIONAL MALLEABLE & STEEL CASTINGS COMPANY, A CORPORATION OF OHIO, AND OTHER CORPORATE AND INDIVIDUAL DEFENDANTS NAMED IN AN INDICTMENT FOR ALLEGED VIOLATION OF THE SHERMAN ACT FILED IN THE DISTRICT COURT FOR THE NORTHERN DISTRICT OF OHIO, MARCH 27, 1924.

To the Honorable Chief Justice and Associate Justices of the Supreme Court of the United States:

Come now The National Malleable & Steel Castings Company, *et al.*, by their counsel, requesting permission to file the following brief as *amicus curiae* in the above entitled cause.

STATEMENT.

The indictment above referred to is brought against forty-seven corporations and forty-eight individuals, residing in widely separated parts of the country. The occasion for bringing the proceeding in the Northern District of Ohio is the general allegation in the indictment that the headquarters of an association, known as The American Malleable Castings Association, is at Cleveland, Ohio, and that the corporate defendants, who constitute some of the members of this association, "have required said association" to collect information from its members and distribute it to them.

The contention of the Government, as disclosed in various removal proceedings now pending, is similar to contentions made by it in the case at bar. It is argued that a trade association which collects and distributes information is an abnormal agency, that combinations of competitors which are not normal tend to restrain trade, and that such combinations therefore constitute a violation of the first section of the Sherman Act and must be assumed to accomplish an unreasonable restraint of trade, if such a result is in any way relevant. It is with reference to this contention of the Government that we ask leave to file the following brief as *amicus curiae* in the above entitled cause.

BRIEF.

All the industries of the country are necessarily concerned in the general theories advanced by the Government in the case at bar. Indictments are now being brought in other cases which, in the absence of any definite or enforceable agreements between competitors, are based upon inference and conjecture with reference to other relationships existing between them. The removal of individual defendants from one part of the country for trial in another is sought largely upon the assumption that there is probable cause to believe that any officer of a corporation which is a member of a trade association is guilty of a violation of the Sherman Act, because a trade association which collects statistics is an abnormal and unusual agency. The reasonable activities of business men designed to improve the condition of the industries in which they are engaged are brought in question because it is assumed, without regard to the circumstances in each case, that there are standardized or normal ways in which competitors always act unless they are engaged in a combination in restraint of trade, and that if they do not act in these normal ways then the existence of an agreement or combination in restraint of trade may readily be inferred.

The effort of the Department of Justice seems to be to convert the test of reasonableness established by this court with respect to restraint of trade into something else by the use of phrases—"the normal conduct of competitors" and "the natural law of supply and demand"—which are assumed to furnish a definite test or standard by which a violation of the Sherman Act may be

established. In fact, as indicated by the Government's brief in this case, the court is in effect asked to infer that business men talk about certain things—prices, costs, etc.—when they meet, because these are the things they are most interested in, and then, after making this inference, the court is asked to condemn this normal way of acting on the very ground that it is not a normal way for competitors to act and must be supposed to result in activities which are opposed to the "natural law of supply and demand."

We submit that the question of the reasonableness of a restraint of trade in any particular case cannot be determined by the mere use of phrases of this character, and that this court has not used such phrases for that purpose. This court is not in a position to take judicial notice of what it is normal or usual for business men to do under all the varying conditions under which business is conducted to-day. Business is conducted by human beings, and not by "economic men" or "normal competitors" about whose activities it is possible always to make definite predictions. The normally intelligent business man varies his conduct according to the circumstances in which he is placed.

The decision of this court in *National Association of Window Glass Manufacturers* v. *United States*, 263 U. S. 403, may seem to be based upon special and abnormal circumstances. As a matter of fact it serves to illustrate the accuracy of the general statement that there are no normal conditions affecting all kinds of business to-day, even assuming that such was the case at some remote time in the past. And the decision of this court in that case makes it clear that the question of restraint of trade must be determined upon the facts and circumstances in each case and not upon any assumption as to what a business man ordinarily does.

The outstanding facts about business to-day are the competitive conditions which exist between various lines of industry. Steel competes with different kinds of iron and other metals; brick and stone and concrete industries compete with one another and all compete with still other industries, and so on. The result is that those interested in one industry are forced in many ways to act together in order to maintain that industry in competition with others. When this condition exists, and competitors in a particular industry come together for the purpose of improving the position of their industry, it is impossible to lay definite boundaries to the matters that shall be discussed between them or as to the results which shall follow from such discussions. The courts are not in a position, without inquiry, to say that some conversations and activities are normal and others abnormal under all of these varying conditions. Just as the circumstances existing in the case of the window glass manufacturers justified certain definite agreements between competitors, so other conditions may justify in the case of other industries what the Department of Justice holds to be "abnormal" activities. Obviously phrases will not solve the problem in such cases. The question of the existence of an unreasonable restraint of trade in a particular case cannot be decided merely by saying that the competitors acted in a way that competitors do not act under ordinary conditions.

In order to determine—if it can be determined—how normal competitors act under all conditions under which business is conducted to-day, a very comprehensive study of all the industries of the country would be required. One thing is sure, however, and that is that the normal and intelligent competitor to-day will seek to be fully informed regarding his own business and the activities of his rivals. It is his business to be informed, and he

usually employs all available sources of knowledge. The fact is that there never was a time when business was conducted in the open as much as it is to-day. Helpful co-operation has taken the place of secret and underhand methods in most lines of industry. Not only has it been found that underhand methods do not pay, that honesty and fair dealing are the best business policy, but educated and well trained business men recognize that in the long run they gain rather than lose by exchanging ideas regarding business practices and methods and by treating one another as gentlemen instead of deadly enemies. There is certainly nothing illegal in a spirit of co-operation designed to improve business methods and make industry more efficient. No one can truthfully say that this is not a normal way for honest and honorable business men, even though competitors, to act.

The men engaged in an industry which has fallen into hard times will naturally and inevitably co-operate as far as they can for the purpose of improving its condition and making it again prosperous. Laws cannot and should not prevent them from taking such action as is necessary to the salvation of the industry in which their capital and labor are invested. It is idle to say that normal competitors prefer to let their business go to ruin rather than speak to one another or act together in a spirit of helpfulness. The normal competitor idolized by the Department of Justice never existed anywhere, or, if he did, he was the most hated and despised man in his community.

Lawyers take pride in having a strict regard for the ethics of their profession, but the suggestion that business men have a regard for ethical principles in the conduct of their affairs arouses a suspicion in the mind of a lawyer in the Department of Justice that there must be some illegal restraint of trade going forward. The thor-

ough-going pirate is the only business man not open to suspicion by the Department of Justice to-day. This is not imagination. In the opinion of more than one member of that Department there are few business men to-day who are not law breakers within the view which the Department of Justice takes of the Sherman Act. But if there is this inevitable tendency on the part of business men to violate the Sherman Act as thus construed, then it is obvious at least that that is the normal thing for business men to do, and it is at any rate a contradiction in terms to say that normal business men are violating the Sherman Act because their normal conduct is not normal.

The truth is that it has always been possible for competitors in business to be friends. Not until recent years has it been suggested that that fact raised the presumption of a moral obligation to violate the Sherman Act. At common law no such question could arise. Contracts in restraint of trade were not criminal acts; they were merely unenforceable. The question of restraint of trade could not arise unless there existed a contract which was enforceable in the courts except for the fact that it was against public policy because in restraint of trade. A mere moral obligation was not enforceable in the courts at all. But now that contracts in restraint of trade have been made criminal, or can be enjoined in a suit in equity, there is the constant suggestion that a contract in restraint of trade may be found in facts or circumstances which could not in any view have constituted a contract the enforceability of which could have come in question in the common law courts. The opportunity to infer a conspiracy is easily suggested, and there appear to be no definite legal limits to the modern doctrine of conspiracy. If it be assumed that it is normal for competitors to keep apart and not speak to one another, it is

easy to imply a conspiracy whenever two or more of them are found together. If they are found together it may be assumed that they will talk about something they ought not to talk about, because competitors who abnormally meet will normally violate the Sherman Act. The existence of an illegal conspiracy is thus easily proved, and it is not necessary to show overt acts in furtherance of it.

In *American Column & Lumber Co.* v. *U. S.* 257 U. S. 377, this court recognized the necessity of finding the existence of an illegal agreement in order to show a violation of the Sherman Act in such a case. It is evidence that this court found that an agreement existed (as was the case in *United States* v. *American Linseed Oil Company*, 262 U. S. 371) which was definite enough to be enforceable between the parties, except for the fact that it was in restraint of trade and therefore against public policy and invalid at common law and under the Sherman Act. It was not decided in that case that the Sherman Act had gone beyond the common law by including as contracts in restraint of trade implied or inferred agreements which could not have been contracts at all at common law—moral obligations of some sort which the courts did not recognize as enforceable under any circumstances.

A contract in restraint of trade between two competitors was just as illegal, that is unenforceable, at common law as a contract between many competitors. If we accept the suggestion of the Government that, under the first section of the Sherman Act, a moral obligation between competitors may be just as effectual as a legal obligation, then any friendly relationship between two competitors, any conversations between them, may serve as evidence of an illegal contract, combination or conspiracy in restraint of trade. All private conversations between competitors will be open to investigation. The investigation cannot be confined to such conversations as are car-

ried on at the meetings of a trade association. If it is to be inferred that competitors talk about forbidden things on such occasions the same inference may readily be made when they meet at other times—on the golf course or in a smoking car. Competitors belonging to the same church or the same college fraternity will inevitably and normally violate the Sherman Act. It is preposterous to think of their acting like the normal competitors imagined by the Department of Justice.

In the *Standard Oil case,* 221 U. S. 1, this court recognized that some standard outside the act itself was required for the interpretation of the Sherman Act in order to make that statute certain enough for enforcement. The conclusion of this court was that "the standard of reason which had been applied at the common law and in this country in dealing with subjects of the character embraced by the statute, was intended to be the measure used for the purpose of determining whether in a given case a particular act had or had not brought about the wrong against which the statute provided." It seems clear from this statement that the standard of reason must be applied with reference to the facts of each particular case, and that it cannot be assumed that there are standard methods used by business men in the conduct of their business under all circumstances, and that the use of any different methods is an interference with the natural law of supply and demand and constitutes an illegal restraint of trade.

The Sherman Act was not intended to be a barrier to reasonable progress in industrial development. The unprecedented growth of trade associations must be considered as evidence of a normal and inevitable development in industry. There must be strong, underlying economic reasons to account for such a development, and,

as we have already pointed out, it is a contradiction in terms to say that what is apparently a normal economic growth is open to suspicion as a violation of the reasonable standard established by the Sherman Act merely because it is not, according to the assumed standards of the Department of Justice, a normal way for business men, especially competitors, to act.

As a matter of definition the words "reasonable" and "normal" are not equivalent terms. What is normal in conduct is often irrational, unthinking, unintelligent, and what is abnormal is often conspicuously reasonable. Obviously, progress depends upon departure from the normal standards, using the word "normal" in one sense. If abnormal conduct in business or any other field of activity were prohibited society would become static. It is the operation of reason directed to the discovery of useful abnormalities which makes development and progress possible. To construe the Sherman Act as a prohibition of abnormal conduct in this sense would mean a reversal of the decision of this court in the *Standard Oil case* and in *National Association of Window Glass Manufacturers* v. *United States, supra.*

It is obvious that the word "normal" is a highly ambiguous word. If it is used to indicate what was usual at some indefinite time in the past, it means one thing. If it is used to mean what a reasonably intelligent man is likely to do under different circumstances, it means something else. If it is used to mean what an "economic man" or an "ordinary competitor" would always do under any circumstances, then it is difficult to say what it does mean.

Business men engaged in an industry which is in active competition with other industries will inevitably seek to foster and develop their own industry. They must, as

a matter of self-protection, seek not only to improve the quality of the product of their industry, but to persuade all those engaged in the industry to conduct their business in a way which will tend to develop and improve the industry rather than to sacrifice or destroy it. It is seldom, if ever, suggested that competitors may not freely exchange ideas regarding improvements in the quality of their product and be helpful to one another in similar ways, in the construction of plants and equipment, in the elimination of waste in manufacturing operations, in methods of accounting and office practice. Yet all of these things constitute to a more or less extent a restraint of trade. Binding agreements limiting the freedom of action of competitors even in such matters might, under some circumstances, constitute an unreasonable restraint of trade. Questions of costs and prices do not fall in a different category. It is impossible in many industries to separate quality and price. Quality and service are elements of competition as well as price, and in determining the existence of an unreasonable restraint of trade in a particular case the standard of reason must be applied in the same way, whether the subject matter of the restraint is quality, service or price. The Sherman Act has to do with the unreasonableness of the restraint of trade, not specifically with unreasonableness of price or of any of the other terms and conditions of a contract of sale. The unreasonableness of any restraint of trade, therefore, cannot be determined on the basis of any general rules regarding the customary conduct of business men or competitors, but upon the facts of the particular case. The principle applied in the case of *National Association of Window Glass Manufacturers* v. *United States, supra,* is the only one that can be considered as controlling.

If the question of the unreasonableness of the restraint must be determined in this way in each case, it is clearer

still that the existence of an agreement cannot be inferred merely from friendly relationships or conversations between competitors. One man has a perfect right to seek to influence the conduct of another, even a competitor, by an appeal to his intelligence without having it inferred that an illegal agreement in restraint of trade has been made between them. Competitors have always influenced one another in such ways and it is contrary to the facts to suggest that such influence is not normal. Competitors are men and deal with one another as men. No doubt a business man will talk more readily and more freely with one competitor than with another. In such cases, as in all other cases of human intercourse, a man of known honesty, integrity and character for fair dealing will have the confidence of his fellow men to a greater extent than others who do not have the same good reputation. If all competitors in a particular industry had the highest ideals regarding the conduct of their business, it would be strange indeed if the inference could therefore be made that they were conducting their business in accordance with an illegal agreement in restraint of trade. On that theory the "ethics" of the legal profession would be open to question, and any effort to raise the standard of conduct amongst business men would be a violation of the Sherman Act.

It is easy to understand why the views of the Department of Commerce and the views of the Department of Justice have come into conflict. One department is interested in improvements in industrial conditions and the other is insisting that change is not normal and is therefore illegal. It is impossible ordinarily to make changes in industrial conditions and practices without co-operation of some character on the part of those engaged in business, and it is necessary to use persuasion and influence to secure the co-operation and the changes in methods desired. If these essential activities are always

to be open to question, and if co-operation by those engaged in a particular industry for the purpose of developing the industry and increasing its effectiveness in competition with other industries is to be held illegal, then it is obvious that the Sherman Act has been turned into an instrument designed to prevent the operation of the natural law of supply and demand in a field in which it is most essential that this law should operate freely and without restraint. The Sherman Act itself will then tend to restrain trade unduly and unreasonably, and will become a contributing cause of the very evil it was designed to prevent. This new and inflexible rule must operate in the same way with respect to all industries and occupations. Co-operation by laborers and farmers, notwithstanding Section 6 of the Clayton Act, to secure—not by agreement limiting freedom of action but by the use of knowledge and intelligence—better conditions, better wages and better prices, will be just as much opposed to the rule that what has been normal, within the view of the Department of Justice, must continue to prevail, as co-operation by men of affairs engaged in other industries to accomplish the same desirable results for their industries. Is this to be the final result of the application of the standard of reason in this field of the law?

We respectfully submit that the Sherman Act cannot properly be made definite and certain by making the rule of reasonableness with respect to restraint of trade equivalent to a fixed standard of conduct based upon an assumption as to what it has been normal for men in the past to do.

Respectfully submitted,

HERBERT POPE,

Counsel for The National Malleable & Steel Castings Company, et al., Petitioners.

CHICAGO, February 24, 1925.

The parties in the foregoing cause are hereby notified that the undersigned will, on Monday, the second day of March, 1925, at the opening of the court on that day, or as soon thereafter as counsel may be heard, submit the foregoing motion for leave to file a brief herein as *amicus curiae*.

HERBERT POPE,

Counsel for The National Malleable & Steel Castings Company, et al.

Due service of the foregoing notice of motion and brief is hereby admitted, this 27th day of February, 1925.

JACOB NEWMAN,
HENRY L. STERN,
CONRAD H. POPPENHUSEN and
EDWARD R. JOHNSTON,

Counsel for Appellants.

Counsel for United States.

We hereby consent to the filing of the foregoing brief *amicus curiae* herein.

JACOB NEWMAN,
HENRY L. STERN,
CONRAD H. POPPENHUSEN and
EDWARD R. JOHNSTON,

Counsel for Appellants.

(Sgd) Jno. M. Bach

~~*Counsel for United States.*~~

Solicitor General

Ent

Vol. V
EXHIBITS

U.S. Supreme Court

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1924

No. 342

MAPLE FLOORING MANUFACTURERS ASSOCIATION, W. D. YOUNG & COMPANY, MITCHELL BROTHERS COMPANY, ET AL., APPELLANTS,

vs.

THE UNITED STATES OF AMERICA

APPEAL FROM THE DISTRICT COURT OF THE UNITED STATES FOR THE WESTERN DISTRICT OF MICHIGAN

FILED MARCH 28, 1924

(30,230)

(30,230)

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VOLUME V

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[fols. 6618 & 6619] DEFENDANTS' GORDON EXHIBIT No. 1

Manufacturers of Maple, Beech or Birch Flooring Who are not Members of Maple Flooring Manufacturers Association

List Compiled by Maple Flooring Manufacturers Association

Acer Lumber Company	Woodsville, N. H.
American Hardwood Flooring Co.	Glen Mary, Tenn.
Athens Woodmilling Company	Athens, N. Y.
Babcock Coal & Coke Company	Landisburg, W. Va.
Babcock Lumber & Boom Company	Davis, W. Va.
Babcock Lumber & Land Company	Marysville, Tenn.
Beck, August C. Company	Milwaukee, Wis.
Blount, The Lumber Company	Lacona, N. Y.
Billings Lumber Company	Belvidere Center, Vt.
Boulia-Gorrell, The Lumber Co.	Lakeport, N. H.
Bradley Lumber Company	Warren, Ark.
Brooks Bros. Inc.	Minnesota Transfer, Minn.
Brown Company	Portland, Me.
Brown Lumber Company	Manistique, Mich.
Bruce, E. L. Company	Memphis, Tenn.
Burt, C. E. & F. O.	Stowe, Vt.
Campbellsville Lumber Company	Campbellsville, Ky.
Carr Lumber Company	Pisgah Forest, N. C.
Clark, Haniel & Son Inc.	Corry, Pa.
Connor, R. Company	Marshfield, Wis.
Cottage Planing Mill Company	Everett, Pa.
Coudersport Mangle Roller Mfg. Company	Coudersport, Pa.
Croghan Flooring & Manufacturing Company	Croghan, N. Y.
Doe River Flooring Company	Johnson City, Tenn.
Dohn, Fischer & Co. Inc.	Buffalo, N. Y.
Duxbury Lumber Company	Burlington, Vt.
Dwight Lumber Company	Detroit, Mich.
Elias, G. & Bro. Inc.	Buffalo, N. Y.
Empire Floor & Lumber Corp.	Buffalo, N. Y.
Emporium Lumber Company	Utica, N. Y.
Farrin, The M. B. Lumber Co.	Cincinnati, O.
Farris Hardwood Lumber Company	Nashville, Tenn.
Forman, Thomas Company	Detroit, Mich.
Guyan Lumber Company	Herndon, W. Va.
Harris Manufacturing Company	Johnson City, Tenn.
Hettler, Herman H. Lumber Company	Chicago, Ill.
Holan, James Manufacturing Company	Cleveland, O.
Huntington & Finke Co.	Buffalo, N. Y.
Kerry & Way Lumber & Mfg. Co.	Saginaw, Mich.
Keystone Manufacturing Co.	Elkins, W. Va.
Krouskop, A. H.	Richland Center, Wis.
McMinnville Manufacturing Co.	McMinnville, Tenn.

Meadow River Lumber Co.	Rainelle, W. Va.
Meyers Lumber Co. Inc.	North Tonawanda, N. Y.
Montgomery Bros. & Co.	Buffalo, N. Y.
Morse, George A. Company	Morrisville, Vt.
Morse, L. S.	Jeffersonville, Vt.
Morse, Wm. B. & Sons	Rochester, N. Y.
Mosier & Summers Inc.	Buffalo, N. Y.
Nashville Hardwood Flooring Company	Nashville, Tenn.
Norwood Lumber Company	Forney, N. C.
Palmer, W. G. Inc.	NorthTonawanda, N. Y.
Parker & Stearns	Johnson, Vt.
Parker-Young, The Co.	Lisbon, N. H.
Pierce, W. E. & Co.	Milford, N. H.
Putnam, Calvin Lumber Co.	Danvers, Mass.
[fol. 6620] Prouty & Miller	Newport, Vt.
Ritter, W. M. Lumber Co.	Columbus, O.
Robbins Flooring Company	Rhinelander, Wis.
Sawyer Goodman Company	Marinette, Wis.
Schroeder, John Lumber Company	Milwaukee, Wis.
Segelke & Kohlhaus Mfg. Company	LaCrosse, Wis.
Shepard & Morse Lumber Company	Boston, Mass.
Slaymaker, S. E. & Company	New York City, N. Y.
Studley Box & Lumber Company	Rochester, N. H.
Tennant, G. H. Company	Minneapolis, Minn.
Thomas, J. O. & Sons	Belvidere Center, Vt.
Valley Lumber Company	Orleans, Vt.
Villaume Box & Lumber Company	St. Paul, Minn.
Ward Brothers	Big Rapids, Mich.
Westwood Mfg. Co.	Weston, W. Va.
Wilce Flooring Company	Chicago, Illinois.

[fols. 6621 & 6622] DEFENDANTS' GORDON EXHIBIT No. 2

List of non Member Maple Flooring Manufacturers Secured from Hendricks' Commercial Register of the United States, 1923 (31st Annual Edition)

Published by S. E. Hendricks Co., Inc., 70 Fifth Ave., New York City

Acme Lumber & Shingle Company, 20 West Jackson Bvd., Chicago, Ill.

Babcock Lumber Company, Frick Bldg., Pittsburgh, Pa.

Basic Mfg. Co., Wilmington, Del.

Bliss & Van Auken, Saginaw, Mich.

Bruckman Lumber Company, Preble near Island, N. S. Pittsburgh, Pa.

Bruner, Owen M. (Eagle Grain), 406 Wood Bldg., Philadelphia, Pa.

Carr, Ryder & Adams Co. (Whole Mfg.) Dubuque, Iowa.

Consolidated Fuel & Lumber Co., Negaunee, Mich.
Cream City Sash & Door Co., 601 Park, Milwaukee, Wis.
Curtis & Yale Co. (Whole. Mfgrs.), Wausau, Wis.
Dennis, A. L. Salt & Lumber Co., Grand Rapids, Mich.
Eastman, S. L. Flooring Co., East Saginaw, Mich.
Gordon Vantine Co., Davenport, Iowa.
Grand Rapids Lumber Co., Grand Rapids, Mich.
Gribbon Lumber Co., 975 east 7fh Street, St. Paul, Minn.
Griffith, Webster, Ebensburg, Pa.
Lobdell-Emery Mfg. Co., Onoway, Mich.
Mansfield Lumber Co., Mansfield, Ohio.
Mason-Donaldson Lumber Co., Rhinelander, Wis.
Morgan Co., Oshkosh, Wis.
Nicola Lumber Co., Farmers Bank Bldg., Pittsburgh, Pa.

[fol. 6623]

Serfas Lumber Co., Drake Bldg., Easton, Pa.
Stearns, A. T. Lumber Co., 100 Taylor Street, Boston, Mass.
Stephens, Henry & Co., 815 Farewell, Waters, Mich.
West Virginia Lumber Co., 1st National Bank Bldg., Pittsburgh, Pa.
Williams, W. E. Co., Traverse City, Mich.

[fols. 6624 & 6625] DEFENDANTS' GORDON EXHIBIT No. 3

List of non Member Maple Flooring Manufacturers Secured from Thomas' Register (1922-1923) of American Manufacturers

Published at 461 8th Ave., New York City

Boone Fork Mfg. Co. .....Johnson City, Tenn.
Goodman Lumber Co. .....Goodman, Wis.
Hutton & Bourbonnais Co., Box 330....Hickory, N. C.
Morten Lumber Co., S. W. Arcade Bldg...St. Louis, Mo.
Northern Lumber Co. .....North Tonawanda, N. Y.
Phillips, C. R., & Co. ..... " " " "
Sterner, F. J., Co., Inc. Hudson Terminal
Bldg. .....New York City, N. Y.
Stirling Box & Lumber Company, 3300
No. Broadway .....St. Louis, Mo.

[fols. 6626 & 6627] DEFENDANTS' GORDON EXHIBIT No. 4

Proportions of Total Cut of Maple Lumber in the United States Used by Members of the Maple Flooring Manufacturers Association

1912-1920

Year	Maple lumber production U. S.*** B. m. in millions of feet	Maple flooring production—all members M.F.M.A. B. m. in millions of feet	% of total cut used by members of M.F.M.A.	Increased to include 23% wastage.**
1912	1021.	166.4	16.3	21.2
1913	901.	175.2	19.5	25.3
1914	910.	160.2	17.6	22.8
1915	900.	145.0	16.1	20.9
1916	975.	138.4	14.2	18.4
1917	860.	116.4	13.5	17.5
1918	815.	86.2	10.6	13.7
1919	857.	117.0	13.7	17.8
1920	875.	128.7	14.7	19.1
1921	*	109.0	....	9 year
1922	*	148.3	....	Average = 19.2%

*Data not yet published.

**Previous columned based on flooring production finished product. Average wastage figure increase given amount rough maple lumber used.

***Data from United States Dept. of Agriculture, Forestry Service. "Production Lumber, Laths & Shingles." Bulletins 1912—1237, 506, 673, 768, 845, 14th Census and 1119.

[fols. 6628 & 6629] DEFENDANTS' GORDON EXHIBIT No. 5

Number of Maple Lumber Manufacturing Establishments in the United States*

1912-1920

	1912	1913	1914	1915	1916	1917	1918	1919	1920
United States	8092	5060	5006	4294	4131	3944	3659	4583	4131
New York	1071	1172	**	861	846	786	699	724	857
Pennsylvania	1020	577	**	537	453	427	392	595	454
Michigan	602	402	**	279	271	249	178	255	212
Wisconsin	510	359	**	263	278	264	256	300	264
Ohio	826	499	**	407	359	328	321	445	342
Indiana	668	391	**	290	321	340	269	413	310
Vermont	370	234	**	245	216	206	169	340	197
West Virginia	339	188	**	213	208	193	171	226	186
All other States	2686	1238	**	1199	1179	1151	1204	1285	1309

Average for 9 years, 1912–1920, incl., for the U. S.=4,767.

*Data from U. S. Dept. of Agriculture, Bureau of Forestry, yearly Bulletin on "Production of Lumber, Laths, and Shingles in the United States."

**Data not available by States.

[fols. 6630-6635] DEFENDANTS' GORDON EXHIBIT No. 6

ALL COMMODITY PRICES, ALL BUILDING MATERIALS PRICES, AND LUMBER PRICES
MONTHLY 1913-1923

PERCENT — LOGARITHMIC SCALE

1913 = 100

500
400
300
200
100
50

1913 1914 1915 1916 1917 1918 1919 1920 1921 1922 1923

THE PRODUCT
ALL COMMODITIES
ALL BUILDING MATERIALS
LUMBER

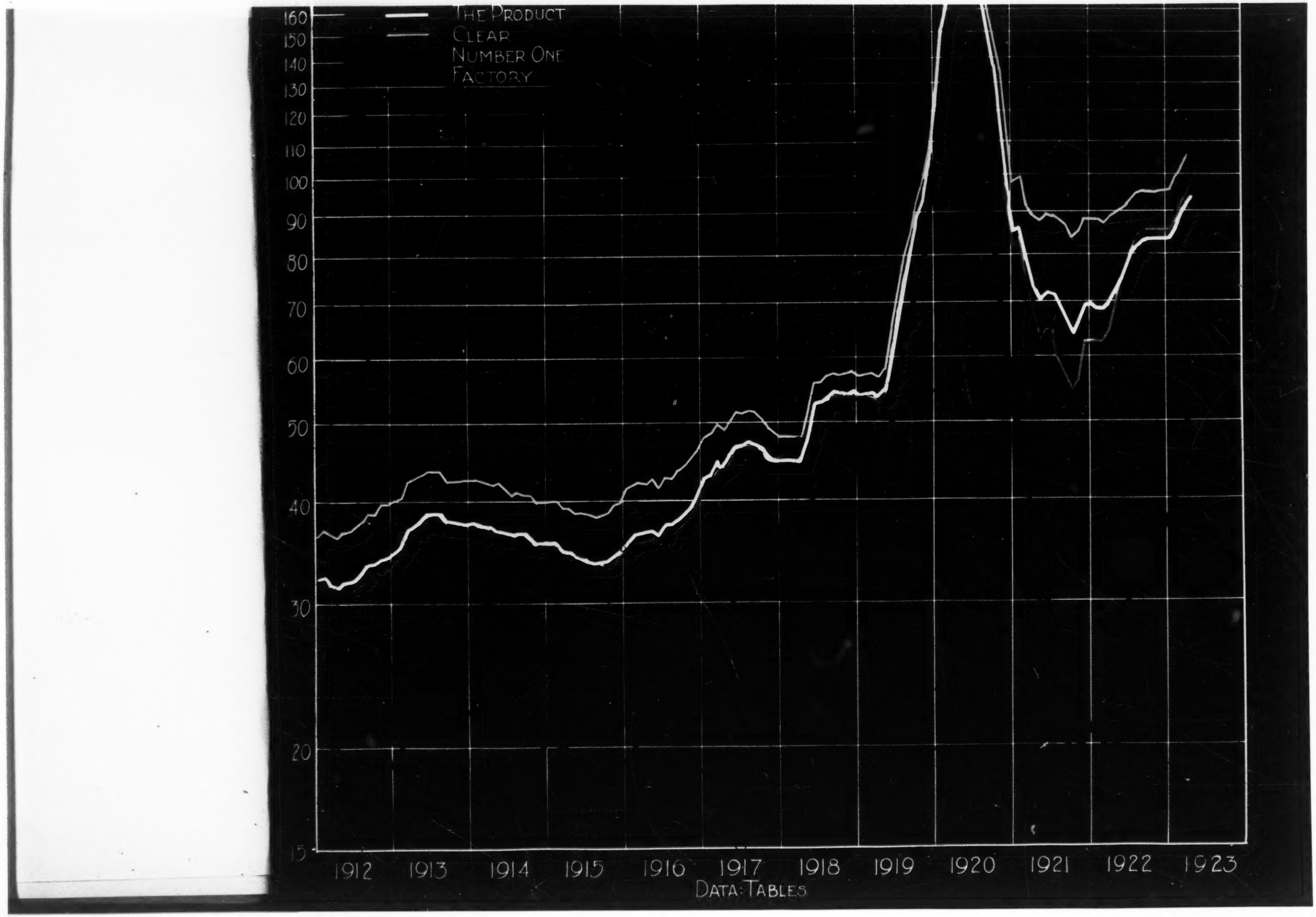
[fols. 6636-6641] DEFENDANTS' GORDON EXHIBIT No. 7

DOLLARS PER M.FT - LOGARITHMIC SCALE

MONTHLY 1912-1923

200
190
180
170
160
150
140
130
120
110
100
90
80
70
60
50
40
30
20

THE PRODUCT
CLEAR
NUMBER ONE
FACTORY


THE PRODUCT
CLEAR
NUMBER ONE
FACTORY
160
150
140
130
120
110
100
90
80
70
60
50
40
30
20
15
1912
1913
1914
1915
1916
1917
1918
1919
1920
1921
1922
1923
DATA: TABLES

[fols. 6642 & 6643] DEFENDANTS' GORDON EXHIBIT No. 8

Commodities Used by the United States Bureau of Labor Statistics in Constructing Its Index Numbers of Wholesale Prices

Commodity

Farm Products—Group I

(a) Grains:

- Barley, malting, Chicago.
- Corn, Chicago—
  - Contract grades.
  - No. 3 mixed.
- Oats, contract grades, Chicago.
- Rye, No. 2, Chicago.
- Wheat—
  - No. 1, northern spring, Chicago.
  - No. 2, red winter, Chicago.
  - No. 2, hard winter, Kansas City.
  - No. 1, northern spring, Minneapolis.
  - No. 1, hard white, Portland, Oreg.

(b) Live stock and poultry:

- Cattle, steers, Chicago.
  - Choice to prime.
  - Good to choice.
- Hogs, Chicago.
  - Heavy.
  - Light.
- Sheep, Chicago.
  - Ewes, native, all grades.
  - Lambs, western, good to choice.
  - Wethers, fed, good to choice.
- Poultry, live fowls—
  - Chicago.
  - New York.

(c) Other farm products:

- Beans, medium, choice, New York.
- Clover seed, contract grades, Chicago.
- Cotton, middling—
  - New Orleans.
  - New York.
- Cotton seed, average price at gin.

Eggs, fresh—
Firsts, western, Boston.
Firsts, Chicago.
Extra firsts, Cincinnati.
Candled, New Orleans.
Firsts, New York.
Extra firsts, western, Philadelphia.
Extra pullets, San Francisco.
Flaxseed, No. 1, Minneapolis.
Hay—
Alfalfa, No. 1, Kansas City.
Clover, mixed, No. 1, Cincinnati.
Timothy, No. 1, Chicago.
Hides and skins—
Calfskins, No. 1, country, Chicago.
Coatskins, Brazilian, New York.
Hides, heavy, country cows, No. 1, Chicago.
Hides, packers, heavy, native steers, Chicago.
Hides, packers, heavy, Texas steers, Chicago.

[fol. 6644] (c) Other farm products—Concluded.

Hops, prime to choice—
New York State, New York.
Pacific Coast, Portland, Oreg.
Milk, fresh—
Chicago.
New York.
San Francisco.
Onions, fresh, yellow, Chicago.
Peanuts, No. 1, Norfolk, Va.
Potatoes—
White, good to choice, Chicago.
Sweet, No. 1, Philadelphia.
Rice, New Orleans—
Blue Rose, head, clean.
Honduras, head, clean.
Tobacco, Burley, good leaf, dark red—
Louisville, Ky.
Wool, Ohio, Boston—
Fine clothing, scoured.
Fine delaine, scoured.
Half blood, scoured.
One-fourth and three eighth grades, scoured.

Foods—Group II

(a) Meats:

Beef, fresh—
Carcass, good native steers, Chicago
Sides, native, New York.

Beef, salt, extra mess, New York.
Hams, smoked, Chicago.
Lamb, dressed, Chicago.
Mutton, dressed, New York.
Pork, fresh—
Loins, Chicago.
Loins, Western, New York.
Pork, cured—
Mess, salt, New York.
Sides, rough, Chicago.
Sides, short, clear, Chicago.
Poultry, dressed—
Hens, heavy, Chicago.
Fowls, 48-56 pounds to dozen, New York.
Veal, dressed, good to prime, New York.

(b) Butter, cheese and milk:

Butter, creamery—
Boston—
Extra.
Firsts.
Seconds.
Chicago—
Extra.
Extra firsts.
Firsts.
Cincinnati—
Extra.
Centralized firsts.
Centralized seconds.
New Orleans—
Fancy.
Choice.
New York—
Extra.
Firsts.
Seconds.

[fol. 6645] (b) Butter, cheese, and milk—Concluded.

Butter, creamery—Concluded.

Philadelphia—
Extra.
Extra firsts.
Firsts.
St. Louis—
Extra.
San Francisco—
Extra.
Prime firsts.

Cheese, whole milk—
American twins, Chicago.
State, fresh flats, colored, average, New York.
California flats, fancy, San Francisco.
Milk, fresh. (See Farm products.)
Milk, condensed, 14-ounce tins, New York.
Milk, evaporated, 16-ounce tins, New York.

(c) Other foods:

Beans, medium, choice. (See Farm products.)
Bread—
Chicago.
Cincinnati.
New Orleans.
New York.
San Francisco.
Cocoa, beans, Arriba, New York.
Coffee, Rio, No. 7, New York.
Copra, South Sea, sun dried, New York.
Eggs, fresh. (See Farm products.)
Fish—
Cod, large, shore, pickled, cured, Gloucester, Mass.
Herring, large, split, New York.
Mackerel, salt, large, 3s, Boston.
Salmon, canned, Alaska, red, factory.
Flour, rye, white, Minneapolis.
Flour, wheat—
Winter patents, Kansas City.
Winter straights, Kansas City.
Standard patents, Minneapolis.
Second patents, Minneapolis.
Patents, Portland, Oreg.
Patents, soft, winter, St. Louis.
Straights, soft, winter, St. Louis.
Patents, Toledo.
Fruit, dried, New York—
Apples, evaporated, State, choice.
Currants, uncleaned, barrels.
Prunes, California, 60-70s.
Raisins, coast, seeded, bulk.
Fruit, fresh—
Apples, Baldwins, Chicago.
Bananas, Jamaica, 9s, New York.
Lemons, California (300-360 count), Chicago.
Oranges, California, choice, Chicago.
Glucose, 42° mixing, New York.
Hominy grits, bulk, car lots, f. o. b. mill.
Lard, prime contract, New York.
Meal, corn—
White, f. o. b. Decatur, Ill.
Yellow, Philadelphia.

[fol. 6646] (c) Other foods—Concluded.

Molasses, New Orleans, fancy, New York.
Oatmeal, car lots, in barrels (180 pounds), New York.
Oleomargarine, standard, uncolored, Chicago.
Oleo oil, extra, Chicago.
Pepper, black, Singapore, New York.
Rice. (See Farm products.)
Salt, American, medium, Chicago.
Sugar, New York—
Granulated, in barrels.
Raw, 96° centrifugal.
Tallow, edible, Chicago.
Tea, Forosa, fine, New York.
Vegetables, canned—
Corn, Maryland-Maine style, New York.
Peas, State and western, No. 5, New York.
Tomatoes, New Jersey, standard, No. 3, New York.
Vegetables, fresh. (See Farm products.)
Coconut, crude, Pacific Coast.
Corn, crude, in barrels, New York.
Cottonseed, prime, summer, yellow, New York.
Olive, edible, in barrels, New York.
Peanut, crude, f. o. b. mill.
Soya bean, crude, in barrels, New York.
Vinegar, cider, 40 grain, in barrels, New York.

Clothes & Clothing—Group III

(a) Boots and shoes, factory:

Children's—
Little boys', gun metal, blucher.
Child's, gun metal, polish, high cut.
Misses', black, vici, polish, high cut.
Youths', gun metal, blucher.
Men's—
Black, calf, blucher.
Black, calf, Goodyear welt, bal.
Black, dress, Goodyear welt, side leather.
Gun metal, Goodyear welt, blucher.
Mahogany, chrome, side, Goodyear welt, bal.
Tan, dress, Goodyear welt, Calf.
Tan, dress, Goodyear welt, side leather.
Tan, grain, blucher.
Vici kid, black, Goodyear welt.
Women's—
Black, kid, Goodyear welt, 8½-inch lace.
Kid, Goodyear welt, 9-inch lace.
Kid, McKay sewed, 8½-inch lace.
Patent leather pump McKay sewed.

(b) Cotton goods:

Denims, Mass., 2.20 yards to the pound, New York.
Drillings, brown, New York.
Massachusetts D standard, 30-inch.
Pepperell, 29-inch, 2.85 yards to the pound.
Flannels, New York—
Colored, 2.75 yards to the pound.
Unbleached, 3.80 yards to the pound.
Ginghams—
Amoskeag, 27-inch, 6.37 yards to the pound, New York.
Lancaster, 26½-inch, 6.50 yards to the pound, Boston.
Hosiery—
Men's half hose, combed yarn, New York.
Women's, cotton, silk mercerized, mock seam, New York.
Women's, combed yarn, 16-ounce, New York.

[fol. 6647] (b) Cotton goods—Concluded.

Muslin, bleached, 4/4—
Fruit of the Loom, New York.
Lonsdale, factory.
Rough Rider, New York.
Wamsutta, factory.
Print cloth, 27-inch, 7.60 yards to the pound, Boston.
Sheeting, brown, 4/4—
Indian Head, 2.85 yards to the pound, Boston.
Pepperell, 3.75 yards to the pound, New York.
Ware Shoals, 4 yards to the pound, New York.
Thread, 6-cord, J. & P. Coats, New York.
Underwear—
Men's shirts and drawers, New York.
Women's union suits, combed yarn, New York.
Yarn, Boston—
Carded, white mulespun, northern, 10/1 cones.
Carded, white, mulespun, northern, 22/1 cones.
Twisted, ordinary, weaving, 20/2.
Twisted, ordinary, weaving, 40/2.

(c) Woolen goods:

Flannel, white 4/4, Ballard Vale, No. 3, factory.
Overcoating, soft-faced, black, Boston.
Suitings—
Cay worsted, diagonal, 12-ounce, factory.
Clay worsted, diagonal, 16-ounce, factory.
Middlesex, wool-dyed, blue, 16-ounce, New York.
Serge, 11-ounce, factory.

Trousering, cotton warp, 11-11½-ounce, New York.
Underwear—
Merino, shirts and drawers, factory.
Men's union suits, 33 per cent worsted, New York.
Women's dress goods—
Broadcloth, 9½-ounce, 54-56-inch, New York.
French serge, 35-inch, factory.
Poplar cloth, cotton warp, factory.
Sicilian cloth, cotton warp, 50-inch, New York.
Storm serge, double warp, 50-inch, factory.
Yarn—
Crossbred stock, 2/32s, Boston.
Half blood, 2/40s, Philadelphia.
Fine domestic, 2/50s, Philadelphia.

(d) Silk, etc.:

Linen shoe thread, 10s, Barbour, New York.
Silk, raw—
China, Canton filature, extra extra A, New York.
Japan, Kansai, No. 1, New York.
Japan, special extra extra, New York.
Silk yarn, New York.
Domestic, gray spun, 60/1.
Domestic, gray spun, 60/2, No. 1.

Fuel & Lighting—Group IV

(a) Anthracite coal, New York, tidewater.

Broken.
Chestnut.
Egg.
Stove.

(b) Bituminous coal:

Mine run, Chicago.
Prepared sizes, Chicago.
Screenings, Chicago.

[fol. 6648] (b) Bituminous coal—Concluded.

Mine run, Kanawha, Cincinnati.
Mine run, smokeless, New River, Cincinnati.
Prepared sizes, Pittsburgh.
Indiana, No. 4 mine run, f. o. b. Indianapolis.

(c) Other fuel and lighting:

Coke, Connellsville, furnace, at ovens.
Gasoline, motor, New York.

Matches, average of several brands, New York.
Crude petroleum, at wells—
California, 20°.
Kansas-Oklahoma.
Pennsylvania.
Refined petroleum, New York
Standard white, 110° fire test.
Water white, 150° test.

Metal & Metal Products—Group V

(a) Iron and steel:

Iron ore, lower lake ports—
Mesaba, Bessemer, 55 per cent.
Non-Bessemer, 51½ per cent.
Pig iron—
Basic, valley furnace.
Bessemer, Pittsburgh.
Foundry, No. 2, northern, Pittsburgh.
Foundry, No. 2, Birmingham, Ala.
Ferromanganese, seaboard.
Spiegeleisen, 18 and 22 per cent, furnace.
Bar iron.
Best refined, Philadelphia.
Common, f. o. b. Pittsburgh.
Bars, reinforcing, Pittsburgh.
Nails, wire, Pittsburgh.
Pipe, cast-iron, 6-inch, New York.
Skelp grooved, Pittsburgh.
Steel billets, Pittsburgh.
Bessemer.
Open hearth.
Steel merchants bars, Pittsburgh.
Steel plates, tank, Pittsburgh.
Steel rails, Pittsburgh—
Bessemer, standard.
Open hearth, standard.
Steel sheets, black, f. o. b. Pittsburgh.
Steel, structural shapes, Pittsburgh.
Terneplate, 8 pounds I. C., Pittsburgh.
Tin plate, domestic, coke, Pittsburgh.
Wire—
Barbed, galvanized, Chicago.
Plain, fence, annealed, Pittsburgh.

(b) Nonferrous metals:

Aluminum, New York.
Copper, ingot, electrolytic, refinery.
Copper, sheet, New York.

Copper wire, bare, mill.
Lead pig, New York.
Lead pipe, New York.
Quicksilver, New York.
Silver, bar, fine, New York.
Tin, pig, New York.
Zinc, sheet, factory.
Zinc, slab, New York.

Building Materials—Group VI

(a) Lumber:

Douglas fir, mill—
No. 1 common, boards.
No. 2 and better, drop siding.

[fol. 6649] (a) Lumber—Concluded.

Gum, sap, firsts and seconds, St. Louis.
Hemlock, northern, No. 1, Chicago.
Maple, hard, No. 1 common 4/4, Chicago.
Oak, white, plain, No. 1 common, 4/4, Cincinnati.
Pine, white, No. 2 barn, Buffalo, N. Y.
Pine, yellow, southern, mill—
Floorings, B. and better.
Timbers, square edge and sound.
Poplar, No. 1 common, 4/4, Cincinnati.
Spruce, eastern, random, Boston.
Lath, yellow pine, No. 1, f. o. b. mill.
Shingles—
Cypress, 16 inches long, mill.
Red cedar, 16 inches long, mill.

(b) Brick, common buildings, simple average of 82 yard prices.

(c) Structural steel. (See Metals and metal products.)

(d) Other building materials:

Cement, Portland, f. o. b. plant, simple average of 6 plant prices.
Crushed stone, 1½ inch, New York.
Gravel, f. o. b. pit, average of 22 plant prices.
Hollow tile, building, Chicago.
Lime, common, lump, f. o. b. plant, average of 15 plant prices.
Sand, building, f. o. b. pit, average of 26 plant prices.
Slate, roofing, f. o. b. quarry.
Glass, plate—
3 to 5 square feet, New York.
5 to 10 square feet, New York.

Glass, window, American, f. o. b. works.
Single, A.
Single, B.
Linseed oil, raw, New York.
Putty, commercial, New York.
Rosin, common to good, (B), New York.
Turpentine, southern, barrels, New York.
White lead, American, in oil, New York.
Zinc oxide (white zinc), New York.
Pipe, cast-iron. (See Metals and Metal Products.)
Copper, sheet. (See Metals and Metal Products.)
Copper wire. (See Metals and Metal Products.)
Lead pipe. (See Metals and Metal Products.)
Nails. (See Metals and Metal Products.)
Reinforcing bars. (See Metals and Metal Products.)
Roofing tin (terneplate). (See Metals and Metal Products.)
Zinc, Sheet. (See Metals and Metal Products.)

Chemicals & Drugs—Group VII

(a) Chemicals:

Acids, New York—
Acetic, 28 per cent.
Muriatic, 20°.
Nitric, 42°.
Stearic, triple pressed.
Sulphuric, 66°.
Alcohol, New York—
Denatured, No. 5, 188 proof.
Wood, refined, 95 per cent.
Alum, lump, New York.
Ammonia, anhydrous, New York.
Bleaching powder, New York.
Borax, crystals and granulated, New York.
Copper sulphate, 99 per cent, crystals, New York.
Copra, South Sea, sun dried, New York.
Formaldehyde, New York.
Oil, vegetable—
Coconut, crude, Pacific coast.
Corn, crude, in barrels, New York.

[fol. 6650] (a) Chemicals—Concluded.

Palm kernel, crude, New York.
Soya bean, crude, in barrels, New York.
Potash, caustic, 88-92 per cent, New York.
Sal Soda, New York.
Soda Ash, 58 Per cent, light, New York.
Soda, bicarbonate, American, f. o. b. works.

Soda, caustic, 76 per cent. solid, New York.
Soda, silicate of, 40°, New York.
Sulphur, crude, New York.
Tallow, inedible, packers' prime, Chicago.

(b) Fertilizer materials.

Acid phosphate, 16 per cent basis, bulk, New York.
Ammonia, sulphate, double bags, New York.
Ground bone, steamed, Chicago.
Muriate of potash, 80-85 per cent, H. C. L. bags, New York.
Phosphate rock, 68 per cent, f. o. b. mines.
Soda nitrate, 95 per cent, New York.
Tankage, 9 and 20 per cent, crushed, f. o. b. Chicago.

(c) Drugs and pharmaceuticals:

Acid, citric, domestic, crystals, New York.
Acid, tartaric, crystals, U. S. P., New York.
Alcohol, grain, 190 proof, U. S. P., New York.
Cream of tartar, pow-ered, New York.
Epsom salts, U. S. P., in barrels, New York.
Glycerine, refined, New York.
Opium, natural, U. S. P., New York.
Peroxide of hydrogen, 4-ounce bottles, New York.
Phenol, U. S. P. (carbolic acid), New York.
Quinine, sulphate, manufacturers' quotations, New York.

House Furnishing Goods—Group VIII

(a) Furniture:

Bedroom—
Bed, combination, factory.
Chair, all gum, cane seat, factory.
Chifforette, combination, factory.
Dresser, combination, factory.
Rocker, quartered oak, Chicago.
Set, 3 pieces, Chicago.
Dining room—
Buffet, combination, factory.
Chair, all gum, leather slip seat, factory.
Table, extension, combination, factory.
Living room—
Davenport, standard pattern, factory.
Table, library, combination, factory.
Kitchen—
Chair, hardwood, Chicago.
Refrigerator, lift top type, factory.
Table, with drawer, Chicago.

(b) Furnishings:

Blankets—
Cotton, colored, 2 pounds to the pair, New York.
Wool, 4 to 5 pounds to the pair, factory.
Carpets, factory—
Axminster, Bigelow.
Brussels, Bigelow.
Wilton, Bigelow.
Cutlery—
Carvers, 8-inch, factory.
Knives and forks, factory.

[fol. 6651] (b) Furnishings—Concluded.

Pails, galvanized iron, 10-quart, factory.
Sheeting, bleached, 10/4—
Pepperell, New York.
Wamsutta, factory.
Tableware—
Glass nappies, 4-inch, factory.
Glass pitchers, one-half gallon, factory.
Glass tumblers, one-third pint, factory.
Plates, white granite, 7-inch, factory.
Tea cups and saucers, white granite, factory.
Ticking, Amoskeag, A. C. A., 2.85 yards to pound, New York.
Tubs, galvanized iron, No. 3, factory.

Miscellaneous—Group IX

(a) Cattle feed:

Bran, Minneapolis.
Cottonseed meal, prime, New York.
Linseed meal, New York.
Mill-feed middlings, standard, Minneapolis.

(b) Leather:

Calf, chrome, B grade, Boston.
Glazed kid, black, top grade, Boston.
Harness, California oak, No. 1, Chicago.
Side, black, chrome, B grade, Boston.
Sole, Boston—
Hemlock, middle, No. 1.
Oak, scoured backs, heavy.
Union, middle weight.

(c) Paper and pulp:

Paper—
Newsprint, rolls, f. o. b. mill.
Wrapping, manila, No. 1, jute, New York.
Woodpulp, sulphite, domestic, unbleached, New York.

(d) Other miscellaneous:

Hemp, manila, fair current shipment, New York
Jute, raw, medium grades, New York.
Lubricating oil, paraffin, 903 gravity, New York.
Rope, pure manila, best grade, New York.
Rubber, Para, island, fine, New York.
Sisal, Mexican, current shipment, New York.
Soap—
Laundry, Cincinnati.
Laundry, Philadelphia.
Starch, laundry, bulk, New York.
Tobacco—
Plug, New York.
Smoking, 1-ounce bags, New York.

[fols. 6652-6657] DEFENDANTS' GORDON EXHIBIT No. 9

COMPARISON OF VALUE AND VOLUME OF NEW BUILDING CONTRACTS AWARDED IN THE U.S.
MONTHLY 1913-1923

PER CENT LOGARITHMIC SCALE

1913 = 100

600
500
400
300
200
100
90
80
70
60
50
40

VALUE OF NEW BUILDING CONTRACTS AWARDED IN THE U.S.
(F.W. DODGE'S FIGURES FOR DOLLAR VALUE)

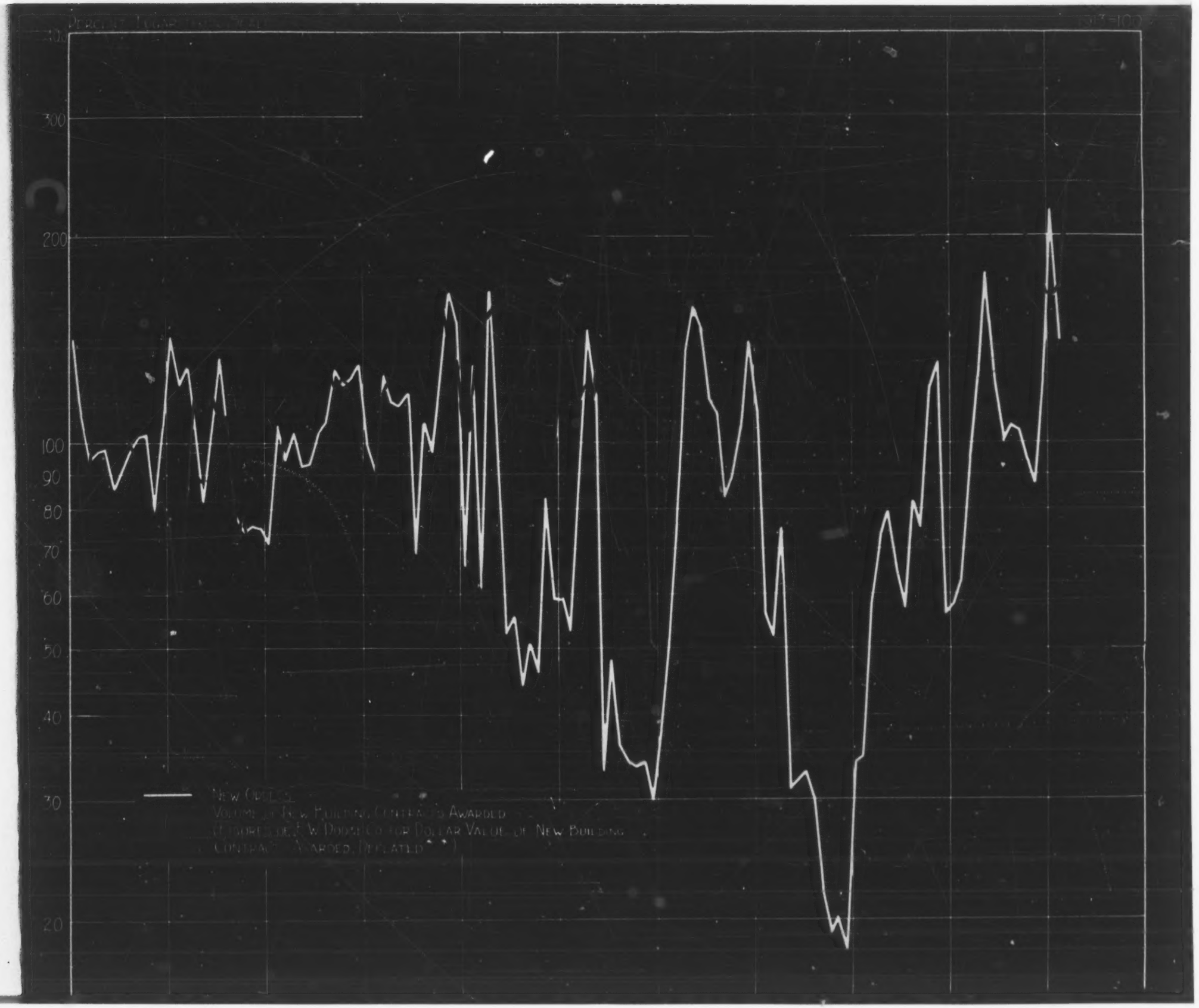
VOLUME OF NEW BUILDING CONTRACTS AWARDED IN THE U.S.
(VALUE FIGURES DEFLATED BY COST INDEX)

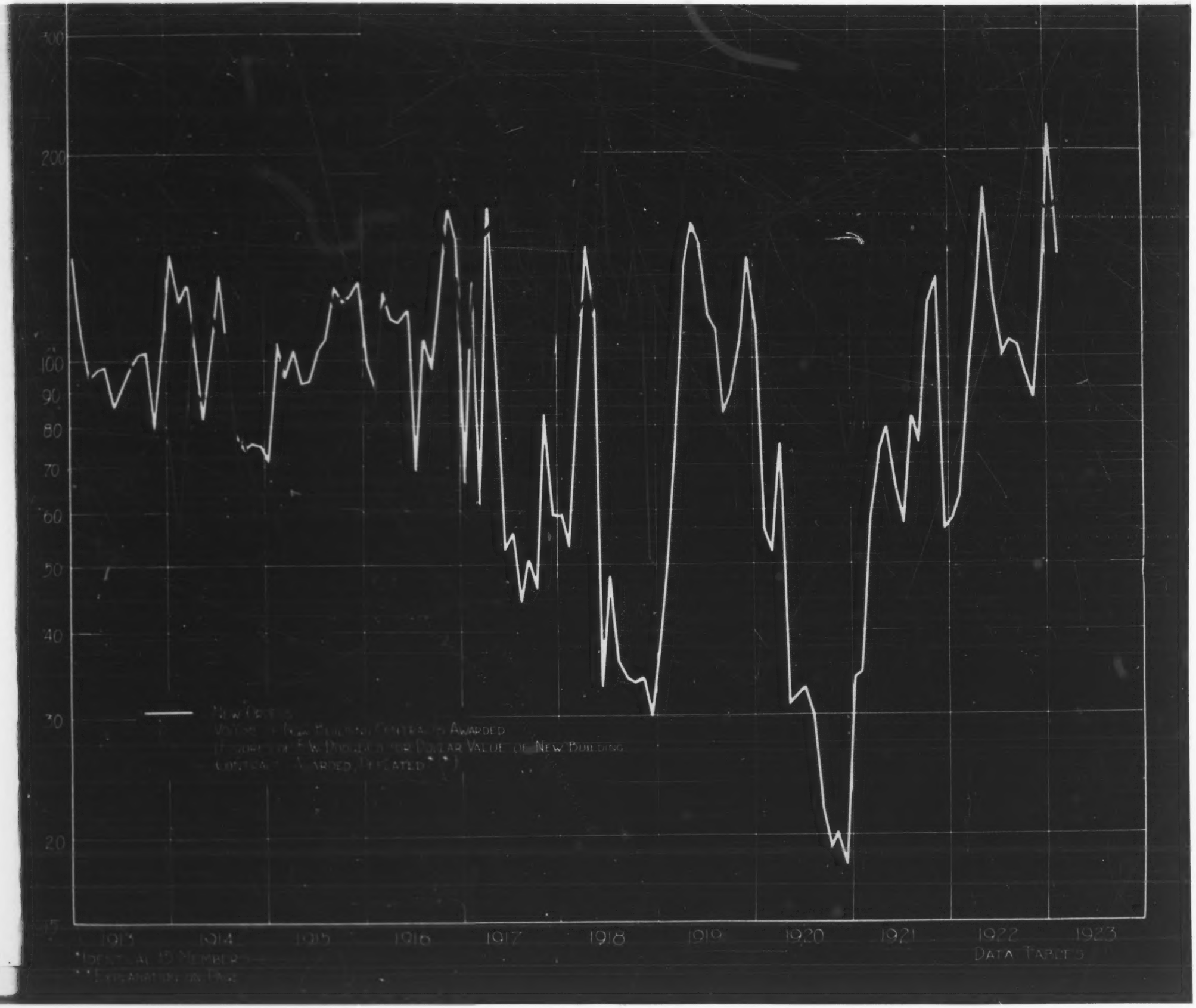
1913 1914 1915 1916 17 1920 1921 1922 1923

EXPLANATION OF DEFLATION ON PAGE

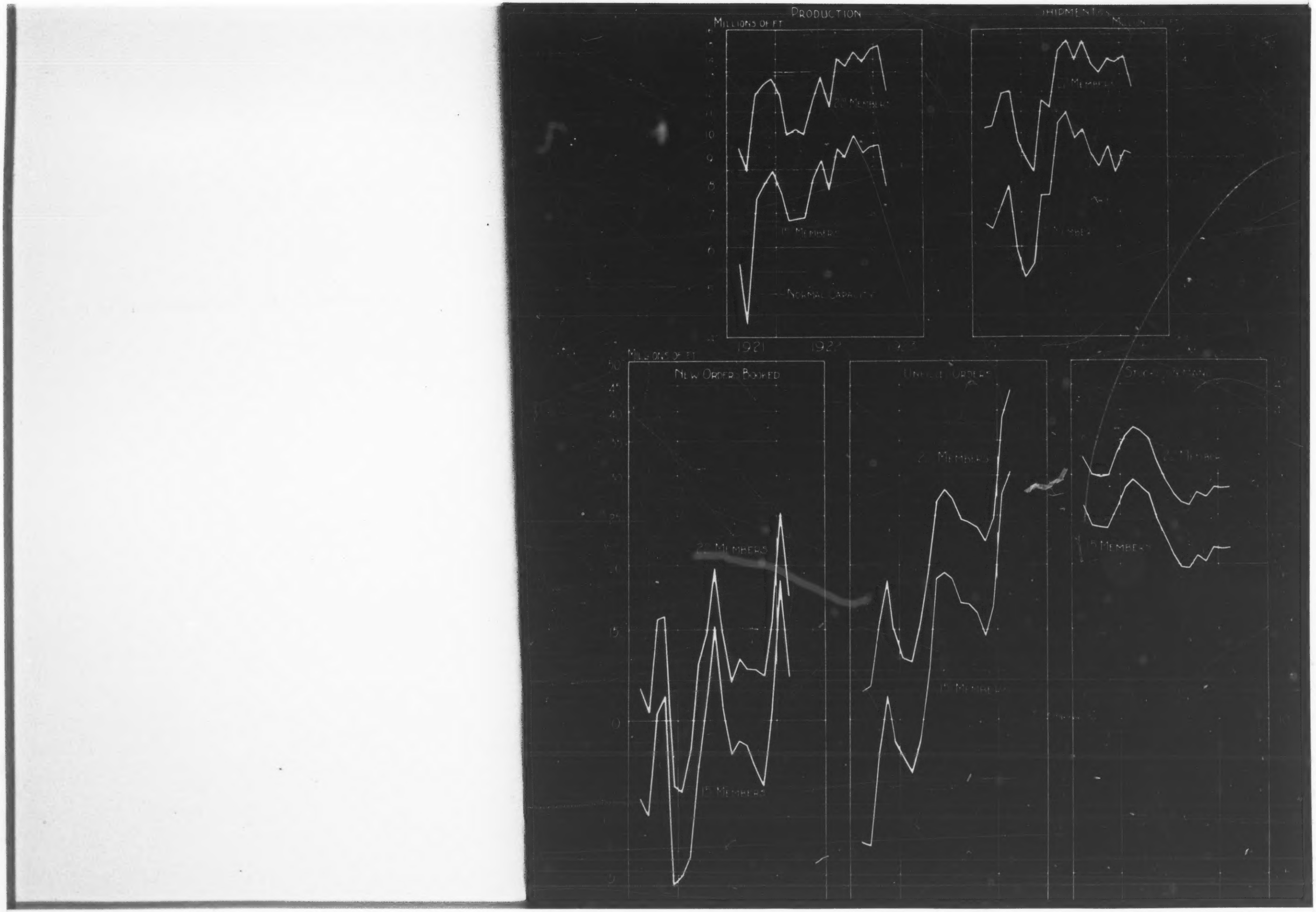
DATA TABLES

[fols. 6658-6661] DEFENDANTS' GORDON EXHIBIT No. 10


300
200
100
90
80
70
60
50
40
30
20
New Orders
Volume of New Building Contracts Awarded
(Figures of F. W. Dodge Co. for Dollar Value of New Building Contracts Awarded, Deflated)

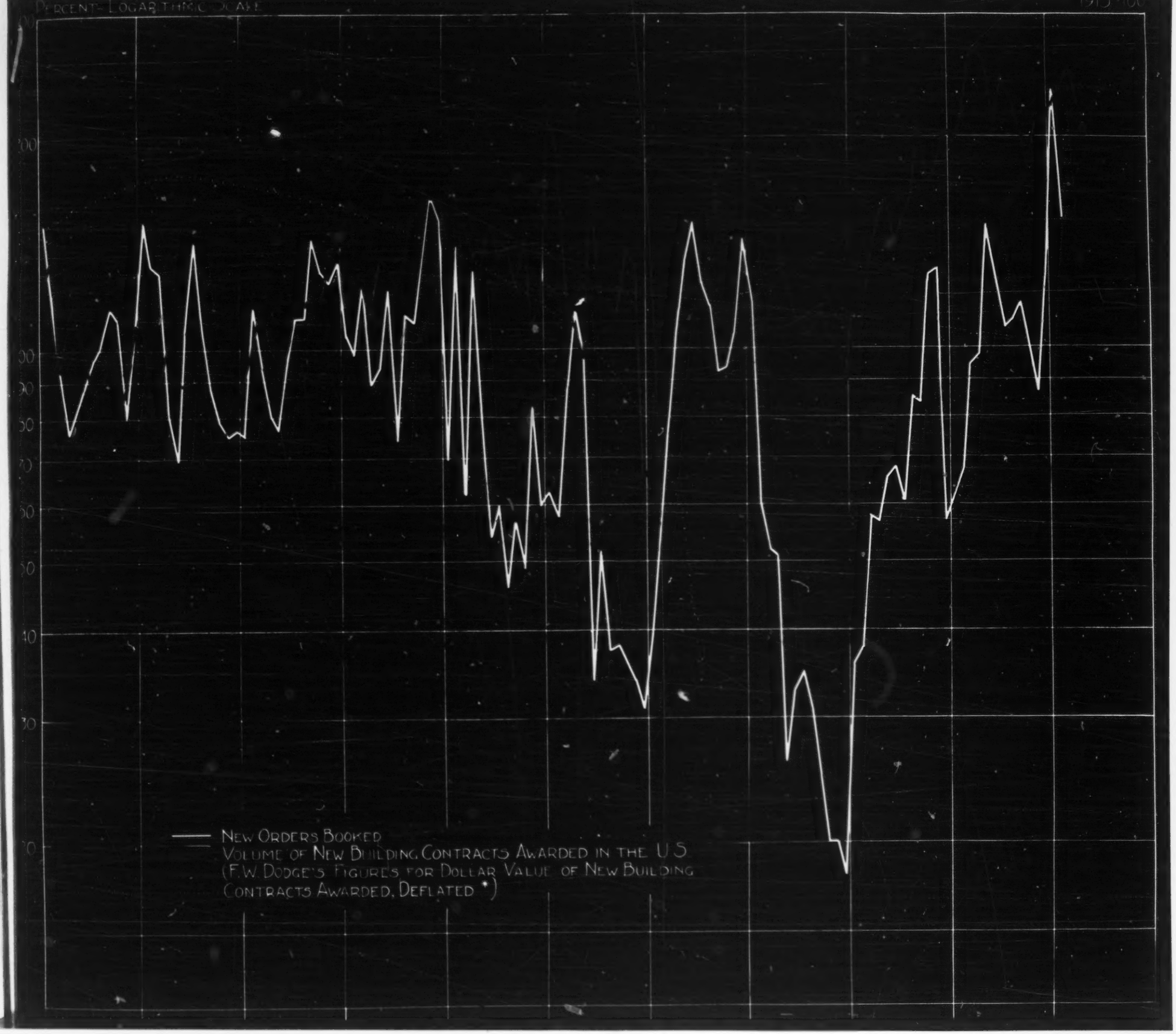

300
200
100
90
80
70
60
50
40
30
20
15
1913
1914
1915
1916
1917
1918
1919
1920
1921
1922
1923
DATA TABLE 5

[fols. 6662-6665] DEFENDANTS' GORDON EXHIBIT No. 11

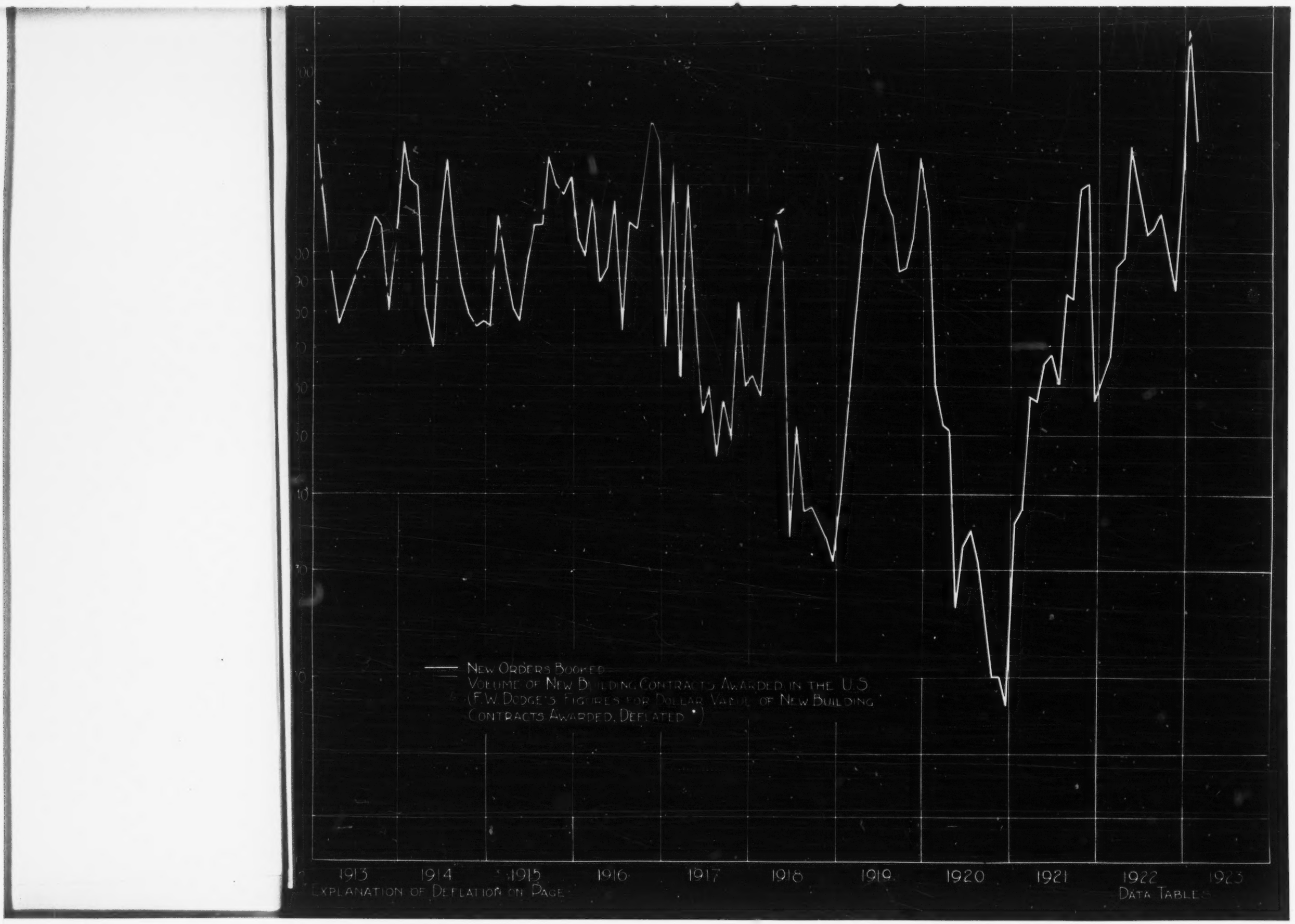

PRODUCTION
MILLIONS OF FT
2 MEMBERS
1 MEMBERS
NORMAL CAPACITY
1921
1922
SHIPMENTS
NEW ORDERS BOOKED
2 MEMBERS
15 MEMBERS
UNFILLED ORDERS
2 MEMBERS
15 MEMBERS
STOCKS
2 MEMBERS
5 MEMBERS

[fols. 6666-6669] DEFENDANTS' GORDON EXHIBIT No. 12

PERCENT - LOGARITHMIC SCALE



— NEW ORDERS BOOKED
— VOLUME OF NEW BUILDING CONTRACTS AWARDED IN THE U.S.
(F.W. DODGE'S FIGURES FOR DOLLAR VALUE OF NEW BUILDING CONTRACTS AWARDED, DEFLATED *)



* Explanation of Deflation on Page
Data Tables

[fols. 6670-6671] DEFENDANTS' GORDON EXHIBIT No. 13

Seasonal Variation Indices Computations

New Orders Booked

	Actual monthly totals	Each month expressed as a % of average monthly totals	Adjusted final index
Jan.	79,146	94.2	94
Feb.	77,471	92.2	92
March	84,081	100.0	100
Apr.	107,147	127.7	128
May	99,798	118.9	119
June	82,961	98.6	97
July	78,451	93.3	93
Aug.	80,255	95.5	96
Sept.	74,736	89.0	89
Oct.	78,661	93.6	94
Nov.	84,252	100.3	100
Dec.	82,073	97.6	98
12	1 909,032	1,200.9	1,200
Average Monthly Totals	84,086	100.07	100

Production

	Actual monthly totals	Each month expressed as a % of average monthly totals	Adjusted final index
Jan.	78,850	95.7	96
Feb.	75,159	91.4	91
March	84,518	102.4	102
Apr.	81,433	98.8	99
May	81,422	98.7	99
June	85,646	104.0	104
July	79,600	96.6	97
Aug.	86,327	104.9	105
Sept.	82,228	99.8	100
Oct.	91,080	110.4	110
Nov.	81,954	99.4	99
Dec.	81,162	98.5	98
12	989,379	1,200.6	1,200
Average Monthly Totals	82,448	100.05	100

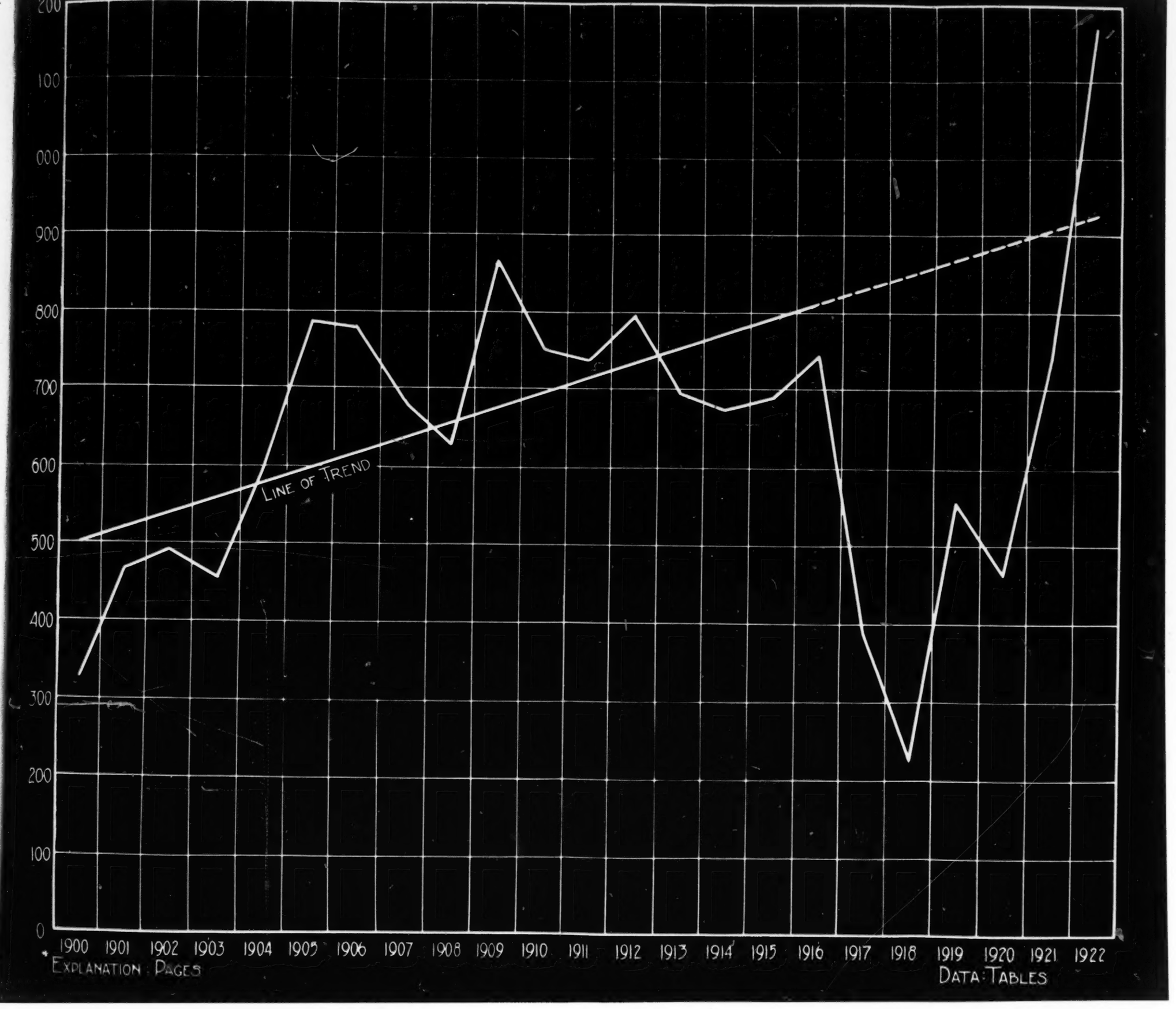
[fols. 6672 & 6673] DEFENDANT'S GORDON EXHIBIT No. 14

MILLIONS OF DOLLARS - ARITHMETICAL SCALE

LINE OF TREND

1000
900
800
700
600
500
400
300
200
100
0

1903 1904 1905 1906 1907 1908 1909 1910


200
100
000
900
800
700
600
500
400
300
200
100
0
LINE OF TREND
1900 1901 1902 1903 1904 1905 1906 1907 1908 1909 1910 1911 1912 1913 1914 1915 1916 1917 1918 1919 1920 1921 1922
* EXPLANATION: PAGES
DATA: TABLES

[fol. 6674] DEFENDANTS' GORDON EXHIBIT No. 14½

[Omitted in printing]

[fol. 6675] DEFENDANTS' GORDON EXHIBIT No. 14¾

List of Cities Included in Compilation of "Value of Building Permits Granted in 50 Cities in United States"

1900–1922

1. Atlanta.
2. Baltimore.
3. Boston.
4. Buffalo.
5. Cambridge.
6. Chicago.
7. Cincinnati.
8. Cleveland.
9. Columbus.
10. Dayton.
11. Denver.
12. Detroit.
13. Fall River.
14. Grand Rapids.
15. Hartford.
16. Indianapolis.
17. Jersey City.
18. Kansas City, Kansas.
19. Kansas City, Mo.
20. Los Angeles.
21. Louisville.
22. Lowell.
23. Memphis.
24. Milwaukee.
25. Minneapolis.
26. Nashville.
27. Newark.
28. New Bedford.
29. New Haven.
30. New Orleans.
31. New York.
32. Oakland.
33. Omaha.
34. Philadelphia.
35. Pittsburgh.
36. Portland.
37. Providence.
38. Reading.
39. Richmond.
40. Rochester.
41. St. Joseph.
42. St. Louis.
43. St. Paul.
44. San Francisco.
45. Scranton.
46. Seattle.
47. Syracuse.
48. Toledo.
49. Washington.
50. Worcester.

[fol. 6676] DEFENDANTS' GORDON EXHIBIT No. 14-A

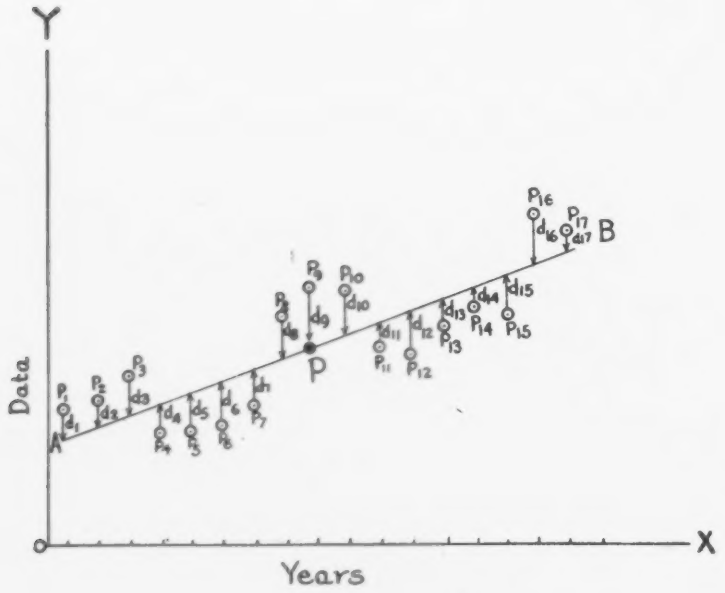
Method Used to Compute the Line of Secular Trend on Chart—Exhibit #14—for Building Permits Granted

The method of measuring this trend in new building was that of fitting a straight line to the data such that it was the line which "best fitted" the data. The secular trend line was computed by the

method of least squares (or method of moments).* This computation rests upon the principle that there is but one position for a straight line such that the sum of the squares of the distances (parallel to the y axis) from the data to this straight line are a minimum.

This statement may be understood better by reference to the figures below.

Let the points p_1, p_2.... p_{17} be located by the data (in our case, the volume of Building Permits Granted) and d_1, d_2, ... d_{17}, be the distances (parallel to the y axis) from the points to any straight line AB. Through the point P, the coördinates of which are the arithmetic averages of the abscissas (years) and ordinates [fol. 6677] (Permits). Then $d_1 + d_2 + \ldots + d_{17} = \pm o$ for any position of AB. But there is only one position of AB for which $d_1^2 + d_2^2 + \ldots + d_{17}^2 =$ a minimum. The straight line satisfying that condition "fits" the data according to the criterion of least squares (or method of moments).



* For the technique of least squares see Weld: "Theory of Errors or Least Squares"; for the method of moments, Elderton: "Frequency Curves and Correlation'," Yule: "Theory of Statistics," for practical application to economic data and simple explanation of curve fitting, Harvard Committee on Economic Research: "Review of Economic Statistics," January, 1919, pp. 8-18 (especially p. 12), and George R. Davies: "Introduction to Economic Statistics."

In order to compute this line, the following formulæ are used:

$$\text{the midpoint} = b = \frac{Sy}{n}$$

$$\text{the annual increment} = m = \frac{Sxy}{Sx^2}$$

where y represents the annual items, n the number of items and x the time in years measured from the origin (the middle year 1908 in this case). S is a summation sign, meaning "the sum of such terms as ...."

This example will be made clearer if we take the volume of Build- [fol. 6678] ing Permits Granted in fifty cities in the United States from 1900 to 1916 and actually work it out.

In the case of this series (see work sheet):

The sum off the annual totals 1900-1916 = Sy = 11,157.
The number of annual totals 1900-1916 = n = 17

$$\text{and } b = \frac{Sy}{n} = \frac{11{,}157}{17} = 656.3$$

(b is the ordinate of secular trend in the middle of the period, that is, 1908, and is nothing but the average of the series.)

The sum of xy = Sxy = (+26,030) + (—18,086 = 79944 and $Sx^2 = (-8)^2 + (-7)^2 + (+7)^2 + (+8)^2 = 408$ and $m = \frac{Sxy}{Sx^2}$

$$= \frac{7{,}944}{408} = 19.47$$

(m is the uniform increment each year)

We therefore know the ordinate of the line of secular trend for 1908 and may secure the others by merely adding the annual increment for each year forward and subtracting for each year in recession.

Add eight times increment (8×19.47) to secure the ordinate for 1916.

$$656.3 + 153.76 = 812.06$$

Subtract eight times increment to secure the ordinate for 1900.

$$656.3 - 155.76 = 500.54$$

Likewise all other points on the line may be computed.

The above formulæ were for annual data. If monthly data are used the formulæ become

$$\frac{6}{12} = \frac{Sy}{12n}$$

and

$$\frac{M}{144} - \frac{Sxy}{144Sx^2}$$

[fol. 6679] Thus, the ordinates of the line of trend of New Building Permits Granted in fifty cities were computed and the line projected through the later years from 1917 to 1923. The line represents what the volume of new building would ordinarily or normally have been. The distance between the ordinate of the line of trend and the ordinate of the actual series of building permits then represents the under or over construction of building in any year. The area between the line of trend and the actual data represents a rough approximation of the cumulative shortage.

[fol. 6680] Secular Trend Computations for Building Permits, 50 Cities, Deflated

1900-1916

Year	Y	X	XY	X^2
1900	327	— 8	— 2616	64
1901	466	— 7	— 3262	49
1902	490	— 6	— 2940	36
1903	457	— 5	— 2285	25
1904	597	— 4	— 2388	16
1905	765	— 3	— 2355	9
1906	779	— 2	— 1558	4
1907	682	— 1	— 682	1
			18086	
1908	628	0		
1909	864	+ 1	864	1
1910	751	+ 2	1502	4
1911	739	+ 3	2217	9
1912	794	+ 4	3176	16
1913	693	+ 5	3465	25
1914	672	+ 6	4032	36
1915	690	+ 7	4830	49
1916	743	+ 8	5944	64
	11157		+ 26030	408
			— 18086	
			+ 7944	

$$\frac{11157}{17} = 656.3 = \text{midpoint } 1908$$

$$\frac{+\ 7944}{408} = 19.47 = \text{Annual Increment}$$

[fol. 6681] DEFENDANTS' GORDON EXHIBIT No. 15

[fol. 6682] Commodities which Had a Higher Relative Price Peak Than Did "The Product"*

Commodity	Peak price (1913=100)	Year
Fertilizing materials, muriate of potash 80-85%	1013	1916
Potash caustic 88-92%	2425	1917
Hops, Pacific Coast	426	1920
Potatoes, white	424	1920
Cotton Flannel, colored—2¾ yds. to the lb	438	1920
Cotton Flannel, unbleached 3.8 yds. to the lb	428	1920
Cotton Muslin, fruit of the loom	403	1920
Cotton Muslin, Bleached: 4.4 Wamsutta <O> XX	427	1920
Woolen goods, underwear, union suits, 33% worsted	470	1920
Coke, Connellsville, furnace, Av. p. per short ton	443	1920
California crude petroleum	441	1920
Iron & steel augers—regular 1 inch	405	1920
Iron & steel butts, loose pin wrought steel, 3½ X 3½ in.	566	1920
Common Mortise Locks	397	1920
Lumber gum sap. First and second	397	1920
Bleaching powder	418	1920
Formaldehyde	550	1920
Soda, ash, light	566	1920
Quinine, manufacturing quotations	394	1920
House furnishings, tickings, Amoskeag, A. C. A	398	1920
Shoes, Leather glazed kid, top grades, from Brazilian skins	429	1920
The "Product" of members of the M. F. M. A.	397	1920

*Commodity Price Relatives taken from United States Bureau of Labor Statistics "Wholesale Price Bulletins." 1913=100.

[fols. 6683-6684]

DEFENDANTS' GORDON EXHIBIT No. 16

63—920

Some Wholesale Commodities Whose Prices Have Had a Higher Average Level Than the Level of Maple Flooring Prices During the Period 1913-1922, Inclusive*

[fol. 6685] Commodity	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	Total	Average
Maple Flooring "The Product":												
Clear = 50% No. 1 = 35% Factory = 15% 100%	100.0	98.0	92.0	100.0	121.0	134.0	186.0	397.0	193.0	204.0	1,625.0	162.50
Farm Products												
Grains:												
Corn: Cash, contract grades	100.0	111.2	116.7	132.0	261.9	256.8	255.4	226.2	92.8	99.6	1,652.6	165.26
Corn: Cash, No. 3, mixed	100.0	110.9	117.3	131.9	263.2	247.4	256.7	226.9	91.8	99.7	1,645.8	164.58
Rye: No. 2, cash	100.0	120.6	171.6	174.9	294.1	304.9	241.1	294.4	190.6	138.8	2,031.0	203.10
Wheat: Cash, Chicago No. 1 northern spring	100.0	114.0	147.2	155.1	254.2	244.8	280.7	284.9	160.5	140.4	1,881.8	188.18
Wheat: Cash, Chicago, No. 2 red winter	100.0	101.9	132.5	136.9	231.0	224.0	239.0	255.8	145.5	125.5	1,692.1	169.21
Wheat: Cash, Kansas City, No. 2 hard winter	100.0	107.1	147.2	151.6	261.8	246.3	275.8	280.0	151.2	138.3	1,859.3	185.93
Wheat: Cash, Minneapolis, No. 1 northern spring	100.0	114.8	149.5	161.5	266.1	250.8	293.8	292.9	167.8	154.0	1,951.2	195.12
Wheat: Cash, Portland, Oregon, No. 1 hard white	100.0	108.6	120.2	126.5	221.6	232.5	258.1	277.1	136.3	146.2	1,727.1	172.71

*Price relatives taken from Wholesale Price Bulletins, Department of Labor.

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Some Wholesale Commodities, etc.—*Continued*

Commodity	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	Total	Average
Other Farm Products:												
Beans: Medium, choice	100.0	101.1	145.7	211.8	345.5	303.5	202.0	186.2	129.6	190.9	1,916.3	191.63
Cotton seed	100.0	93.6	112.8	190.3	267.6	303.7	300.9	237.4	101.8	160.8	1,868.9	186.89
[fol. 6686] Flaxseed: No. 1, Minneapolis market	100.0	113.1	133.0	165.2	229.3	292.1	336.0	281.1	137.0	183.6	1,970.4	197.04
Potatoes: White, good to choice	100.0	112.8	74.0	180.8	313.0	158.3	232.3	424.2	174.8	165.3	1,935.5	193.55
Potatoes: Sweet, Jersey, No. 1	100.0	99.8	148.3	121.3	239.5	265.7	341.3	282.5	228.6	184.9	2,011.9	201.19
Tobacco: Burley, dark red good leaf	100.0	111.0	104.4	115.4	168.9	277.0	245.0	258.9	221.9	208.3	1,810.8	181.08
Wool: Ohio, scoured fleece, fine clothing	100.0	98.3	112.9	131.7	238.2	292.3	279.9	271.1	128.2	197.5	1,850.1	185.01
Wool: Ohio, scoured fleece, fine delaine	100.0	105.2	125.9	150.5	279.1	342.2	343.0	345.2	168.6	225.2	2,184.9	218.49
Wool: Ohio, scoured fleece, half-blood	100.0	108.2	131.3	158.4	277.2	351.2	337.4	312.4	153.0	209.0	2,138.1	213.81
Wool: Ohio, scoured fleece, medium (¼ and ⅜ grades)	100.0	93.4	121.3	144.3	243.1	300.7	248.4	203.0	106.0	163.6	1,723.8	172.38
Foods												
Other Foods:												
Bread: Loaf, before baking, New Orleans	100.0	103.6	129.2	130.5	184.6	212.1	227.2	264.6	218.0	199.7	1,769.5	176.95
Crackers: Oyster	100.0	100.0	109.7	111.5	175.7	228.2	234.5	269.2	212.8	184.6	1,726.2	172.62
Crackers: Soda	100.0	100.0	109.7	111.5	175.7	228.2	234.5	269.2	212.8	184.6	1,726.2	172.62
[fol. 6687] Flour: Rye, Minneapolis	100.0	112.7	166.9	183.4	310.5	323.3	269.0	326.7	229.0	170.1	2,191.6	219.16
Flour: Wheat, winter, straights, Kansas City	100.0	107.2	145.9	158.3	274.3	267.8	278.0	301.0	182.8	159.3	1,974.6	197.46
Flour: Wheat, second patents, Minneapolis	100.0	111.7	147.1	160.3	254.0	229.3	271.0	277.4	180.3	157.4	1,888.5	188.85

Flour: Wheat, patents, Portland, Oregon	100.0	108.4	120.7	126.5	220.9	221.7	241.6	276.0	184.1	172.8	1,772.7	177.27
Flour: Wheat, second patents, St. Louis	100.0	96.5	130.9	140.3	238.0	242.4	236.1	258.8	155.5	134.4	1,732.9	173.29
Fruits: Dried, Currants: In barrels	100.0	98.2	112.0	180.0	298.0	308.2	291.4	241.4	200.4	189.3	2,018.9	201.89
Meal: Corn, white table, Philadelphia	100.0	110.2	121.1	144.6	277.9	325.4	259.1	264.3	140.3	124.0	1,866.9	186.69
Vegetables: Canned, corn, No. 2, standard	100.0	114.3	123.2	134.0	254.5	280.0	215.5	174.9	138.0	143.3	1,677.7	167.77
Vegetable oil: Corn, crude	100.0	101.6	103.8	158.2	239.2	297.0	288.1	246.8	139.0	166.2	1,839.9	183.99
Vegetable oil: Cottonseed, summer yellow, prime	100.0	91.4	93.9	146.8	211.7	277.4	331.9	211.7	109.1	138.8	1,712.7	171.27
Vegetable oil: Soya bean, crude	100.0	102.9	102.1	145.6	232.2	298.7	272.6	247.6	129.7	178.1	1,809.5	180.95
Vinegar: Cider, series No. 2	100.0	116.1	101.5	116.4	154.5	290.5	277.1	291.2	206.1	247.1	1,900.5	190.05
[fol. 6688] Cloths and Clothing												
Boots and Shoes:												
Children's: Gun metal, button	100.0	104.9	105.8	130.1	185.8	195.4	255.5	288.5	213.5	181.7	1,761.2	176.12
Misses: Black vici, button	100.0	100.0	105.6	138.9	182.7	197.9	265.9	302.1	219.8	173.2	1,786.1	178.61
Men's: Black calf, Goodyear welt, blucher	100.0	102.0	104.5	119.3	152.6	180.8	244.3	287.6	224.9	209.0	1,725.0	172.50
Men's: Gun metal, Goodyear welt, blucher	100.0	108.5	115.1	136.8	174.4	207.4	300.9	340.4	253.0	233.8	1,967.3	196.73
Men's: Gun metal, Goodyear welt, bal	100.0	105.3	110.2	129.3	161.5	178.9	256.4	286.2	229.5	216.0	1,773.3	177.33
Men's: Vici kid, black, Goodyear welt	100.0	104.1	108.3	122.2	176.7	189.8	252.8	290.8	223.1	203.5	1,771.3	177.13
Women's: Goodyear welt, kid, lace	100.0	104.6	108.0	127.0	160.9	193.3	270.3	309.8	239.8	204.9	1,818.6	181.86
Women's: McKay sewed, kid, lace	100.0	105.0	111.5	140.7	195.9	223.6	303.2	359.6	267.1	224.9	2,031.5	203.15
Women's: Patent leather pump, McKay sewed	100.0	106.1	109.1	138.8	200.0	213.6	296.7	353.9	291.5	261.8	2,071.5	207.15

Some Wholesale Commodities, etc.—*Continued*

Commodity	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	Total	Average
Cotton Goods:												
Calico: American standard prints	100.0	96.5	95.3	124.5	183.6	316.2	208.2	281.2	173.0	169.5	1,838.0	183.80
Denims: Massachusetts	100.0	98.8	115.9	177.6	232.4	286.4	273.8	358.0	138.5	157.9	1,939.3	193.93
[fol. 6689] Flannel: Colored, 2¾ yards to the pound	100.0	100.4	81.4	117.7	179.2	317.2	284.4	436.9	183.2	168.1	1,968.5	196.85
Flannel: Unbleached, 3.80 yards to the pound	100.0	97.9	86.0	108.2	169.4	327.3	296.5	428.1	204.6	183.7	2,001.7	200.17
Ginghams: Lancaster	100.0	96.6	96.1	120.4	184.9	286.6	286.1	352.7	198.2	219.9	1,941.5	194.15
Hosiery: Men's, combed yarn, fast black, 188 needles	100.0	98.7	102.0	128.7	190.6	236.7	261.8	334.1	205.7	205.1	1,863.4	186.34
Hosiery: Women's, seamless, single-thread, 16-ounce, 220 needles, combed	100.0	98.6	101.5	133.0	188.1	218.3	243.6	323.9	185.7	178.0	1,770.7	177.07
Muslin: Bleached, 4-4, Fruit of the Loom	100.0	106.3	89.9	110.3	169.5	269.5	316.6	402.7	194.0	200.0	1,958.8	195.88
Muslin: Bleached, 4-4, Lonsdale	100.0	102.8	90.0	110.6	172.4	284.4	301.0	365.3	184.2	183.7	1,894.4	189.44
Muslin: Bleached, 4-4, Rough Rider	100.0	99.5	87.9	113.3	187.5	281.1	306.4	333.7	168.8	176.7	1,854.9	185.49
Muslin: Bleached, 4-4, Wamsutta O XX	100.0	100.0	89.6	112.2	175.7	270.1	319.5	426.7	256.1	245.5	2,095.4	209.54
Print cloths: 27-inch	100.0	88.1	83.5	121.5	192.2	327.5	287.0	363.8	148.7	189.9	1,902.2	190.22
Sheetings: Brown, 4-4, Indian Head	100.0	94.8	80.9	104.7	171.6	279.3	275.1	342.5	156.1	153.0	1,758.0	175.80
Sheetings: Brown, 4/4, Pepperell R	100.0	93.5	82.7	113.1	185.1	274.6	262.6	297.3	155.8	170.4	1,735.1	173.51
[fol. 6690] Sheetings: Brown, 4-4, Ware Shoals L. L.	100.0	91.2	84.0	117.6	192.7	317.3	273.5	343.5	142.2	168.4	1,830.4	183.04
Underwear: Men's shirts and drawers	100.0	100.0	98.5	108.5	157.1	306.6	269.7	318.1	181.1	176.5	1,816.1	181.61
Yarns: Carded, white, mule-spun, northern, cones, 10/1	100.0	88.9	78.0	119.6	179.4	270.5	244.3	282.2	131.2	163.0	1,654.1	165.41

Yarns: Carded, white, mule-spun, northern, cones, 22/1.	100.0	88.0	80.0	120.0	181.2	267.5	240.8	283.8	133.6	160.5	1,655.4	165.54
Yarns: Carded, twisted, ordinary for weaving, 20/2.....	100.0	88.7	77.5	124.3	180.6	298.7	267.0	309.5	117.7	156.8	1,720.8	172.08
Yarns: Carded, twisted, ordidinary for weaving, 40/2....	100.0	97.5	88.0	140.9	186.4	234.9	240.3	370.9	109.9	143.3	1,712.1	171.21
Woolen Goods:												
Suiting: Clay worsted, diagonal, 12-ounce	100.0	91.7	103.8	138.5	201.7	282.1	208.3	324.9	176.6	172.0	1,799.6	179.96
Suiting: Clay worsted, diagonal, 16-ounce	100.0	92.8	107.1	144.4	226.1	308.4	227.9	361.5	192.2	196.5	1,956.9	195.69
Suiting: Middlesex, wool-dyed, blue, 16-ounce, 55-56 inch....	100.0	94.4	101.2	127.8	204.4	261.5	259.5	270.5	189.8	200.7	1,809.8	180.98
Suiting: Serge, 11-ounce Fulton Mills, 3192	100.0	95.4	105.6	133.8	201.0	300.0	264.4	325.1	196.8	200.9	1,923.3	192.33
Underwear: Union suits, 33 per cent worsted	100.0	100.0	100.0	110.7	163.8	239.6	239.6	470.8	274.6	284.4	2,083.5	208.35
[fol. 6691] Women's dress goods: Broadcloth, 54-56 in.	100.0	95.3	107.6	136.2	190.8	232.2	262.4	279.6	176.5	150.2	1,730.8	173.08
Women's dress goods: All wool, French serge, 35-36 inches..	100.0	92.5	95.3	129.2	216.3	271.8	273.3	328.1	219.9	200.9	1,927.3	192.73
Women's dress goods: All wool, Storm serge, double warp, 50-inch	100.0	88.9	99.1	135.4	193.4	260.4	234.2	238.3	156.7	149.0	1,655.4	165.54
Women's dress goods: Cotton warp, poplar cloth, worsted filling, 36-inch	100.0	100.00	101.7	108.8	184.2	234.2	221.9	282.9	189.5	173.3	1,693.5	169.35
Worsted yarns: 2-50a, fine domestic	100.0	93.1	107.1	147.0	223.3	341.5	344.6	378.1	196.4	220.1	2,151.2	215.12
Silk, etc.:												
Silk: Spun, yarn, domestic, gray spun, 60/1, No. 1.....	100.0	110.4	102.9	132.0	190.1	232.7	262.1	265.1	144.0	149.2	1,688.5	168.85

Some Wholesale Commodities, etc.—*Continued*

Commodity	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	Total	Average
Fuel and Lighting												
Bituminous Coal:												
New River: F. O. B. Cincinnati	100.0	99.5	101.6	127.1	215.2	169.9	188.3	260.6	228.5	236.5	1,727.2	172.72
Other Fuel and Lighting:												
Coke: Connellsville furnace...	100.0	74.1	73.2	133.0	338.2	245.9	194.2	443.4	149.0	292.5	2,043.5	204.35
Petroleum: Crude, California..	100.0	110.7	101.8	176.7	256.4	336.7	360.9	440.9	401.5	262.9	2,548.5	254.85
Petroleum: Crude, Kansas-Oklahoma	100.0	85.5	62.4	134.7	190.0	235.2	243.9	364.3	185.3	192.2	1,793.5	179.35
[fol. 6692] Metals and Metal Products:												
Iron and Steel:												
Augers: Regular 1-inch.....	100.0	100.0	100.0	124.3	165.2	267.4	307.9	404.6	370.3	348.9	2,288.6	228.86
Butts: Loose-pin, wrought steel, 3½ by 3½ inch.....	100.0	100.0	133.3	229.2	390.5	444.4	474.1	566.1	415.5	375.0	3,228.1	322.81
Chisels: Socket firmer, regular, 1-inch	100.0	100.0	100.9	130.9	164.4	195.1	210.2	259.1	234.8	206.3	1,701.7	170.17
Hammers: Maydole, No. 1½....	100.0	100.0	100.0	129.5	179.0	210.4	229.2	266.4	262.0	232.9	1,809.4	180.94
Locks: Common mortise.....	100.0	100.0	106.9	175.0	267.3	304.2	310.4	397.2	302.7	276.4	2,340.1	234.01
Pig iron: Basic	100.0	87.5	93.4	134.4	264.5	221.1	188.3	287.4	147.3	165.0	1,688.9	168.89
Pig iron: Foundry, No. 2, northern, Pittsburg	100.0	86.9	92.9	131.6	258.6	215.3	189.4	280.5	156.8	168.8	1,680.8	168.08
Pig Iron: Foundry, No. 2, southern, Birmingham	100.0	97.3	91.3	134.2	299.9	283.1	243.8	348.0	189.8	168.6	1,946.0	194.60
Pig iron: Foundry, No. 2, southern, Cincinnati	100.0	89.9	91.1	125.3	260.4	245.1	215.9	298.7	178.5	161.0	1,765.9	176.59
Ferromanganese	100.0	87.5	172.6	397.5	561.4	476.1	243.8	331.5	136.4	122.9	2,639.7	263.97
Spiegeleisen, 18 and 22 per cent	100.0	100.0	104.8	200.1	299.0	314.9	168.1	280.5	125.0	135.0	1,827.4	182.74
Bar iron: Best refined, from store, Philadelphia	100.0	83.3	90.6	170.3	241.7	251.0	199.0	251.6	154.2	135.9	1,677.6	167.76

Bar iron: From mill, Pittsburg,												
[fol. 6693] common	100.0	77.0	78.8	156.4	246.1	232.7	204.8	266.7	158.8	137.6	1,658.9	165.89
Pipe: Cast-iron, 6-inch.....	100.0	89.4	98.2	135.3	236.9	259.7	246.0	316.8	233.3	220.1	1,935.7	193.57
Planes: Jack planes, Sargent												
No. 414	100.0	100.0	100.0	120.0	152.1	186.7	229.0	294.7	239.3	198.7	1,720.5	172.05
Steel: Plates, tank, one-fourth												
inch thick	100.0	78.4	85.8	218.9	376.4	218.9	183.1	221.6	130.4	116.9	1,730.4	173.04
Steel: Sheets, box annealed,												
No. 27	100.0	85.4	85.8	135.2	297.3	225.6	200.0	243.8	160.3	145.7	1,679.1	167.91
Wire: Fence, plain, annealed,												
Nos. 6 to 9, F. O. B. Pittsburg.	100.0	90.8	97.1	159.8	228.1	214.9	205.9	222.0	185.2	152.7	1,656.5	165.65
Nonferrous Metals:												
Quicksilver	100.0	117.8	209.4	323.0	287.0	318.8	214.4	189.6	106.3	139.2	2,005.5	200.55
Zinc: Sheet	100.0	95.5	223.0	259.3	249.7	196.5	135.8	156.5	130.5	102.5	1,649.3	164.93
Building Materials												
Lumber:												
Gum: Sap, first and seconds,												
St. Louis	100.0	91.1	89.7	109.9	146.5	174.1	246.4	397.3	214.8	223.0	1,792.8	179.28
Maple: Hard and soft, New												
York and Chicago	100.0	100.4	100.4	105.8	129.6	156.7	179.0	374.7	262.3	175.7	1,684.6	168.46
Brick, Common:												
Red: Domestic, New York....	100.0	84.3	92.2	122.4	135.4	181.7	243.2	333.0	234.7	265.0	1,788.9	178.89
[fol. 6694] Other Building Materials:												
Glass: Window, American,												
single, 25-inch, 6 by 8 to 10 by												
15 inches A	100.0	100.0	112.1	138.5	181.3	278.0	288.2	303.5	259.9	177.2	1,938.7	193.87

Some Wholesale Commodities, etc.—*Continued*

Commodity	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	Total	Average
Other Building Materials—*Cont.:*												
Glass: Window, American, single, B, 25-inch by 8 to 10 by 15 inches	100.	97.6	109.1	112.3	149.7	256.2	280.4	295.2	252.8	158.6	1,811.9	181.19
Paint materials: Linseed oil, raw, New York	100.0	108.6	121.6	162.5	239.5	345.6	382.8	315.7	151.5	183.8	2,111.6	211.16
Paint materials: Turpentine, spirits of	100.0	110.6	107.4	114.7	114.0	138.9	282.8	405.3	159.2	268.2	1,801.1	180.11
Chemicals and Drugs												
Chemicals:												
Acid: Acetic, 28 per cent	100.0	80.4	125.3	309.3	267.5	290.7	155.2	174.7	131.4	135.6	1,770.1	177.01
Alcohol: Wood, refined, 95 per cent	100.0	94.1	95.8	140.2	218.6	212.1	206.2	534.5	167.4	133.1	1,962.0	196.20
Alum: Lump, New York	100.0	113.1	170.3	233.1	240.6	262.9	234.9	256.0	218.3	195.4	2,024.6	202.46
Bleaching powder: New York	100.0	100.0	200.0	520.0	216.8	250.4	164.8	418.2	192.6	156.2	2,319.0	231.90
Formaldehyde: New York	100.0	100.0	103.9	129.7	177.4	206.8	268.6	549.5	160.3	118.9	1,915.1	191.51
Potash: Caustic, 88-92 per cent, New York	100.0	213.3	844.1	2,323.5	2,424.6	2,141.0	1,115.5	757.9	186.3	164.9	1,0271.1	1,027.11
Soda: Carbonate of (sal soda), New York	100.0	100.0	100.0	174.3	186.1	228.5	239.4	289.4	293.4	205.5	1,916.6	191.66
[fol. 6695] Soda: Soda ash, light, 58 per cent, New York	100.0	98.6	118.9	523.2	524.3	458.4	344.7	565.8	406.6	336.8	3,477.3	347.73
Soda: Bicarbonate of, American	100.0	100.0	103.0	158.0	213.0	297.0	253.0	254.0	215.0	182.0	1,875.0	187.50
Soda: Caustic, 76 and 68 per cent solid, New York	100.0	97.9	214.4	331.5	436.3	305.5	211.6	361.6	261.6	247.9	2,568.3	256.83
Soda: Silicate of, 40°, New York	100.0	101.3	130.8	164.7	266.0	349.0	291.4	192.9	171.6	127.2	1,894.9	189.49

Fertilizer Materials:												
Acid: Phosphate, 16 per cent basis, New York	100.	93.9	107.0	154.5	182.6	231.5	223.2	255.8	167.8	115.5	1,631.8	163.18
Potash: Muriate of, 80 to 85 per cent, K. C. L. Bags, New York	100.0	102.3	515.5	1,012.8	1,000.9	789.0	415.0	304.6	130.2	88.1	4,458.4	445.84
Drugs and Pharmaceuticals:												
Acid: Tartaric, crystals, U. S. P., New York	100.0	107.4	142.7	205.8	247.6	268.7	270.0	233.5	122.5	100.8	1,799.0	179.90
Cream of Tartar: Powdered, New York	100.0	113.9	135.1	169.5	198.5	266.7	243.5	230.4	141.6	112.0	1,711.2	171.12
Epsom salts: U. S. P., New York	100.0	140.9	292.4	250.8	327.7	318.2	254.7	304.9	231.1	232.4	2,453.1	245.31
Glycerine: Refined, New York	100.0	109.0	150.2	257.7	340.1	303.4	100.1	129.6	82.6	84.2	1,626.9	162.69
Opium: Natural, in cases, New York	100.0	122.2	134.5	188.4	425.2	405.8	187.2	120.0	98.5	101.7	1,883.5	188.35
[fol. 6696] Phenol: U. S. P. (carbolic acid), New York	100.0	180.7	1,129.6	720.0	400.0	427.4	101.7	105.6	89.3	160.3	3,414.6	341.46
Quinine: Manufacturers' quotations, New York	100.0	124.1	149.5	311.2	326.4	383.6	377.4	394.1	316.2	246.9	2,729.4	272.94
House Furnishing Goods												
Furniture:												
Bedroom: Chairs, quartered oak rocker, Chicago	100.0	100.0	100.0	115.2	145.5	181.1	212.3	320.1	248.2	217.2	1,739.6	173.96
Bedroom: Sets, iron bedstead, quartered oak dresser and plain oak washstand, Chicago	100.0	97.0	97.0	119.5	140.4	194.0	241.0	358.8	217.9	193.3	1,758.9	175.89
Dining Room: Chair, all gum, leather slip seat, factory	100.0	100.0	100.0	101.7	125.0	159.2	217.8	340.0	240.0	211.7	1,695.4	169.54
Kitchen: Chairs, hardwood, bow back, Chicago	100.0	100.0	100.0	109.9	137.5	183.1	215.1	360.0	258.7	231.5	1,795.8	179.58

Some Wholesale Commodities, etc.—*Continued*

Commodity	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	Total	Average
Furniture—*Continued:*												
Kitchen: Tables, hardwood base, 24 by 24 inches, Chicago	100.0	100.0	100.0	107.5	132.8	192.5	260.1	368.7	295.7	260.3	1,917.6	191.76
Furnishings:												
Blankets: Cotton, 2 pounds to the pair, New York	100.0	105.8	88.8	121.4	204.0	313.0	280.1	336.4	211.2	209.5	1,970.2	197.02
Blankets: Woolen, 4 to 5 pounds to the pair, factory	100.0	96.8	109.5	131.0	191.9	250.0	238.1	249.1	174.4	152.4	1,666.2	166.62
[fol. 6697] Carpets: Axminster, Bigelow, three-quarter	100.0	97.8	100.7	127.5	152.2	192.4	223.3	293.9	244.3	216.8	1,748.9	174.89
Carpets: Brussels, 5-frame, Bigelow	100.0	98.1	100.3	119.5	142.3	202.9	263.7	330.6	274.9	214.2	1,846.5	184.65
Table cutlery: Knives and forks, cocobolo handles, factory	100.0	101.1	100.0	119.6	175.4	214.5	231.4	256.3	243.5	240.1	1,751.9	175.19
Pails: Galvanized iron, factory	100.0	100.5	129.2	179.4	232.1	323.8	246.6	292.9	165.7	139.2	1,909.4	190.94
Sheeting: Bleached, 10-4, Pepperell, New York	100.0	105.9	96.9	124.5	160.2	250.9	242.8	303.3	180.5	186.2	1,751.2	175.12
Sheeting: Bleached, 10.4, Wamsutta, S. T., factory	100.0	105.7	93.5	117.3	178.5	254.3	282.3	374.5	279.8	277.4	2,063.3	206.33
Glassware: Nappies, 4-inch, factory	100.0	109.1	122.7	146.6	188.6	227.3	250.0	285.8	286.4	238.6	1,955.1	195.51
Glassware: Tumblers, 1/3-pint, common, factory	100.0	100.0	91.7	104.2	183.3	264.8	272.9	266.7	214.9	172.9	1,768.4	176.84
Tickings: Amoskeag, A. C. A., 2.85 yards to the pound, New York	100.0	98.7	87.9	120.7	225.0	302.0	260.0	398.0	154.3	189.4	1,936.0	193.60
Tubs: Galvanized iron, No. 3, factory	100.0	104.7	133.8	193.6	257.9	374.1	268.6	325.3	182.5	149.3	2,089.8	208.98

[fol. 6698] Miscellaneous

Leather:												
Calf: Chrome, B grade, Boston	100.0	103.9	105.7	166.9	214.7	224.8	359.6	365.5	193.2	164.1	1,995.4	199.54
Glazed: Kid, top grades, from Brazilian skins, Boston	100.0	103.8	107.7	198.4	274.6	264.6	405.4	428.5	277.1	281.2	2,441.3	244.13
Paper and Pulp:												
Paper: Wrapping, Manila, No. 1 jute, New York	100.0	100.2	100.2	162.5	207.8	214.8	244.9	301.4	181.4	183.1	1,794.3	179.43
Other Miscellaneous:												
Lubricating oil: Paraffin, New York	100.0	105.8	102.9	140.8	150.9	239.5	214.6	304.7	198.1	161.4	1,718.7	171.87
Sisal: Mexican, current shipment, New York	100.0	117.8	136.8	208.6	408.8	442.3	290.7	182.4	140.7	149.5	2,147.6	214.76

[fols. 6699 & 6700] DEFENDANTS' GRANT KEEHN EXHIBIT No. 17

DOLLARS PER M FT — LOGARITHMIC SCALE

300
200
100
90
80
70
60
50
40
30
20
10
9
8
7
6
5
4
3
2
1

— THE PRODUCT- MAPLE FLOORING
50% CLEAR, 35% No. 1, AND 15% FACTORY $\frac{13}{16} \times 2\frac{1}{4}$
F.O.B. MILLS

OAK FLOORING
AVERAGE OF CLEAR PLAIN WHITE AND RED, SELECT PLAIN WHITE AND RED, AND No. 1 COMMON $\frac{13}{16}" \times 2\frac{1}{4}"$
CINCINNATI MARKET MARCH 1919 - DEC. 1920
F.O.B. MILLS MAY 1920 - MAY 1923

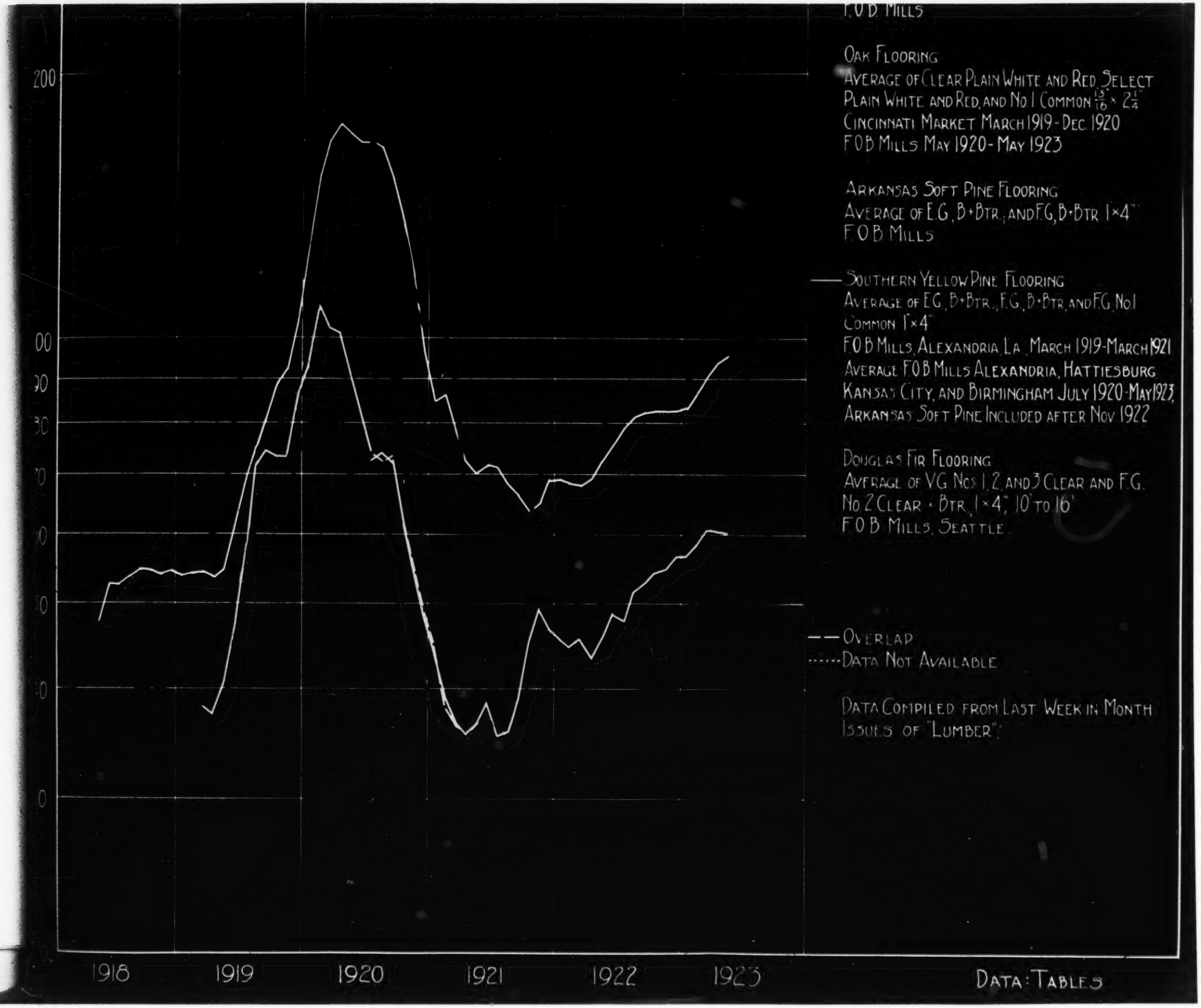
ARKANSAS SOFT PINE FLOORING
AVERAGE OF E.G., B+BTR.; AND F.G., B+BTR 1×4"
F.O.B. MILLS

— SOUTHERN YELLOW PINE FLOORING
AVERAGE OF E.G., B+BTR.; F.G., B+BTR, AND F.G. No. 1 COMMON 1×4"
F.O.B. MILLS, ALEXANDRIA, LA., MARCH 1919-MARCH 1921
AVERAGE F.O.B. MILLS ALEXANDRIA, HATTIESBURG, KANSAS CITY, AND BIRMINGHAM JULY 1920-MAY 1923.
ARKANSAS SOFT PINE INCLUDED AFTER NOV. 1922

DOUGLAS FIR FLOORING
AVERAGE OF VG Nos 1, 2, AND 3 CLEAR AND F.G. No. 2 CLEAR + BTR; 1×4", 10' TO 16'
F.O.B. MILLS, SEATTLE.

— — OVERLAP
····· DATA NOT AVAILABLE

DATA COMPILED FROM LAST WEEK IN MONTH ISSUES OF "LUMBER".



F.O.B. MILLS

OAK FLOORING
AVERAGE OF CLEAR PLAIN WHITE AND RED, SELECT PLAIN WHITE AND RED, AND NO. 1 COMMON $\frac{13}{16}$" × 2$\frac{1}{4}$"
CINCINNATI MARKET MARCH 1919 - DEC. 1920
F.O.B. MILLS MAY 1920 - MAY 1923

ARKANSAS SOFT PINE FLOORING
AVERAGE OF E.G., B+BTR.; AND F.G., B+BTR. 1×4"
F.O.B. MILLS

—— SOUTHERN YELLOW PINE FLOORING
AVERAGE OF E.G., B+BTR.; F.G., B+BTR. AND F.G. NO. 1 COMMON 1"×4"
F.O.B. MILLS, ALEXANDRIA, LA., MARCH 1919 - MARCH 1921
AVERAGE F.O.B. MILLS ALEXANDRIA, HATTIESBURG, KANSAS CITY, AND BIRMINGHAM JULY 1920 - MAY 1923,
ARKANSAS SOFT PINE INCLUDED AFTER NOV. 1922

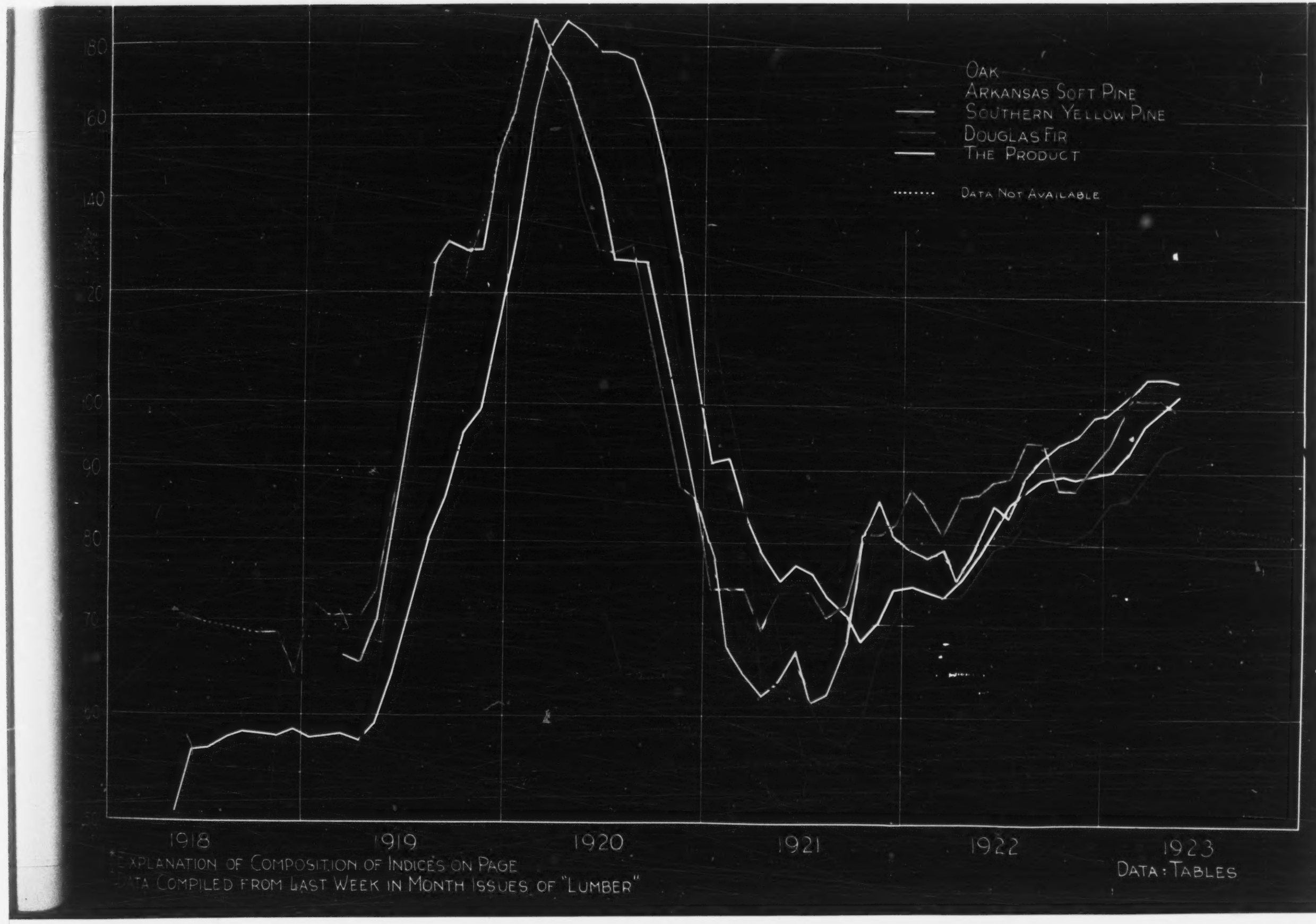
DOUGLAS FIR FLOORING
AVERAGE OF V.G. NOS. 1, 2, AND 3 CLEAR AND F.G. NO. 2 CLEAR + BTR., 1×4", 10' TO 16'
F.O.B. MILLS, SEATTLE.

—— OVERLAP
..... DATA NOT AVAILABLE

DATA COMPILED FROM LAST WEEK IN MONTH ISSUES OF "LUMBER".

DATA: TABLE 5

[fols. 6701 & 6702] DEFENDANTS' GRANT KEEHN EXHIBIT No. 18



EXPLANATION OF COMPOSITION OF INDICES ON PAGE
DATA COMPILED FROM LAST WEEK IN MONTH ISSUES OF "LUMBER"

DATA: TABLES

[fols. 6703 & 6704] DEFENDANTS' GRANT KEEHN EXHIBIT No. 19

PERCENT - LOGARITHMIC SCALE

1913=100

400

300

200

1913 1914 1915 1916 1917 1918 1919 1920 1921 1922 1923

THE PRODUCT
ROUGH MAPLE LUMBER MICHIGAN
(EXCEPT JAN., FEB. MAR. AND APR. 1920 - WISCONSIN)
DATA NOT AVAILABLE

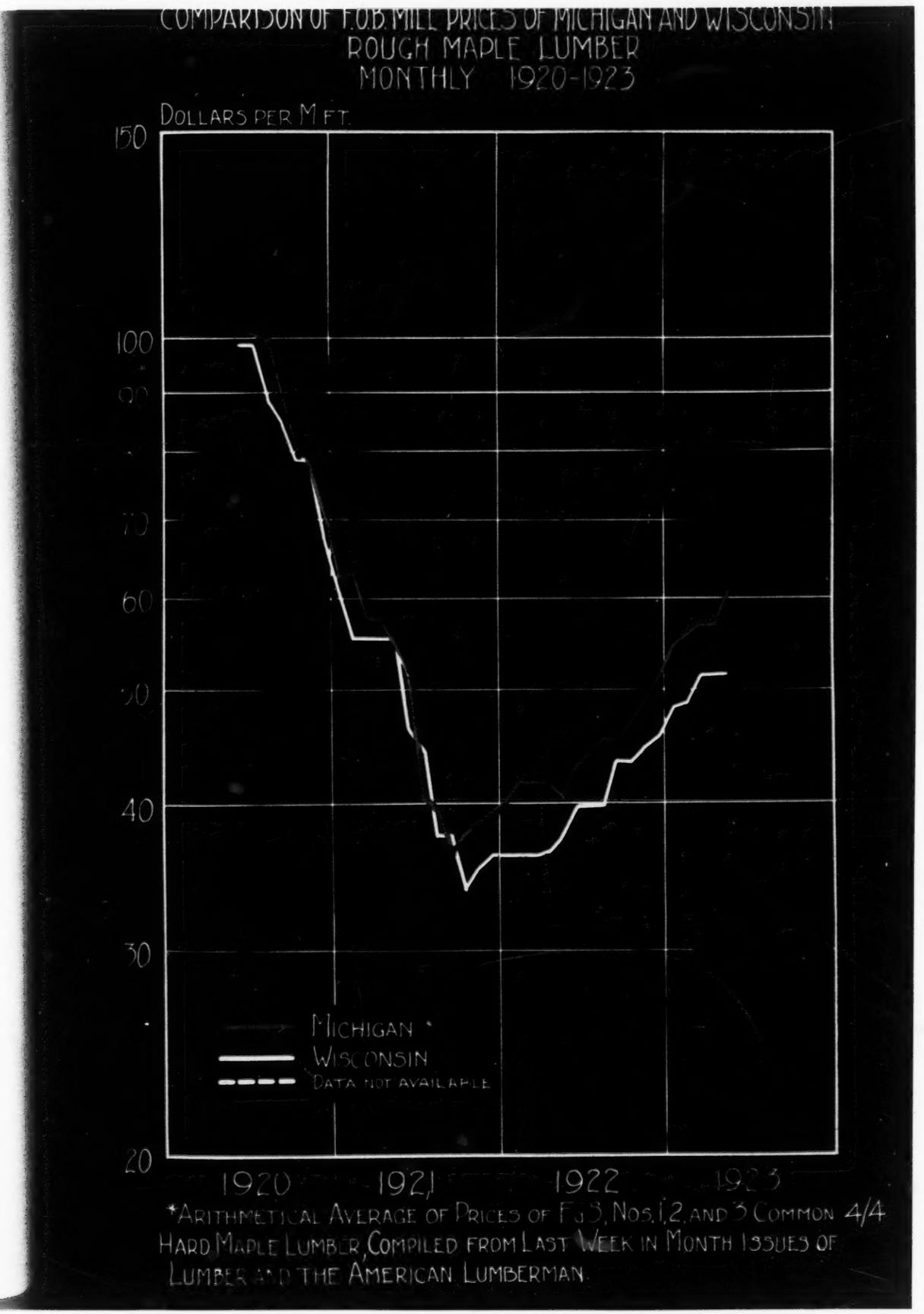
ARITHMETICAL AVERAGE OF PRICES OF F.A.S. NOS. 1 AND 3 COMMON 4/4 HARD MAPLE LUMBER.

THE PRODUCT
ROUGH MAPLE LUMBER MICHIGAN
(EXCEPT JAN., FEB. MAR. AND APR. 1920 - WISCONSIN)
DATA NOT AVAILABLE

1913 1914 1915 1916 1917 1918 1919 1920 1921 1922 1923

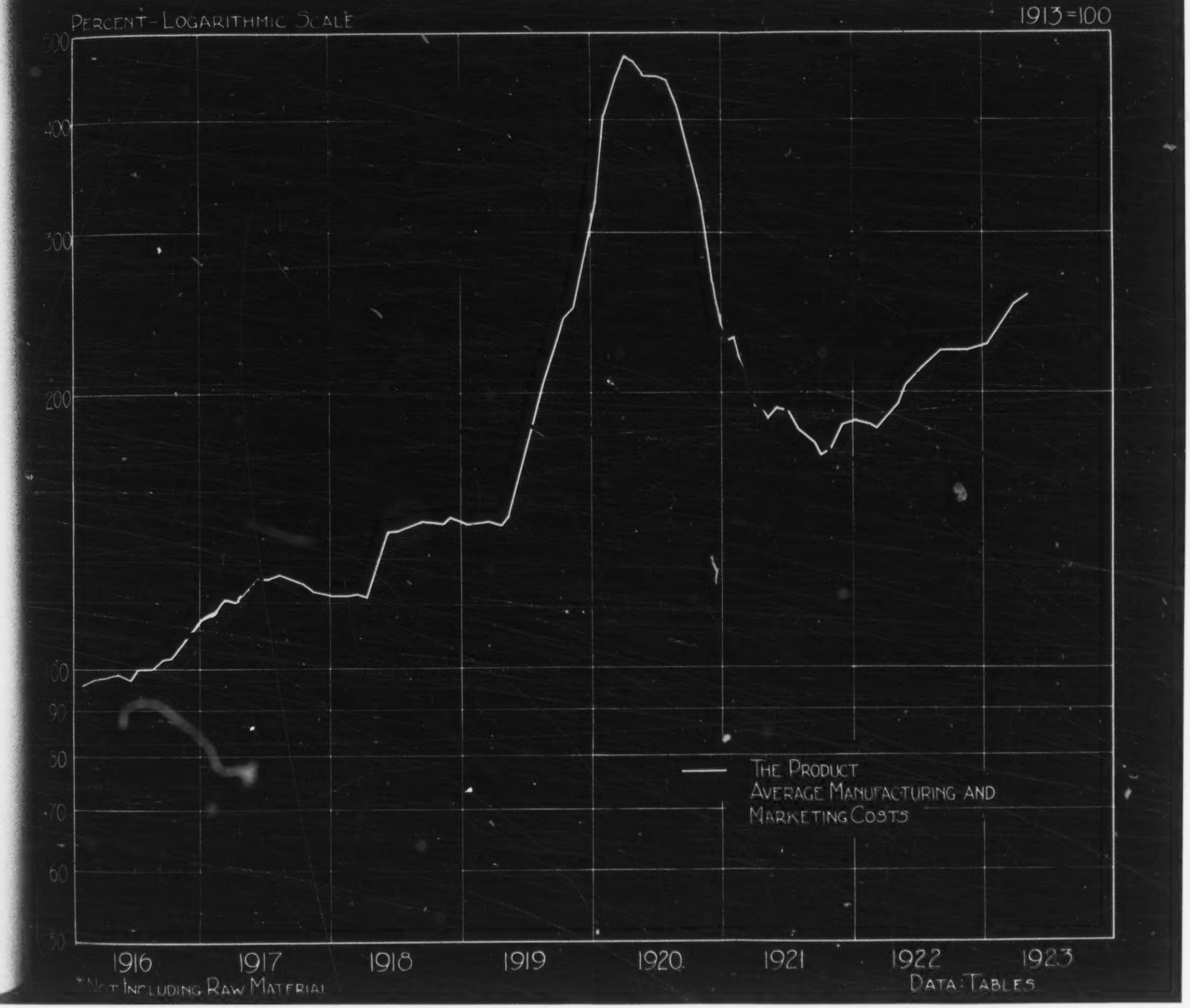
...HE TIMBER ...AL AVERAGE OF PRICES OF F.A.S. NOS. 1 AND 3 COMMON 4/4 HARD MAPLE LUMBER.
SOURCE OF DATA: 1913-1918 — WAR INDUSTRIES BOARD PRICE BULLETIN NO. 43
1919-1923 — LAST WEEK IN MONTH ...ES OF LUMBER EXCEPT
...N AN. OC... ...D JAN. AND FEB. 1921 AND
...22 FROM ... AMERICAN LUMBERMAN.

[fols. 6705 & 6706] DEFENDANTS' GRANT KEEHN EXHIBIT No. 20


COMPARISON OF F.O.B. MILL PRICES OF MICHIGAN AND WISCONSIN
ROUGH MAPLE LUMBER
MONTHLY 1920-1923
DOLLARS PER M FT.
150
100
90
70
60
50
40
30
20
1920
1921
1922
1923
MICHIGAN *
WISCONSIN
DATA NOT AVAILABLE
*ARITHMETICAL AVERAGE OF PRICES OF F.J.S, NOS. 1,2, AND 3 COMMON 4/4 HARD MAPLE LUMBER, COMPILED FROM LAST WEEK IN MONTH ISSUES OF LUMBER AND THE AMERICAN LUMBERMAN.

[fols. 6707-6709] DEFENDANTS' GRANT KEEHN EXHIBIT No. 21

AND INDEX OF THE AVERAGE MANUFACTURING AND MARKETING COSTS OF THE MEMBERS
1916-1923

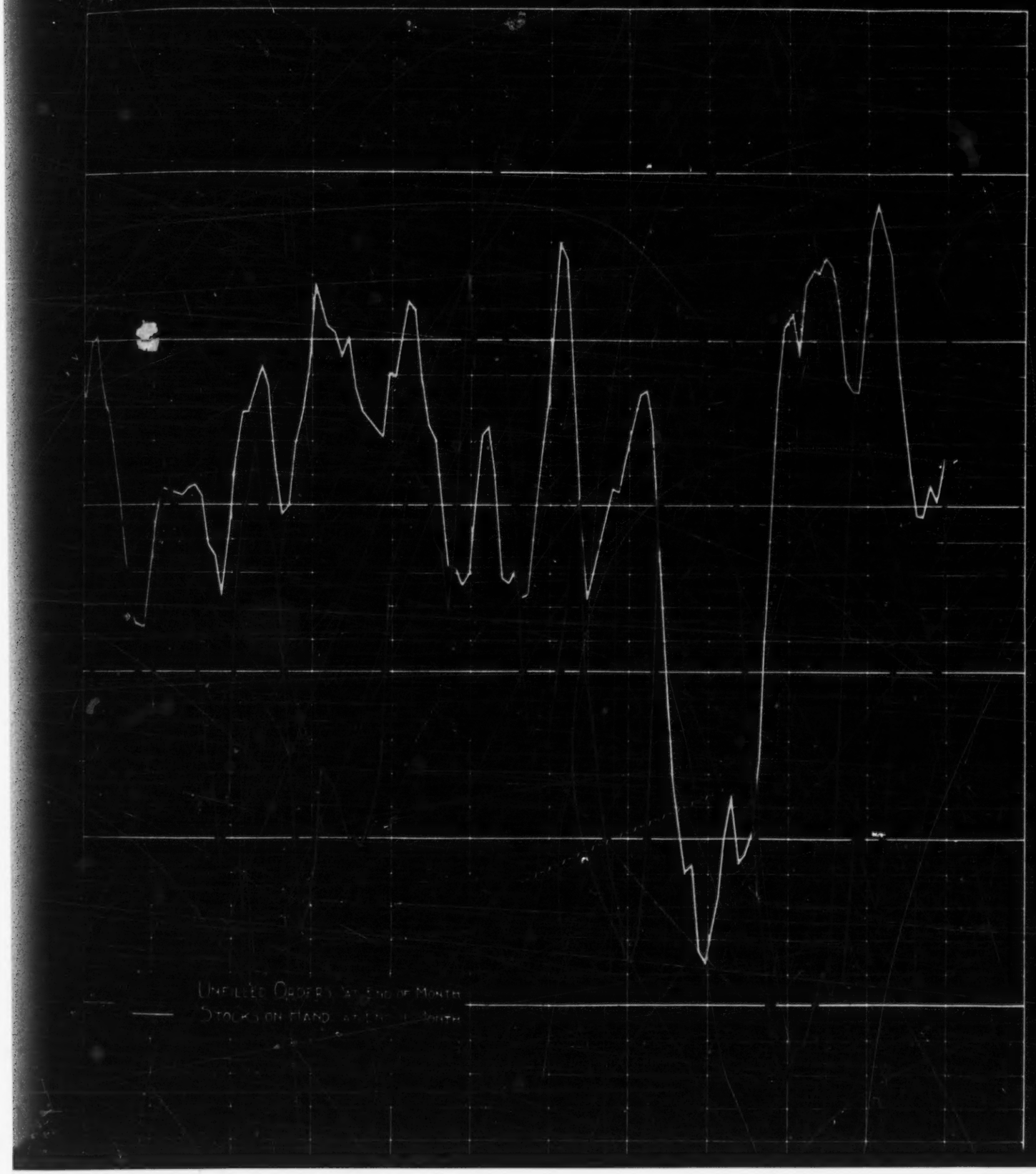


*NOT INCLUDING RAW MATERIAL

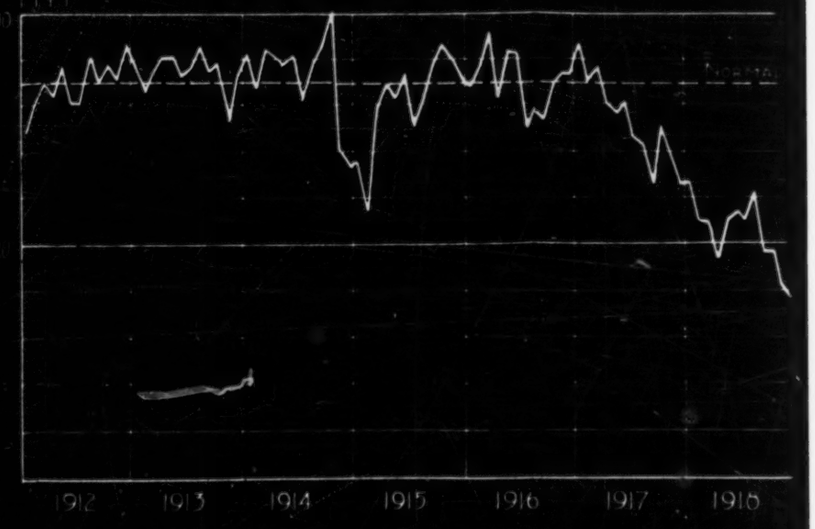
DATA: TABLES

[fols. 6710-6715] DEFENDANTS' GRANT KEEHN EXHIBIT No. 22

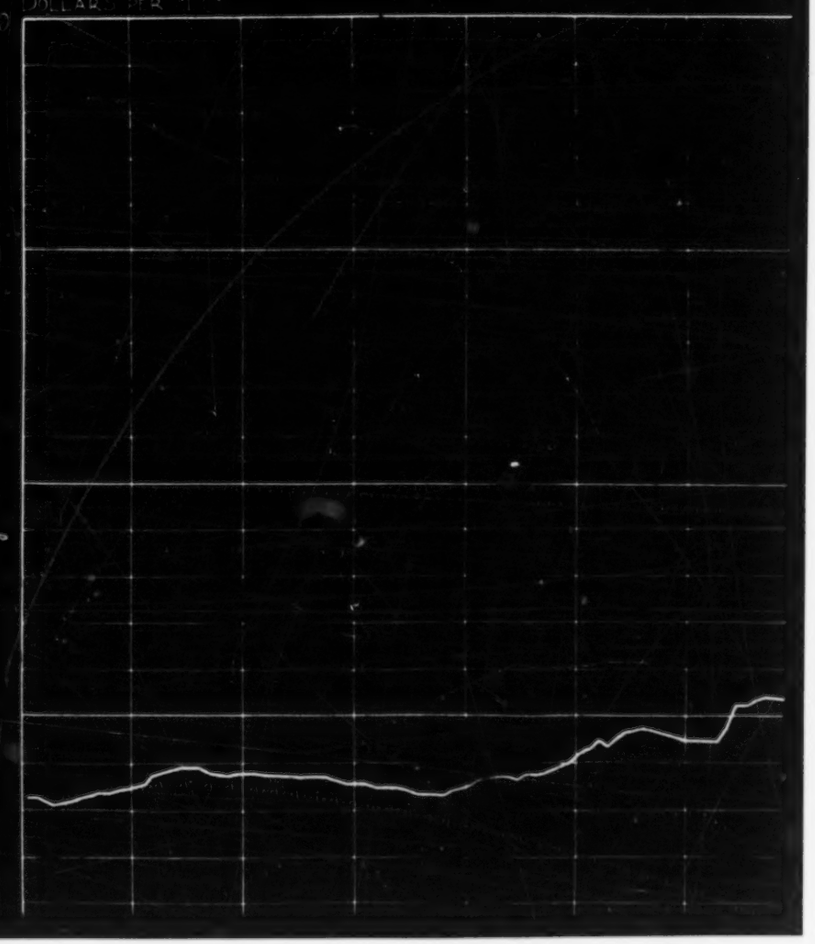
UNFILLED ORDERS AND STOCKS ON HAND

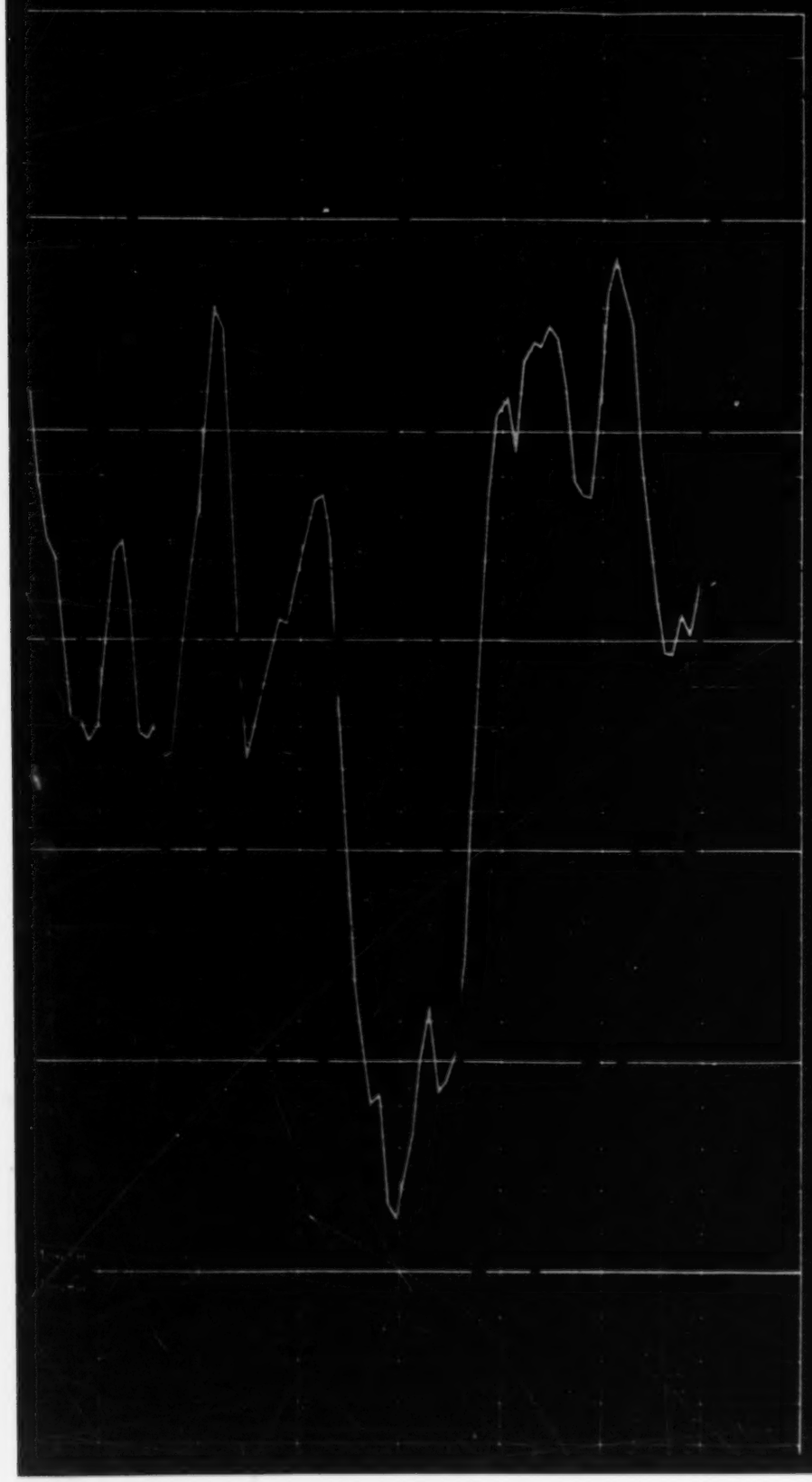


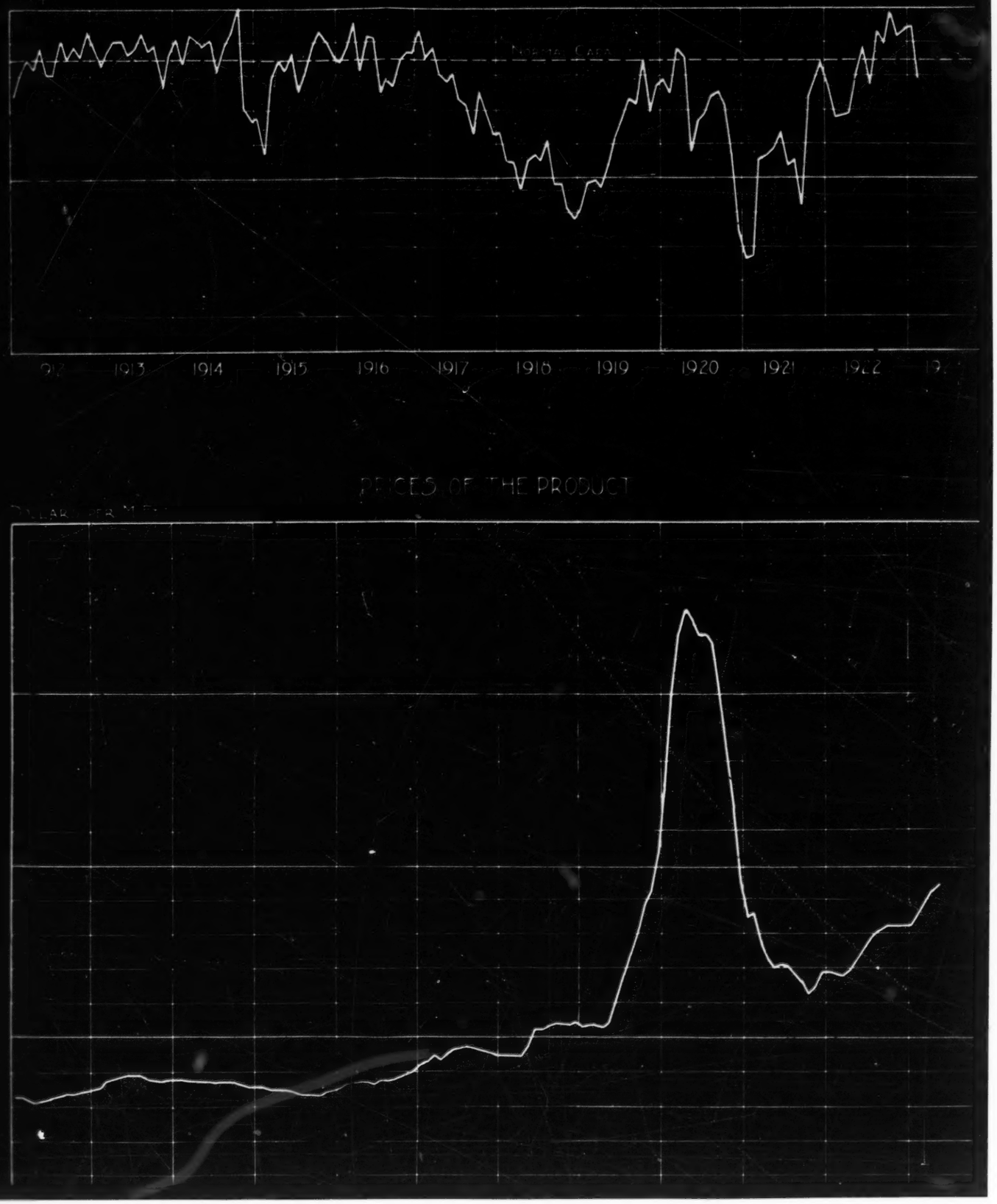
PRODUCTIO



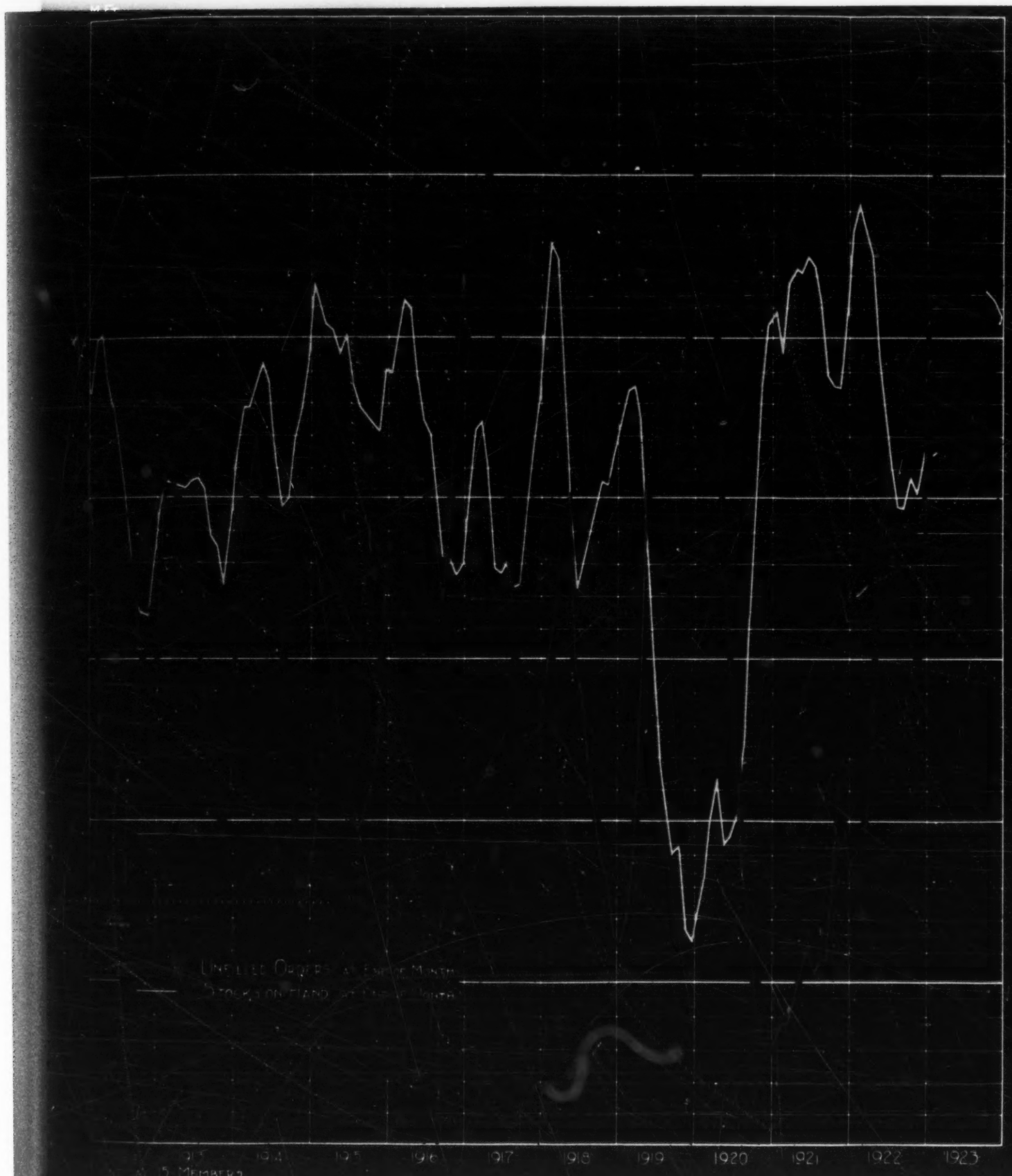
PRICES OF THE PRO

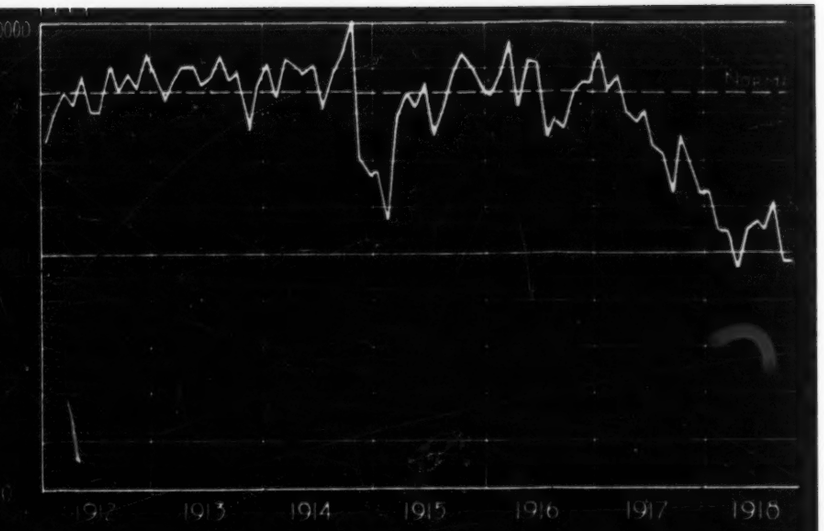



ED ORDERS AND STOCKS ON HAND


PRODUCTION
1913
1914
1915
1916
1917
1918
1919
1920
1921

PRICES OF THE PRODUCT


1917
1918
1919
1920
1921
1922
1923


10000
1912
1913
1914
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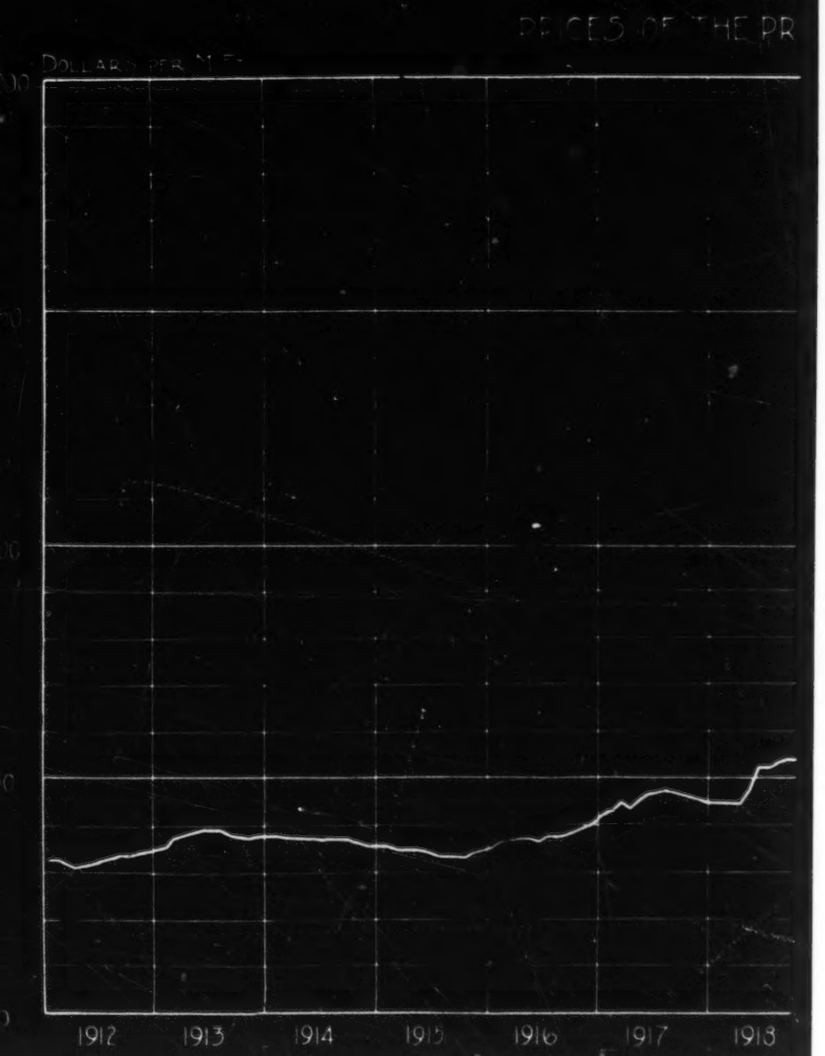
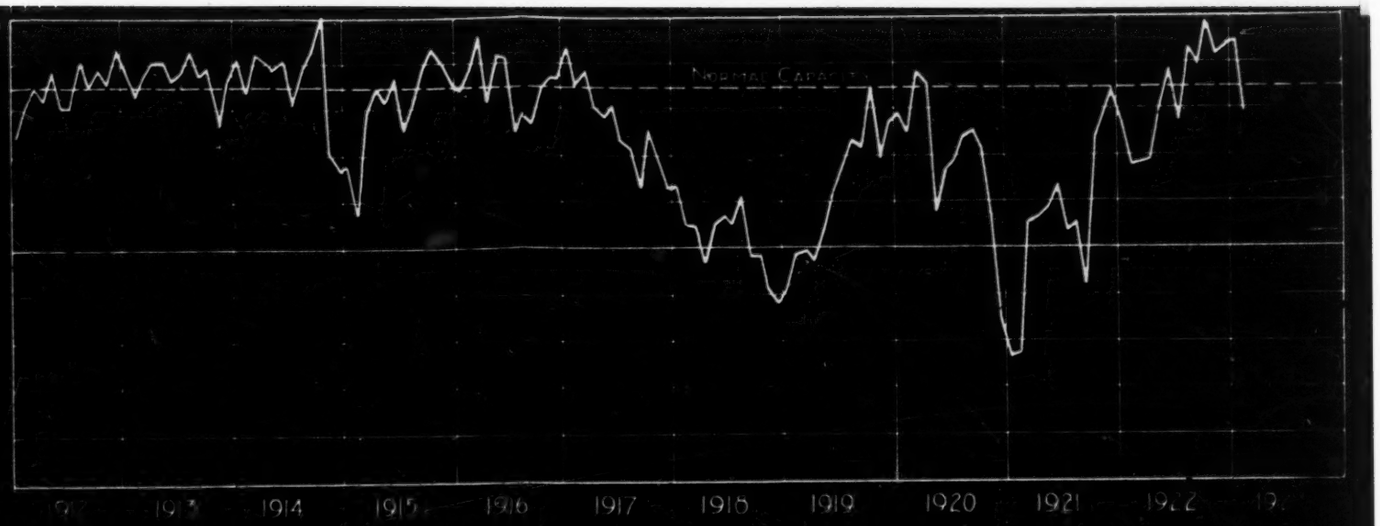
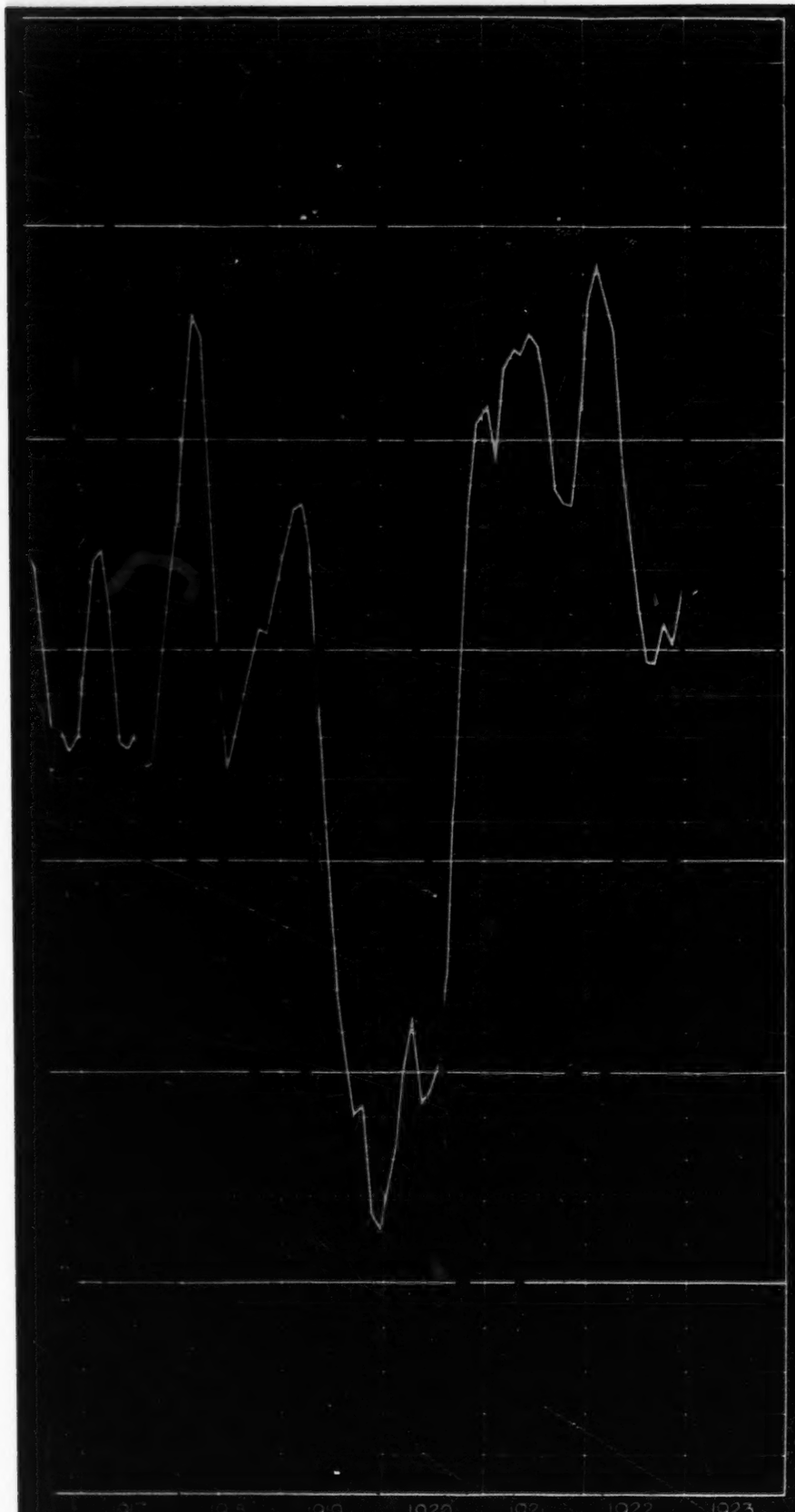
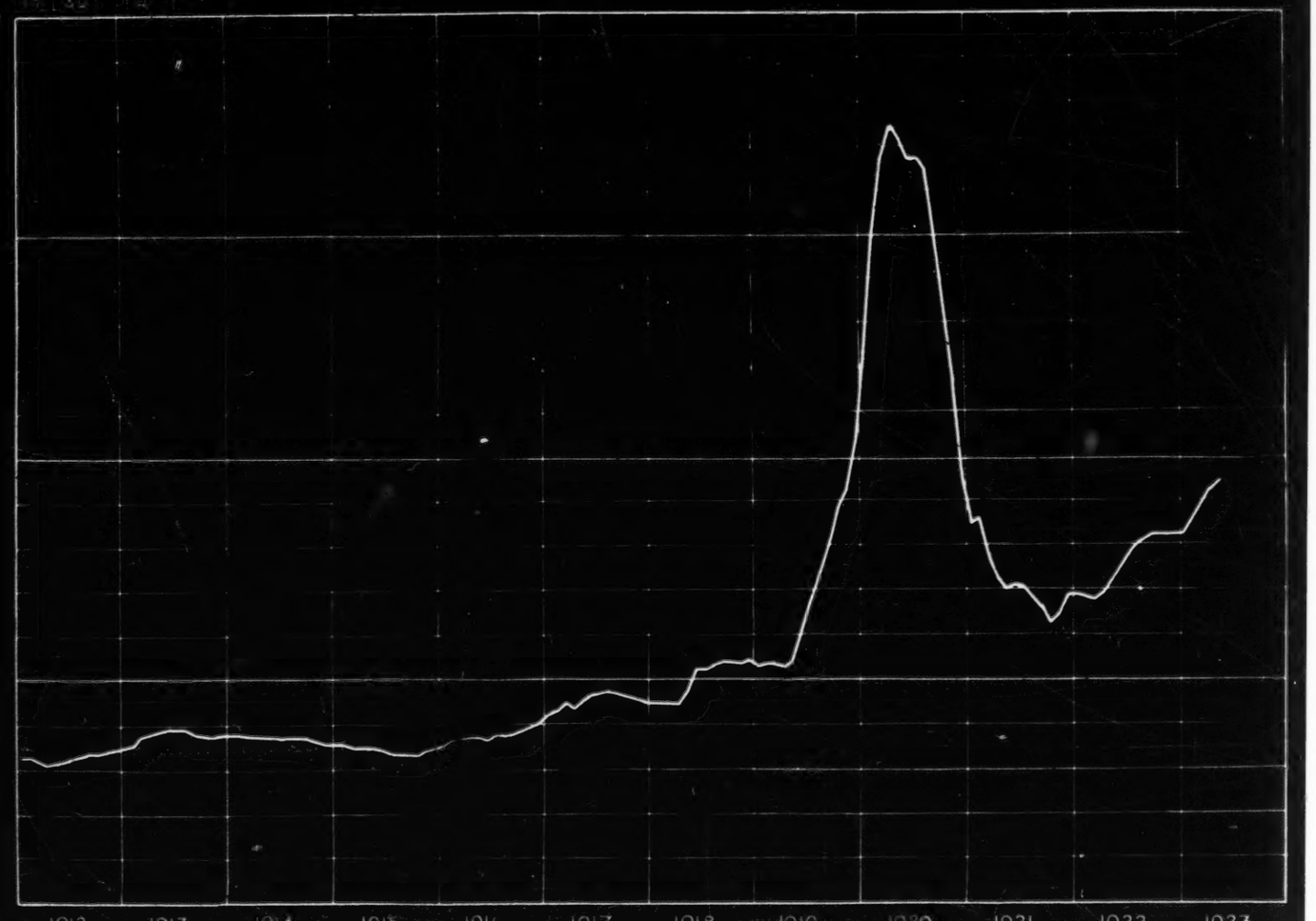
1916
1917
1918


200
150
100
50
0
1912
1913
1914
1915
1916
1917
1918





PRICES OF THE PRODUCT



[fols. 6716-6720] DEFENDANTS' GORDON EXHIBIT No. 23

CHART

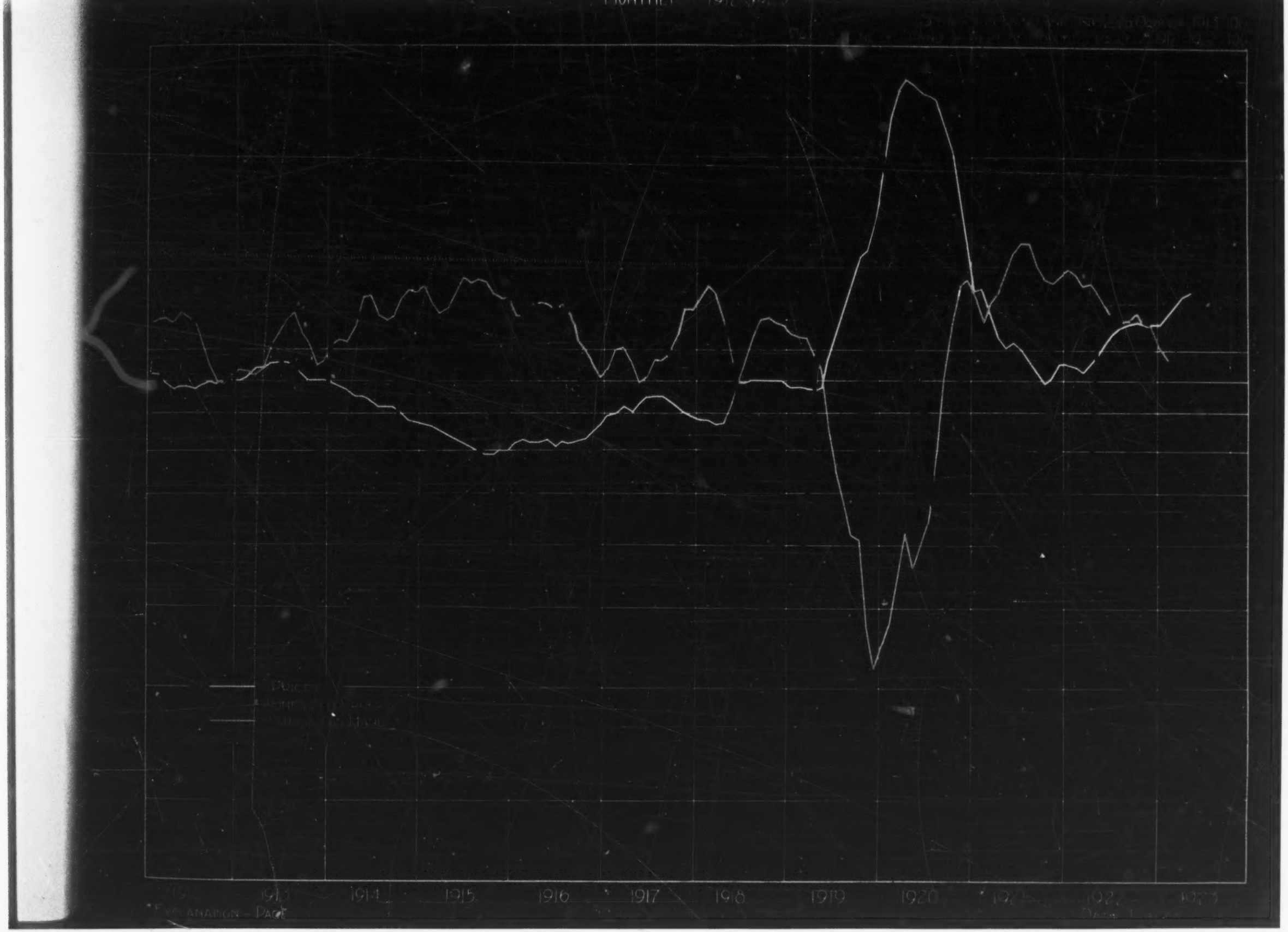
TOO

LARGE

FOR

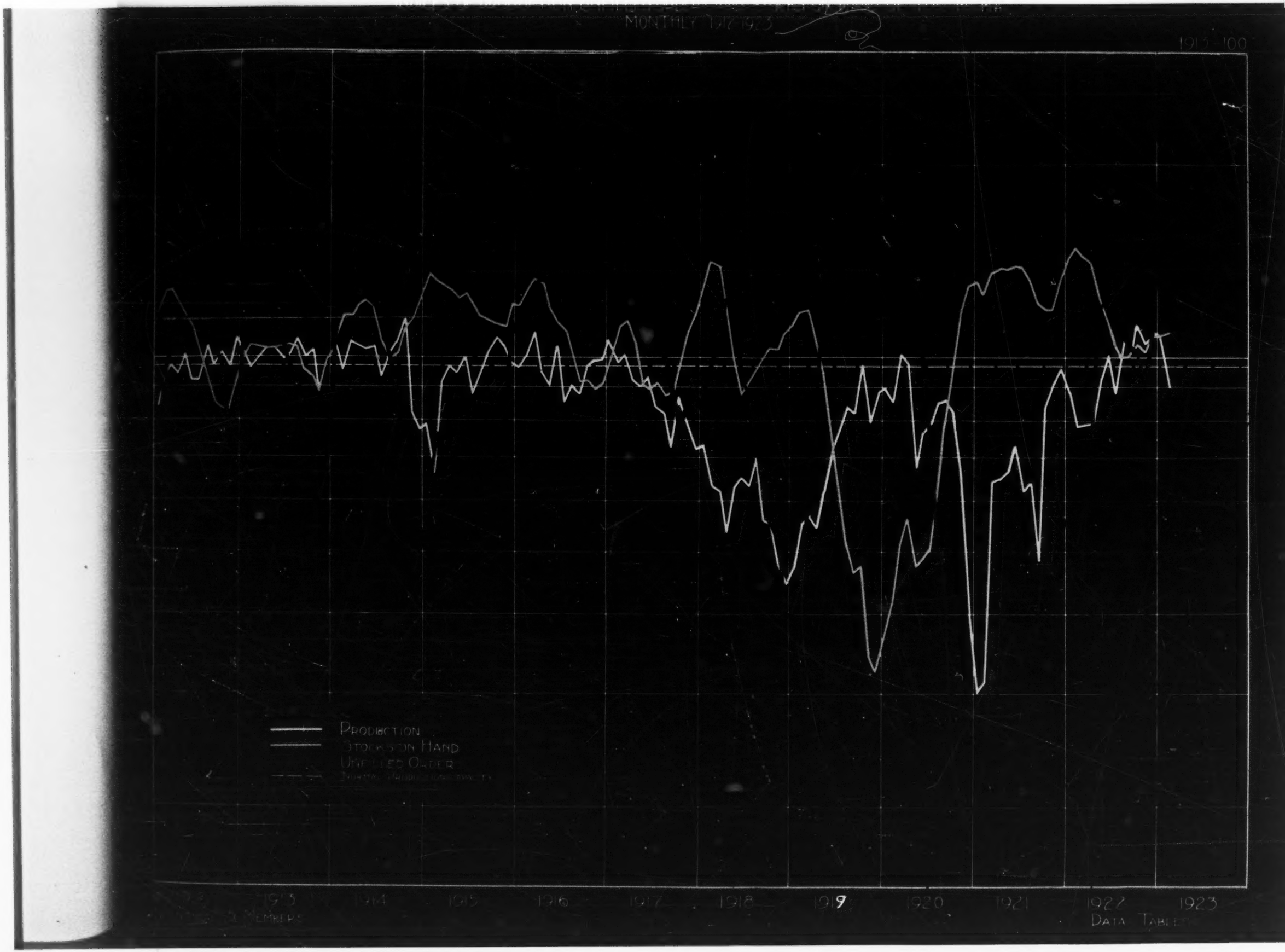
FILMING

[fols. 6721-6725] DEFENDANTS' GRANT KEEHN EXHIBIT No. 24


1913
1914
1915
1916
1917
1918
1919
1920

[fols. 6726 & 6727] DEFENDANTS' GRANT KEEHN EXHIBIT No. 25

[fols. 6728-6731] DEFENDANTS' GRANT KEEHN EXHIBIT No. 26


MONTHLY UNFILLED ORDERS 1913 100
PRODUCTION
STOCKS ON HAND
UNFILLED ORDERS
1913
1914
1915
1916
1917
1918
1919
1920
1921
1922
1923
MEMBERS
DATA TABLES

[fols. 6732-6735] DEFENDANTS' GRANT KEEHN EXHIBIT No. 27

MONTHLY 1912-1923

1913=100

PRODUCTION

UNFILLED ORDERS

1912 1913 1914 1915 1916 1917 1918 1919 1920 1921 1922 1923

DATA TABLES

[fols. 6736 & 6737] DEFENDANTS' GRANT KEEHN EXHIBIT No. 28

DOLLARS PER M FT.

CLEAR

MARCH 1920

NUMBER ONE

MARCH 1920

FACTORY

FEBRUARY 1920

DOLLARS

225
200
175
150
125
100
75
50
25
0

Mills No. 2 24 33 49 3 5 14 30 4 7 34 44

2 24 33 49 3 5 14 30 4 7 34 42 44

2 24 49 5 14 30 7 23 34 42 44 50

DOLLARS PER M FT.

MARCH 1922

MARCH 1922

MARCH 1922

DOLLARS

100
75
50
25

200
175
150
125
100
75
50
25
0

No. 2 24 33 49 3 5 14 30 4 7 34 44

DOLLARS PER M. FT.

MARCH 1922

No. 24 33 3 5 14 26 30 37 47 4 7 23 34 42 44 50

2 24 33 49 3 5 14 30 4 7 34 42 44

MARCH 1922

24 33 49 3 5 14 26 30 37 47 4 7 23 34 42 44 50

2 24 49 5 14 30 7 23 34 42 44 50

DOLLARS

MARCH 1922

24 33 49 14 26 30 37 47 4 7 23 34 42 44 50

DATA: TABLES

[fols. 6738-6745] DEFENDANTS' GRANT KEEHN EXHIBIT No. 29

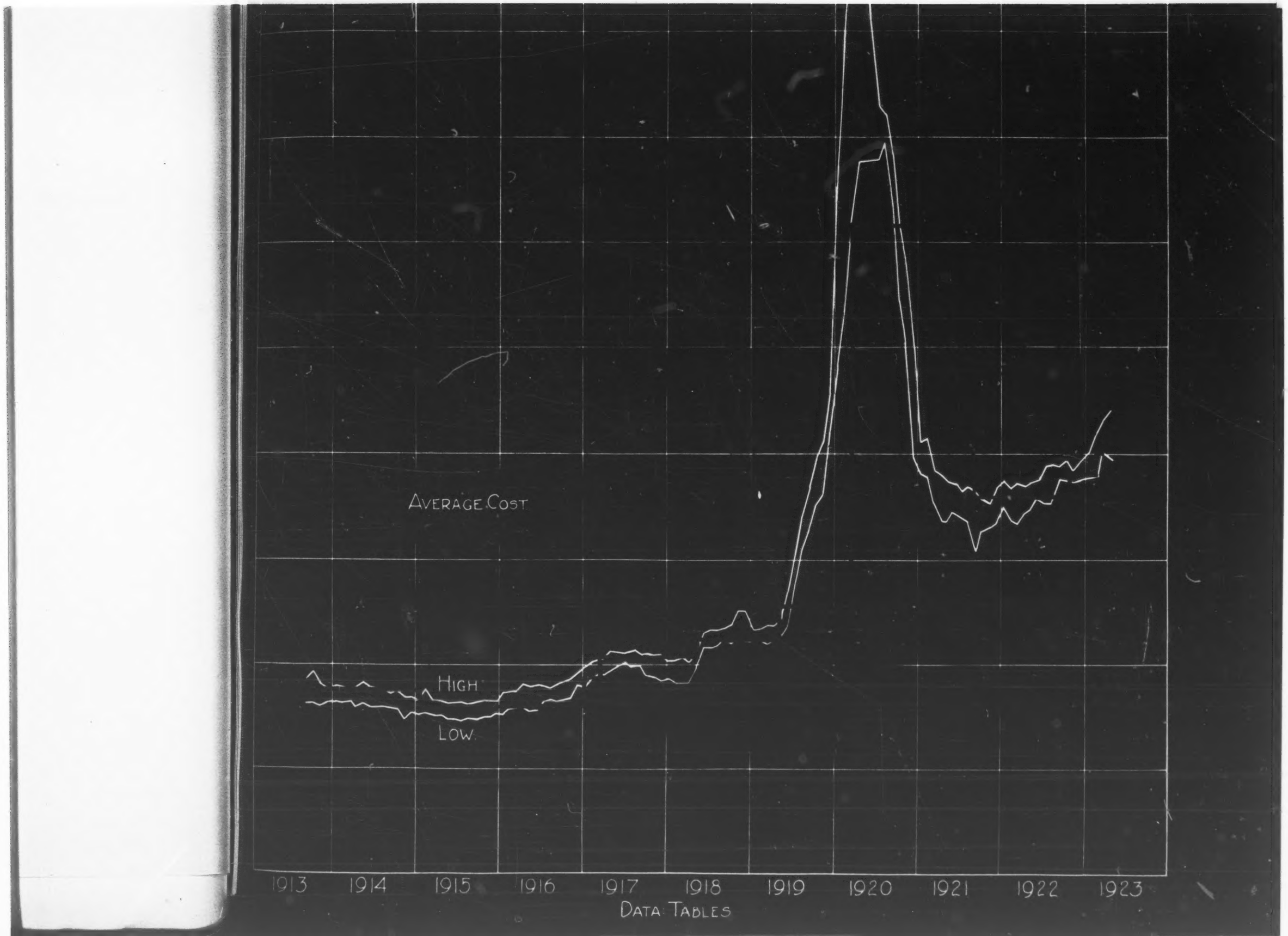
CLEARS PER M FT.

CLEAR $\frac{15}{16}$ × $2\frac{1}{4}$ FLOORING

AVERAGE COST

HIGH

LOW


AVERAGE COST
HIGH
LOW
1913
1914
1915
1916
1917
1918
1919
1920
1921
1922
1923
DATA TABLES

OF MICHIGAN AND WISCONSIN MEMBERS OF THE M.F.M.A. – 1913-1923

FACTORY $\frac{13}{16} \times 2\frac{1}{4}$ FLOORING

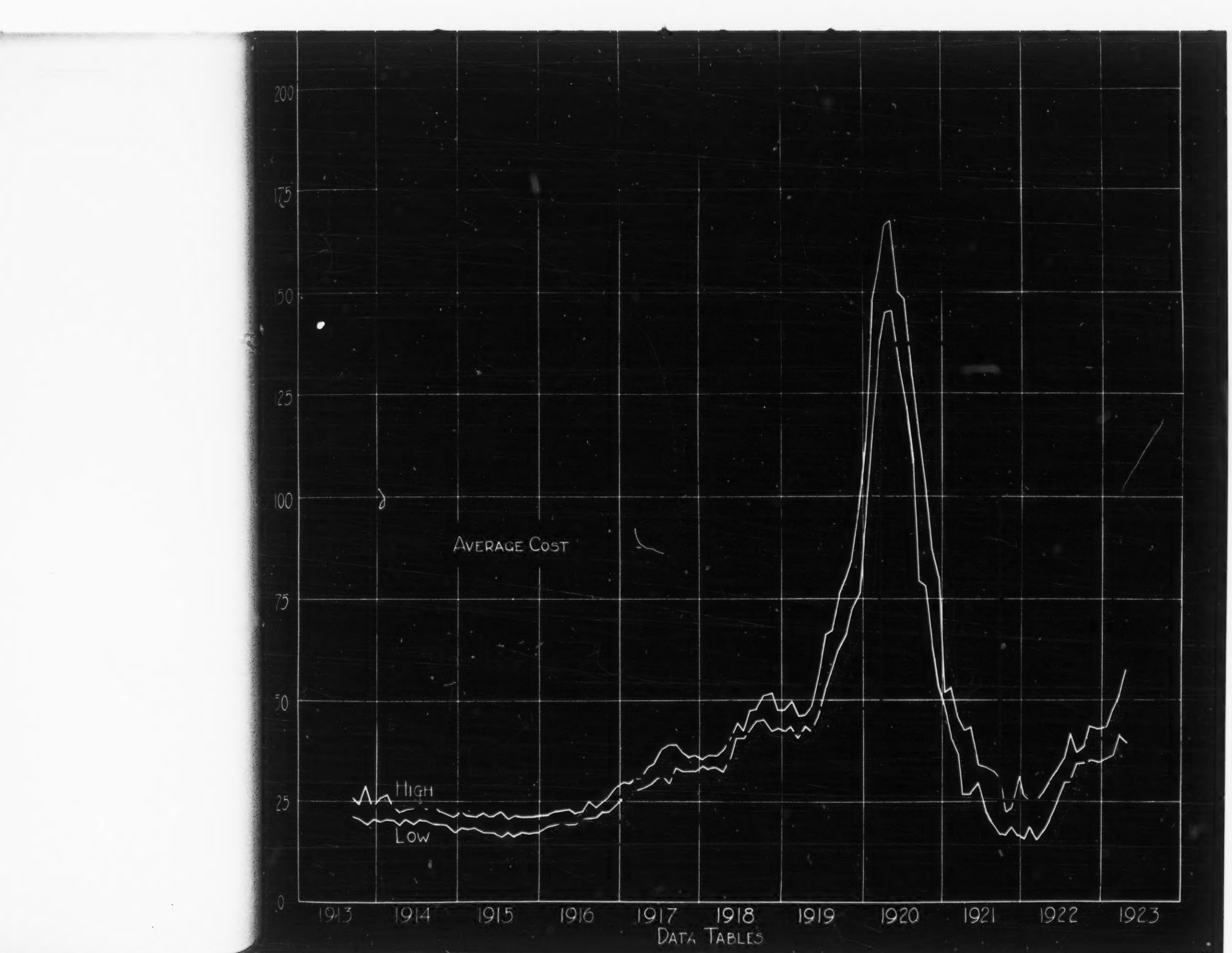
DOLLARS PER M F.T

225
200
175
150
125
100
75
50
25

AVERAGE COST

HIGH

LOW


200
175
150
125
100
75
50
25
0
AVERAGE COST
HIGH
LOW
1913
1914
1915
1916
1917
1918
1919
1920
1921
1922
1923
DATA TABLES

[fols. 6746-6748] DEFENDANTS' GRANT KEEHN EXHIBIT NO. 30

AND OF INDEX OF ITS AVERAGE COST WITH
INDICES OF THE PRICES OF COMPETING WOOD FLOORINGS
MONTHLY-1918-1923

PERCENT - LOGARITHMIC SCALE

AVERAGE MARCH 1919 – MAY 1923 = 100

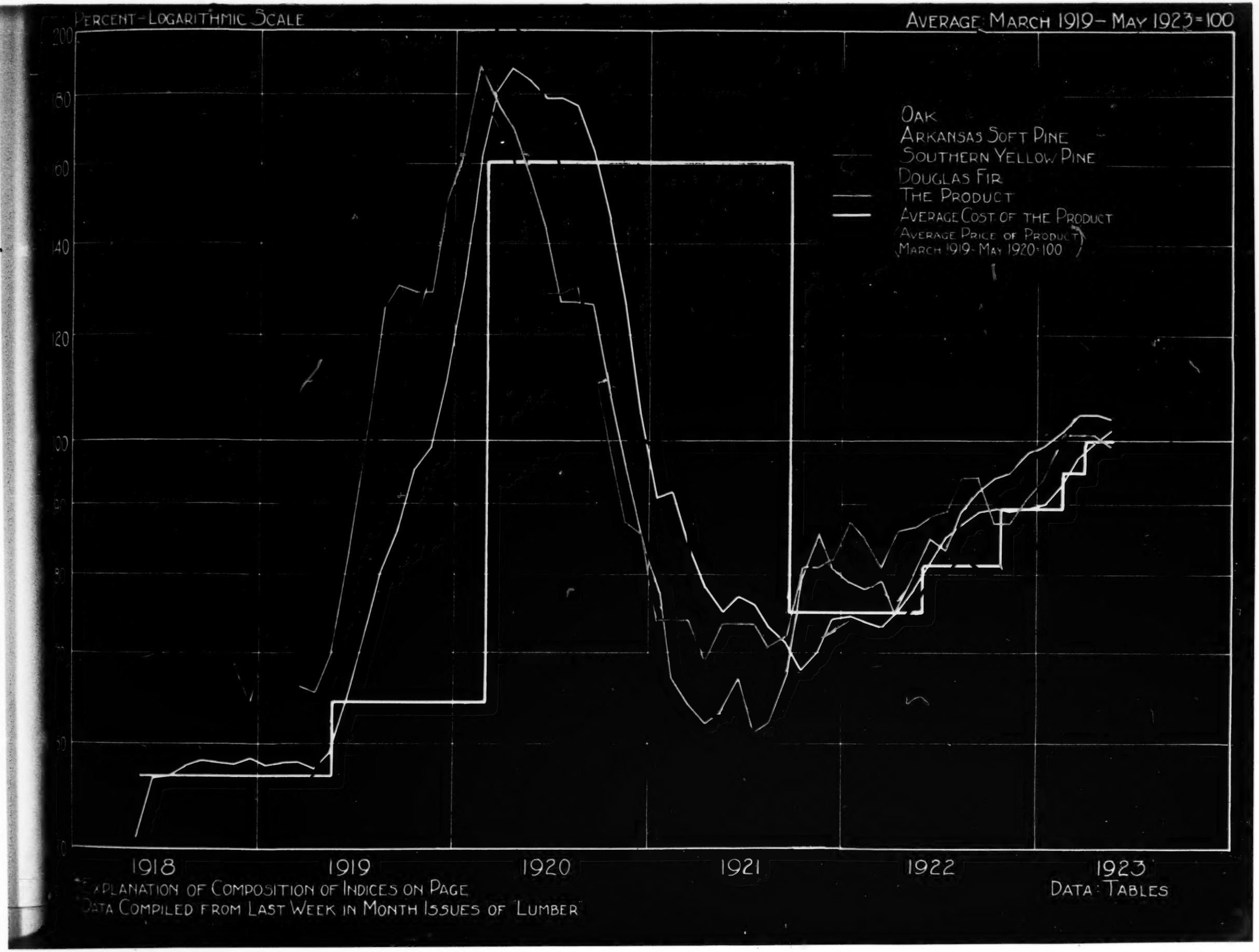
200
180
160
140
120
100
90
80
70
60
50

OAK
ARKANSAS SOFT PINE
SOUTHERN YELLOW PINE
DOUGLAS FIR
THE PRODUCT
AVERAGE COST OF THE PRODUCT
(AVERAGE PRICE OF PRODUCT)
(MARCH 1919 - MAY 1920 = 100)

1918 1919 1920 1921 1922 1923

PERCENT - LOGARITHMIC SCALE

AVERAGE MARCH 1919 - MAY 1923 = 100



*EXPLANATION OF COMPOSITION OF INDICES ON PAGE

DATA COMPILED FROM LAST WEEK IN MONTH ISSUES OF 'LUMBER'

DATA: TABLES

[fol. 6749] UNITED STATES OF AMERICA,
Western District of Michigan,
Southern Division, ss:

CLERK'S CERTIFICATE

I, Charles J. Potter, Clerk of the District Court of the United States for the Western District of Michigan, do hereby certify that the exhibits herein contained are the original exhibits of the plaintiff and of the defendants in the case of the United States of America vs. The Maple Flooring Manufacturers Association et al., introduced in evidence at the hearing of said cause, which are required to be transmitted to the Supreme Court of the United States, by the order of said District Court, excepting, however, Plaintiff's exhibits 65-2C to 65-3B, there having been, through the inadvertence of the Stenographer no such marking of exhibits.

Witness my official signature and the seal of the aid District Court, at Grand Rapids in said District and Division, this 24th day of March in the year of our Lord one thousand nine hundred and twenty-four.

Charles J. Potter, Clerk, by Chas. L. Fitch, Deputy Clerk.
(Seal of the U. S. District Court, Western District of Mich., Southern Division.)

[fol. 6750] IN THE SUPREME COURT OF THE UNITED STATES

[Title omitted]

STIPULATION AS TO PARTS OF RECORD TO BE PRINTED—Filed April 3, 1924

Whereas, the appellants in the above entitled cause have given the appellees notice that they intend to rely upon all the propositions of law and fact contained in their assignment of errors herein; and

Whereas, the appellants have informed the appellees of the parts of the record which in their opinion should be printed and the appellees have likewise informed the appellants of the parts of the record which they wish to have printed.

Now, therefore, in consideration of the premises, and in order to comply with rule 10, the appellants and the appellees agree and stipulate as follows:

1. That—

(a) In the opinion of both parties all the transcript of the record transmitted by the clerk of the lower court except the last ten lines of page 1491 and all of pages 1492, 1493, 1494, 1495 and 1496;

(b) In the opinion of the appellees, Government exhibits or the parts thereof hereinafter indicated, viz: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13 and 14; such parts of 15, 15a, to 15fff inclusive as are indicated thereon in blue pencil marks; such parts of 18, 18a to 18x, inclusive, as are indicated; 19, 20, 21, 22, 24, 25, 25a, 25b, 26, 27, 27a, 28, 28a, 28b, 28c, 28d, 28e, 28f, 28g, 28h, 28j, 28k, 28L, 28n, 28o, 28q, 29 30e; the two sheets dated May 22, 1913, and May 21, 1913, respectively, of 30f; such parts of 31 as are indicated; such parts of 31d to 31r, inclusive, as are indicated; 32; [fol. 6751] such parts of 33, 34, 34a to 34p, inclusive, and 35 as are indicated; 36; such parts of 37, 38 to 38k inclusive, as are indicated; 39a, 39c, 40-5r, 40-3y, 40-2s, 40a; such parts of 40 as are indicated; 41, 41a, 41b, 41c, 41d, 41-2u, 41-2v, 41-2w, 41-2x, 41-2y; 42; first and last sheets of 42a; first and last sheets of 42b; the reports dated October 28, 1913, January 20, 1914, February 23, 1922, respectively, of 42c; extra 43 or report dated March 2, 1920, as originally mimeographed; 43a, 43b, 43-2j, 43-2k; 43-2v, 43-3f, 43-5z, 43-6a, 44, 45, 46, 46a, 46b, 47, 48, 50, as originally mimeographed; such parts of 51 and 52 as are indicated; 57, 57a, 54b, 55c, 57d, 57e, 57f, 58, 58a, 59, 59a; such parts of 60 as are indicated; 61, 61a, 62, 63, 63a, 63b, 63c, 63d, 63e, 63f; such parts of 64 as are indicated; 65, 65-3k, 66; the typewritten tabulations of 68, excluding the letters and other documents attached thereto; 69, 70; first and last sheets of 73; such parts of 75 as are indicated; the financial statement with respect to termination of Association as of December 31, 1921 of 76; such parts of 76 and 76a as are indicated; such parts of 77, 78 and 79 as are indicated.

(c) In the opinion of appellants the following defendants' exhibits or parts thereof hereinafter indicated, viz: A, B, B-1, C, C-1, C-2, C-3, C-4, C-5, C-6, C-7, C-8, C-9, C-10, C-11; E; such parts of F and F1 as are indicated by blue pencil marks; G, G-1, H, H-1, H-2; such parts of I as are indicated; K, L, T, T-1, BB, CC-½, CC, CC-1, CC-2, CC-3, CC-4, DD, DD-1, EE, FF to FF-9, inclusive, GG, HH, II-1, II-2, JJ; such parts of KK as are indicated; such parts of LL as are indicated; OO, PP, QQ; defendants' Robertson exhibit #1; first sheet of defendants' Robertson exhibit #2; letter of June 20, 1919 addressed to Holt Hardwood Co. of defendants' Robertson exhibit #9; such parts of defendants' Robertson exhibits #13 and #20 to #31 inclusive as are indicated; defendants' Bacon exhibit #1; defendants' Brown exhibit #4; defendants' Gordon exhibits #1, #2, #3, #4, and #5; the graphs of defendants' Gordon exhibits #6 and #7; defendants' Gordon exhibit #8; the graphs of defendants' Gordon exhibits #9, #10, #11 and #12; defendants' Gordon exhibit #13; the graph of defendants' Gordon exhibit #14; defendants' Gordon exhibits #14-a, #14-¾, #15 and #16; the graphs of defendants' Grant Keehn exhibits #17, #18, #19, #20, #21, #22, #23, and #24; defendants' Grant Keehn exhibit #25; the graphs of defendants' Grant Keehn exhibits #26, #27, #28, #29, #29a, #29b and #30; such parts of defendants' Vanderblue exhibits #1 to #4 inclusive as are in-

dicated; the District Clerk's Certificate to the exhibits transmitted to the Supreme Court; and this stipulation,

are material and are necessary for the consideration of the points on which the appellants intend to rely.

[fol. 6752] 2. That a vertical line or a check made with a blue pencil was the method most generally used to indicate the parts of exhibits, or entire exhibits where not otherwise specified, which were deemed material by either of the parties hereto.

3. That all the exhibits above mentioned are original exhibits; that they were received in evidence during the hearing in the Court below, and that they were certified by the Clerk of said Court and transmitted with the transcript of the remainder of the record to the Supreme Court pursuant to agreement of the parties and the order of the District Court of the United States for the Southern District of Michigan.

4. That only the portions of the record and the exhibits and parts thereof above designated shall be printed by the Clerk of the Supreme Court; provided, however, that if there are any substantial errors in Government exhibit #79 and the parties shall not stipulate as to the facts, the appellants may have printed all or such parts of the other exhibits as in their judgment will correct such errors; provided further that either party may at any time within ninety days before the hearing of said cause correct any inadvertance or over-sight by designating other exhibits or parts thereof to be printed, upon condition, however, that such exhibits or parts thereof shall be printed, filed and served on opposing counsel at least sixty days before the date the cause shall have been set for oral argument, in which event the other party may likewise designate such other exhibits or parts thereof to be printed upon condition that said exhibits or parts thereof shall be printed, filed and served upon opposing counsel at least thirty days before the date the cause shall have been set for oral argument.

[fol. 6753] In witness whereof the parties hereto, by their respective counsel, have signed this stipulation, this 3d day of April, 1924.

Jacob Newman, Conrad Poppenhusen, H. L. Stern, Edward R. Johnston, Solicitors for Appellants. James M. Beck, Solicitor for Appellees.

[fol. 6754] [File endorsement omitted]

[fol. 6755] SUPREME COURT OF THE UNITED STATES, OCTOBER TERM, 1923

No. 920

MAPLE FLOORING MANUFACTURERS ASSOCIATION et al., Appellants,

vs.

THE UNITED STATES OF AMERICA

STIPULATION TO CORRECT ORIGINAL EXHIBITS—Filed June 9, 1924

It is hereby stipulated and agreed between counsel for the appellants and counsel for the appellee that the error appearing in the original copy of Defendants' Exhibit No. 26, appearing at page 6729 of the original book of exhibits, may be corrected in the copies of the graph of Exhibit No. 26, to be furnished for the use of the court, by substituting "1919" for "1917" at the foot of the eighth column of said graph.

Newman, Poppenhusen, Stern & Johnston, E. G. S., Counsel for Appellants. James M. Beck, Solicitor General.

CLERK

(30,230)

APPENDICES TO APPELLANTS' BRIEF

Supreme Court of the United States

October Term, 1924

No. 342

MAPLE FLOORING MANUFACTURERS ASSOCIATION, W. D. YOUNG & COMPANY, MITCHELL BROTHERS COMPANY, ET AL.,

Appellants,

VS.

THE UNITED STATES OF AMERICA

APPEAL FROM THE DISTRICT COURT OF THE UNITED STATES FOR THE WESTERN DISTRICT OF MICHIGAN

Jacob Newman,
Conrad H. Poppenhusen,
Henry L. Stern,
Edward R. Johnston,
Henry Jackson Darby,
Solicitors for Appellants.

GUNTHORP-WARREN PRINTING COMPANY, CHICAGO.

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SEATTLE
SPOKANE
WASHINGTON
PORTLAND
OREGON
BUTTE
MONTANA
NORTH DAKOTA
FARGO
MINNESOTA
ST. PAUL
MINNEAPOLIS
IDAHO
BOISE
SOUTH DAKOTA
SIOUX FALLS
WYOMING
SALT LAKE CITY
NEBRASKA
OMAHA
IOWA
DES MOINES
NEVADA
UTAH
DENVER
COLORADO
KANSAS
KANSAS CITY
ILLINOIS
CHICAGO
MILWAUKEE
WISCONSIN
MICH.
DETROIT
CLEVELAND
OHIO
INDIANA
INDIANAPOLIS
CINCINNATI
LOUISVILLE
KENTUCKY
ST. LOUIS
MISSOURI
CALIFORNIA
SAN FRANCISCO
LOS ANGELES
ARIZONA
ALBUQUERQUE
NEW MEXICO
OKLAHOMA CITY
OKLAHOMA
ARKANSAS
TEXAS
DALLAS
EL PASO
LOUISIANA
NEW ORLEANS
MEMPHIS
TENNESSEE
NASHVILLE
MISSISSIPPI
ALABAMA
BIRMINGHAM
ATLANTA
GEORGIA
MELLEN
BLACKWELL
PHILLIPS
OCONTO
WELLS
MENOMINEE
GLADSTONE
EAST JORDAN
GAYLORD
CADILLAC
MANISTEE
REED CITY
BAY CITY
SAGINAW
GRAND RAPIDS

ANA
NORTH DAKOTA
FARGO
MINNESOTA
MELLEN
BLACKWELL
PHILLIPS
OCONTO
MICH.
WELLS
GLADSTONE
ESCANABA
MANISTIQUE
MENOMINEE
EAST JORDAN
GRAYLING
CADILLAC
REED CITY
BAY CITY
SAGINAW
GRANDRAPIDS
DETROIT
ST. PAUL
MINNEAPOLIS
SOUTH DAKOTA
SIOUX FALLS
WISCONSIN
MILWAUKEE
CHICAGO
IOWA
DES MOINES
NEBRASKA
OMAHA
ILLINOIS
INDIANA
INDIANAPOLIS
OHIO
CLEVELAND
CINCINNATI
PENNSYLVANIA
PITTSBURG
PHILADELPHIA
BUFFALO
TUPPER LAKE
NEW YORK
NEW YORK
VERMONT
N. H.
MAINE
PORTLAND
MASS.
BOSTON
CONN.
R.I.
N. J.
DEL.
MD.
BALTIMORE
WASHINGTON
W. VA.
VIRGINIA
RICHMOND
DENVER
COLORADO
KANSAS
KANSAS CITY
ST. LOUIS
MISSOURI
LOUISVILLE
KENTUCKY
NASHVILLE
TENNESSEE
NORTH CAROLINA
WILMINGTON
S. CAROLINA
OKLAHOMA CITY
OKLAHOMA
ARKANSAS
MEMPHIS
ALBUQUERQUE
MEXICO
ATLANTA
BIRMINGHAM
GEORGIA
MISSISSIPPI
ALABAMA
DALLAS
LOUISIANA
EL PASO
TEXAS
NEW ORLEANS
JACKSONVILLE
FLORIDA

All FOB Mill Sales - grooving variations in prices obtained F.O.B. Flooring Mills

F.O.B. Mill

STATEMENT OF ~~RECORDED~~ SELLING PRICES OBTAINED BY Members of M.F.M.A. as taken from its Wee
(Name of Manufacturer)

FOR 5/16" x 2¼" FACE CLEAR, No. 1 AND FACTORY MAPLE FLOORING Standard Length ~~FOR THE PERIOD FROM [illegible] INCLUSIVE~~

YEAR, 1922	JANUARY			FEBRUARY			MARCH			APRIL			MAY			JUNE			JULY			AUGUST			SEPTEMBER		
	Clear	No. 1	Factory	Clear	No. 1	Factory	Clear	No. 1	Factory	Clear	No. 1	Factory	Clear	No. 1	Factory	Clear	No. 1	Factory	Clear	No. 1	Factory	Clear	No. 1	Factory	Clear	No. 1	Fact
1—Atlanta, Ga.	90 00	65 00	20 00	90 00	60 00	23 00	85 00	73 00	30 00	47 87 00	47 65 00	47 20 00	42 93 00	26 69 50	49 23 00	33 92 00	49 80 00	34 30 00	33 90 00	33 78 00	7 30 00	30 104 00	49 90 00	30 44 00	47 95 00	47 85 00	7 37
2—Baltimore, Md.	99 50	74 00	47 00	95 00	65 00	20 00	87 00	68 00	22 00	47 90 00	34 70 00	33 20 50	47 90 00	42 65 00	7 26 00	49 90 00	30 87 00	3 28 00	30 104 00	34 80 00	23 35 00	47 90 00	30 92 00	47 30 00	7 95 25	7 87 00	33 30
3—Boston, Mass.	99 50	72 00	30 00	99 50	74 50	25 25	90 00	65 00	25 00	47 88 00	45 55 00	49 25 00	47 90 00	33 70 00	47 20 00	49 91 00	24 85 00	30 40 00	4 97 50	50 81 00	5 28 00	7 95 00	30 94 00	23 37 50	30 104 00	30 92 00	33 32
4—Buffalo, N. Y.		68 00	25 00	99 00	70 00	22 50	99 00	74 50	20 00	45 85 00	30 72 00	34 27 00		30 77 00	34 30 00	30 97 00	42 75 00	47 25 00	23 93 50	30 89 00	34 34 50	34 98 00	7 85 00	34 35 00	50 100 50	30 94 00	24 40
5—Chicago, Ill.		74 50		99 50	72 00	4 00	99 00	72 00	25 00	30 99 00	30 74 00	34 21 00		33 75 00	34 21 50	49 96 00	30 89 00	34 35 00	49 92 00	30 87 00	42 33 50	24 94 00	47 80 00	50 36 00	5 96 00	4 87 50	47 35
6—Cincinnati, Ohio.		65 00		99 50	72 00	30 00	99 00	72 00	32 50	47 90 00	47 65 00	34 20 00		7 72 50	34 31 00	34 90 00	49 78 00	49 29 50	23 92 00	47 75 00	34 30 00	23 92 50	30 [illegible] 00	49 38 00	47 95 00	47 85 00	30 4[illegible]
7—Cleveland, Ohio.		74 00		99 50	71 00	39 00	85 00	81 50	40 00	47 87 00	42 65 00	30 42 00		5 77 50	47 20 00	5 90 00	47 73 00	47 30 00	30 104 00	49 72 50	34 35 00	47 90 00	4 91 00	30 42 00	47 95 00	30 92 00	47 35
8—Des Moines, Iowa.		74 50		90 00	74 50	37 00	95 00	75 00	40 50	26 90 00	26 65 00	30 32 00		30 79 00	47 20 00	47 90 00	4 70 50	49 32 00	23 93 00	24 85 00	48 20 00	23 93 50	7 87 00	30 47 00	47 95 00	47 85 00	34 40
9—Denver, Colo.				90 00	74 50	23 00	99 50	65 00	39 00	45 85 00	5 74 00	30 42 00		47 70 00	47 20 00	4 95 00	30 77 00	4 37 50	49 92 00	30 87 00	50 30 00	23 92 50	23 79 75	50 34 00	47 95 00	30 94 00	34 41
10—Detroit, Mich.				~~99 50~~	74 00	47 00	99 50	74 50	25 00	47 90 00	30 74 00	34 26 00		34 75 00	49 23 00	49 92 00	47 70 00	4 37 50	49 90 00	30 89 00	4 36 00	34 98 00	30 94 00	30 44 00	34 98 00	90 92 00	
11—El Paso, Texas					74 50	30 00	90 00	72 00	20 00	26 95 00	34 71 00			34 65 00	34 30 00	47 90 00	7 82 50	49 30 00	5 92 00	4 82 50	48 46 00	30 104 00	47 85 00	48 30 00		4 50 00	
12—Indianapolis, Ind.						30 00	95 00	74 50	34 50		30 72 00			5 77 50	34 30 00	51 99 50	24 85 00	34 35 00	47 90 00	34 80 00	48 34 00	47 90 00	30 94 00	47 30 00		34 88 00	
13—Kansas City, Mo.						30 00	99 50	65 00		30 72 00				30 77 00	42 20 00	47 90 00	33 75 00	24 30 00	47 90 00	49 75 00		23 92 50	23 50 00	30 44 00		34 91 00	
14—Louisville, Ky.						30 00	95 00	69 00		30 72 00				30 79 00	51 37 50		30 87 00	49 25 00	50 90 00	49 75 00		23 92 50	34 85 00	30 44 00		
15—Los Angeles, Calif.						20 00		72 00		7 67 00				30 77 00			30 87 00	26 25 00	49 90 00	49 80 00		34 90 00	34 85 00	47 25 00			
16—Minneapolis, Minn.						20 00		74 50		5 80 00				30 79 00			47 75 00	47 30 00	47 90 00	49 50 00		34 95 00	42 80 00	48 30 00			
17—New York, N. Y.						34 50		74 50		30 74 00				34 71 00		No. 1	30 87 00	48 25 00	47 90 00	47 75 00			30 91 00	34 20 00			
18—Omaha, Neb.														34 71 00		30 77 00	30 87 00		47 90 00	47 75 00							
19—Oklahoma City, Okla.														34 71 00		30 76 00	4 83 00		50 96 00	47 75 00							
20—Philadelphia, Pa.																30 77 00	34 75 00			34 80 00							
21—Pittsburgh, Pa.																30 79 00	30 89 00										
22—Portland, Me.																30 79 00	49 75 00										
23—Portland, Ore.																48 74 50	26 75 00										
24—Richmond, Va.																37 [illegible] 00	30 77 00										

Red ink figures are the identifying numbers of members making the FOB mill sales recorded on this statement.

During January, February and March 1922, the identifying numbers of members who reported their sales were not disclosed in our weekly "Record of Completed Transactions" from which all the FOB mill selling prices given on this statement were compiled.

October 29, 1923

F.A.B. Mill

STATEMENT OF ~~REPORTED~~ SELLING PRICES OBTAINED BY Members of M.F.M.A. as taken from its weekly "Record of Completed Transactions"
(Name of Manufacturer)

2¼" x 2¼" FACE CLEAR, No. 1 AND FACTORY MAPLE FLOORING, Standard Lengths ~~OF CLEAR, NO. 1 AND FACTORY GRADES, SPECIFICATION MARKED~~

	APRIL			MAY			JUNE			JULY			AUGUST			SEPTEMBER			OCTOBER			NOVEMBER			DECEMBER		
	Clear	No. 1	Factory	Clear	No. 1	Factory	Clear	No. 1	Factory	Clear	No. 1	Factory	Clear	No. 1	Factory	Clear	No. 1	Factory	Clear	No. 1	Factory	Clear	No. 1	Factory	Clear	No. 1	Factory
	47 87 00	47 65 00	47 20 00	42 93 00	26 69 50	49 23 00	33 92 00	49 80 00	34 30 00	33 90 00	33 78 00	7 30 00	30 104 00	49 90 00	30 44 00	47 95 00	47 85 00	7 37 00	42 95 00	49 88 00	47 35 00	49 100 00	30 94 00	33 40 00	30 104 00	30 94 00	30 45 00
	47 90 00	34 70 00	33 20 50	47 90 00	42 65 00	7 26 00	49 90 00	30 87 00	3 28 00	30 104 00	34 80 00	23 35 00	47 90 00	30 92 00	47 30 00	7 95 25	7 87 00	33 30 00	30 98 00	34 87 00	50 40 50	30 104 00	34 90 00	34 40 50	24 95 00	4 82 40	4 33 10
	47 88 00	45 55 00	49 25 00	47 90 00	33 70 00	47 20 00	49 91 00	24 85 00	30 40 00	4 97 50	50 81 00	5 28 00	7 95 00	30 94 00	23 37 50	30 104 00	30 92 00	33 33 00	30 104 00	30 90 00	30 42 00	23 95 00	33 85 00	34 25 00	34 100 00	33 85 00	34 40 00
	45 85 00	30 72 00	34 21 00		30 77 00	34 30 00	30 97 00	42 75 00	47 25 00	23 93 50	30 89 00	34 34 50	34 98 00	7 85 00	34 35 00	50 100 50	30 94 00	24 40 00	42 00	30 94 00	34 40 00	30 102 00	30 92 00	30 44 00	42 105 00	30 92 00	30 49 00
	30 99 00	30 74 00	34 25 00		33 75 00	34 21 50	49 96 00	30 89 00	34 35 00	49 92 00	30 87 00	42 23 50	24 94 00	47 80 00	50 36 00	5 96 00	4 87 50	47 38 00	14 95 00	30 92 00	34 35 00	34 97 00	42 95 00	26 33 00	30 104 00	30 94 00	30 47 00
	47 90 00	47 65 00	34 20 00		7 72 50	34 31 00	34 90 00	49 78 00	49 29 50	23 92 00	47 75 00	34 30 00	23 92 50	50 86 00	49 38 00	47 95 00	47 85 00	30 42 00	34 98 00	42 85 00	47 35 00	30 104 00	50 90 50	30 46 00	33 95 00	23 85 00	30 47 00
	47 87 00	42 65 00	30 42 00		5 77 50	47 20 00	5 90 00	47 73 00	47 30 00	30 104 00	49 72 50	34 35 00	47 90 00	4 91 00	30 42 00	47 95 00	30 92 00	47 35 00	45 95 00	42 89 00		42 95 00	34 87 00	30 47 00	23 95 00		23 40 00
	26 90 00	26 65 00	30 32 00		30 79 00	47 20 00	47 90 00	4 70 50	49 32 00	23 93 00	24 85 00	48 20 00	23 93 50	7 87 00	30 47 00	47 95 00	47 85 00	34 40 00		49 88 00			23 85 00	23 40 00			34 40 00
	45 85 00	5 74 00	30 42 00		47 70 00	47 20 00	4 95 00	30 77 00	4 37 50	49 92 00	30 87 00	50 30 00	23 92 50	23 79 75	50 34 00	47 95 00	30 94 00	34 41 00		30 92 00			30 92 00	34 40 00			
	47 90 00	30 74 00	34 26 00		34 75 00	49 23 00	49 92 00	47 70 00	4 37 50	49 90 00	30 89 00	4 36 00	34 98 00	30 94 00	30 44 00	34 98 00	30 92 00			30 92 00			30 94 00	34 40 00			
	26 95 00	34 71 00			34 65 00	34 30 00	47 90 00	7 82 50	49 30 00	5 93 00	4 82 50	48 40 00	30 104 00	47 85 00	48 30 00		4 50 00			44 85 00			30 94 00	34 40 00			
		30 72 00			5 77 50	34 30 00	5, 99 60	24 85 00	34 35 00	47 90 00	34 80 00	48 24 00	47 90 00	30 94 00	47 30 00		34 88 00			30 94 00			30 92 00	34 40 00			
		30 72 00			30 77 00	42 20 00	47 90 00	33 75 00	24 30 00	47 90 00	49 75 00		23 92 50	23 50 00	30 44 00		34 91 00			30 94 00			30 94 00	30 44 00			
		30 72 00			30 79 00	51 32 50		30 87 00	49 25 00	50 90 00	49 75 00		23 92 50	34 85 00	30 44 00					30 94 00			30 94 00	23 35 00			
		7 69 00			30 77 00			30 87 00	26 25 00	49 90 00	49 80 00		34 90 00	34 85 00	47 35 00					34 88 00			30 94 00	34 40 50			
		5, 80 00			30 79 00			47 75 00	47 30 00	47 90 00	49 50 00		34 95 00	42 80 00	48 20 00					42 90 00			34 90 00	34 40 00			
		30 74 00			34 71 00		No. 1	30 87 00	48 25 00	47 90 00	47 75 00			30 91 00	34 20 00								42 85 00	34 40 00			
					34 71 00			30 77 00	30 87 00		47 90 00	47 75 00												37 35 00			
					34 71 00			30 76 00	4 83 00		50 96 00	47 75 00												44 35 00			
								30 77 00	34 75 00			34 80 00															
								30 79 00	30 89 00													5448					
								30 79 00	49 75 00																		
								48 74 50	26 75 00																		
								37 77 00	30 77 00																		

RECORD OF AVERAGE PRICES REALIZED

FOB Flooring Mills in March and February 1920 for New Orders Booked for 13/16" x 2¼" Clear, No. 1 and Factory Maple Flooring, after deducting Freight and Commission

	CLEAR		NO. 1		FACTORY	
GROUP A	Mar.	Feb.	Mar.	Feb.	Mar.	Feb.
Eastern Mill 2	154.38	146.50	186.07	131.35		119.62
24	159.60	148.30	173.63	143.20		131.46
Lower 33	186.00		173.50		138.39	
Michigan 49	190.36	178.00	194.43	174.75		144.75
Average	174.40	168.02	180.31	143.71	138.39	125.48
Gain	6.38		36.60		12.91	
GROUP B						
Western Mill 3	154.57	134.72	149.56	128.70	153.16	
5	157.52	146.18	153.13	131.85		124.00
Lower 14	160.83	158.56	154.96	150.47	137.60	131.50
Michigan 30	176.36	142.80	184.77	145.44	155.15	127.50
Average	160.60	146.25	157.69	137.54	152.18	129.46
Gain	14.35		20.15		22.72	
GROUP C						
All Lower Michigan) Avge.	165.15	149.11	168.23	138.59	141.39	126.54
Gain	16.04		29.64		14.85	
GROUP D						
Upper Mill 4	183.00	181.27	175.30		148.94	
7	217.50	157.11	196.75	145.87	149.88	115.20
Michigan 23		147.70		129.52		124.83
34	198.62	146.96	172.91	140.52	147.07	116.88
and 42		176.00	188.98	165.00	145.74	139.11
44	192.83	178.00	188.20	169.43	137.28	132.35
Wisconsin 50		197.20			154.90	147.20
Average	199.61	174.93	187.97	159.00	145.49	129.47
Gain	24.68		28.97		16.02	
GROUP E						
Michigan and Wisconsin) Avge.	166.89	159.07	179.11	149.20	143.08	128.57
Gain	7.82		29.91		14.51	
GROUP F						
Chicago Mill 48	189.30	175.00	172.77	165.00	155.00	150.00
Minneapolis 46	218.50	213.03	192.16	200.00	146.12	163.00

April 17, 1920.

Reports from 16 Members

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RECORD OF AVERAGE PRICES REALIZED

FOB Flooring Mills in March and February, 1922
for New Orders Booked for 13/16x2-1/4"Clear, No.1 &
Factory Maple Flooring after deducting Freight and Commissions.

		CLEAR		NO. 1		FACTORY	
GROUP A		Mar.	Feb.	Mar.	Feb.	Mar.	Feb.
Eastern	M 24	83.95	84.71	60.89	61.90	17.17	19.15
Lower	33	85.20		62.60		17.60	
Michigan	49		92.01	64.30	68.21	19.77	23.92
	Average	84.84	90.06	61.99	63.99	17.99	22.07
	Loss	5.22		2.00		4.08	
GROUP B							
Western	3	88.29	88.32	69.32	68.37		
Lower	5	88.23	88.37	68 69	68.04		
Michigan	14	87.59	88.00	62.54	63.00	25.06	25.00
	26	84.78	88.36	61.97	62.90	17.60	20.57
	30	87.82	86.88	63.13	64.15	20.99	22.56
	37	84.82		59.68		20.02	
	47	87.06		63.39		19.20	
	Average	86.95	87.85	63.82	66.11	19.45	22.60
	Loss	.90		2.29		3.15	
GROUP C							
All Lower Michigan)	Avge.	86.51	88.30	63.41	65.26	18.91	22.51
	Loss	1.79		1.85		3.60	
GROUP D							
Upper	M 4	90.26	88.83	64.53	64.70	17.70	18.40
Michigan	7	89.93	90.01	62.10	61.43	19.82	19.62
and	23	85.30		59.30		17.26	
Wisconsin	34	92.81	90.40	66.95	69.17	21.51	23.89
	42	88.11	85.43	62.63	60.63	18.00	18.73
	44	86.55	88.01	58.93	59.26	15.17	19.41
	50	93.22	90.70	66.86	58.32	22.27	24.12
	Average	88.56	87.70	61.53	60.68	18.11	19.31
	Gain	.86		.85			
	Loss					1.20	
GROUP E							
Michigan and Wisconsin)	Avge.	87.23	88.03	62.59	62.36	18.55	20.43
	Gain			.23			
	Loss	.80				1.88	
Tupper Lake, N. Y.	M 51	87.35		66.23	70.00		
GROUP F							
Chicago	M 48	100.00	98.28	74.84	72.29	33.70	32.56
St. Paul	22	102.81	98.00	78.00	80.00	38.00	38.00

April 19, 1922. Reports from 20 Members.

RANGE OF SELLING PRICES FOB FLOORING MILLS FOR 13/16x2-1/4" FACE MAPLE FLOORING

EASTERN LOWER MICHIGAN MILLS

1920	CLEAR High	CLEAR Low	NO. 1 High	NO. 1 Low	FACTORY High	FACTORY Low
Jan.	143.35	126.00	134.42	114.39	112.75	103.82
Feb.	178.00	146.50	174.75	131.35	144.75	119.62
Mar.	190.36	154.38	194.43	173.50		
Apr.	198.55	188.20	187.00	173.92		
May	194.00	183.04	189.00	168.73		145.63
June			190.00	167.70		
July			167.10	163.93	128.38	124.55
Aug.	177/27	173.20	170.00	168.20		
Sept.	160.85	160.58		148.32	94.32	79.23
Oct.	147.22	136.00	143.00	136.84	80.27	78.00
Nov.	140.47	134.24	132.63	103.06	70.38	63.06
Dec.	118.30	99.24	110.43	97.74	70.45	54.72

WESTERN LOWER MICHIGAN MILLS

1920	CLEAR High	CLEAR Low	NO. 1 High	NO. 1 Low	FACTORY High	FACTORY Low
Jan.	135.02	120.30	117.71	111.60	106.98	106.98
Feb.	158.56	134.72	150.47	128.70	131.50	124.00
Mar.	176.36	154.57	184.77	149.56	155.15	137.60
Apr.	194.45	169.56	189.24	164.53	160.75	146.69
May	196.60	169.35	187.46	164.20	168.00	152.03
June	202.76	169.54	178.99	164.60	139.83	131.54
July	180.58	169.95	175.06	162.33	134.05	122.00
Aug.	178.24	175.96	169.04	164.60	128.94	109.75
Sept.	168.93	165.75	159.92	154.05	115.10	97.76
Oct.	152.82	144.66	154.67	129.00		
Nov.	143.50	137.88	128.45	115.32		
Dec.	119.18	103.47	108.12	84.35		53.13

UPPER MICHIGAN AND WISCONSIN MILLS

1920	CLEAR High	CLEAR Low	NO. 1 High	NO. 1 Low	FACTORY High	FACTORY Low
Jan.	168.10	122.75	130.37	112.70	113.10	97.54
Feb.	197.20	146.96	169.43	129.52	147.20	115.20
Mar.	217.50	183.00	196.75	172.91	154.90	137.28
Apr.	222.50	186.60	197.50	182.71	166.90	145.14
May	225.00	186.16	189.87	178.65	156.80	146.20
June	195.75	182.60	197.50	167.14	150.00	131.07
July	182.29	176.73	173.50	166.37	148.00	132.01
Aug.	180.35	174.20	171.44	161.80	128.65	125.00
Sept.	171.69	159.55	158.50	149.92	100.00	96.45
Oct.	154.35	139.66	151.92	144.86	100.16	86.10
Nov.	142.40	126.20	145.00	111.28	87.40	74.04
Dec.	125.20	100.31	110.78	85.05	80.00	53.15

ALL MICHIGAN AND WISCONSIN MILLS

1920	CLEAR High	CLEAR Low	NO. 1 High	NO. 1 Low	FACTORY High	FACTORY Low
Jan.	168.10	120.30	134.42	111.60	113.10	97.54
Feb.	197.20	134.72	174.75	128.70	147.20	115.20
Mar.	217.50	154.38	196.75	149.56	155.15	137.28
Apr.	222.50	169.56	197.50	164.53	166.90	145.14
May	225.00	169.35	189.87	164.20	168.00	145.63
June	202.76	169.54	197.50	164.60	150.00	131.07
July	182.29	169.95	187.10	162.33	148.00	122.00
Aug.	180.35	173.20	171.44	161.80	128.94	109.75
Sept.	171.69	159.55	159.92	148.32	115.10	79.23
Oct.	154.35	136.00	154.67	129.00	100.16	78.00
Nov.	143.50	126.20	145.00	103.08	87.40	63.06
Dec.	125.20	99.24	110.78	84.35	80.00	53.13

RANGE OF SELLING PRICES FOB FLOORING MILLS FOR 13/16x2-1/4" FACE MAPLE FLOORING

EASTERN LOWER MICHIGAN MILLS

1921	CLEAR High	CLEAR Low	NO. 1 High	NO. 1 Low	FACTORY High	FACTORY Low
Jan.	101.30	98.44	85.40	83.20	50.42	50.00
Feb.	101.94	96.31	84.85	84.67	50.43	48.50
Mar.	96.17	88.55	76.20	74.79		
Apr.	86.88	84.53	71.05	63.65	34.50	26.45
May	91.44	84.93	63.33	59.59	29.10	26.42
June	93.27	86.30	66.08	63.86	30.50	29.06
July	89.92	86.00	56.21	61.60	29.87	26.05
Aug.						
Sept.	84.05	82.71	55.21	54.62	20.67	20.55
Oct.	82.27	81.90	55.60	53.50		
Nov.	88.35	86.13	63.86	56.68		
Dec.	89.36	83.89	64.44	61.35	28.41	21.71

WESTERN LOWER MICHIGAN MILLS

1921	CLEAR High	CLEAR Low	NO. 1 High	NO. 1 Low	FACTORY High	FACTORY Low
Jan.	99.27	98.35	86.00	83.31		48.00
Feb.	99.06	95.45	82.56	79.23	50.00	40.65
Mar.	91.68	90.10	73.71	73.25	45.00	37.60
Apr.	90.01	89.69	69.83	65.89	42.12	35.50
May	88.74	84.08	63.95	58.08	31.82	26.50
June	88.08	87.95	63.25	62.96		
July	88.56	87.76	67.82	63.11		
Aug.	88.54	85.72	63.29	58.83	27.64	22.83
Sept.	88.66	85.30	59.82	53.23		
Oct.	84.24	83.00	59.20	52.99	21.22	20.45
Nov.	85.55	84.18	59.66	55.00	20.51	19.76
Dec.	88.00	84.60	68.08	62.56	21.14	18.34

UPPER MICHIGAN AND WISCONSIN MILLS

1921	CLEAR High	CLEAR Low	NO. 1 High	NO. 1 Low	FACTORY High	FACTORY Low
Jan.	102.97	96.01	88.50	74.40	51.90	49.85
Feb.	103.58	99.65	87.46	85.64	53.00	50.72
Mar.	96.09	91.72	81.94	76.06	45.52	36.26
Apr.	95.00	85.31	77.62	61.52	42.60	36.95
May	93.94	85.45	76.42	57.71	43.06	26.69
June	92.32	89.12	68.13	65.43	33.74	29.27
July	91.71	85.19	68.45	58.61	33.40	22.10
Aug.	92.61	84.06	64.69	54.97	32.24	20.30
Sept.	91.84	76.92	62.94	54.04	30.21	16.64
Oct.	89.29	83.48	61.88	50.19	22.15	16.17
Nov.	87.12	82.40	59.32	53.53	23.69	18.16
Dec.	92.34	86.08	67.61	58.22	31.00	16.59

ALL MICHIGAN AND WISCONSIN MILLS

1921	CLEAR High	CLEAR Low	NO. 1 High	NO. 1 Low	FACTORY High	FACTORY Low
Jan.	102.97	96.01	88.50	74.40	51.90	48.00
Feb.	103.58	95.45	87.46	79.23	53.00	40.65
Mar.	96.17	88.55	81.94	73.25	45.52	36.26
Apr.	95.00	84.53	77.62	61.52	42.60	26.45
May	93.94	84.08	76.42	57.71	43.06	26.42
June	93.27	86.30	68.13	62.96	33.74	29.06
July	91.71	85.19	68.45	58.61	33.40	22.10
Aug.	92.61	84.06	64.69	54.97	32.24	20.30
Sept.	91.84	76.92	62.94	53.23	30.21	16.64
Oct.	89.29	81.90	61.88	50.19	22.15	16.17
Nov.	88.35	82.40	63.86	53.53	23.69	18.16
Dec.	92.34	85.69	68.08	58.22	31.00	16.59

RANGE OF SELLING PRICES FOR FLOORING MILLS FOR 13/16x2-1/4" FACE MAPLE FLOORING

1922	EASTERN LOWER MICHIGAN MILLS						WESTERN LOWER MICHIGAN MILLS					
	CLEAR		NO. 1		FACTORY		CLEAR		NO. 1		FACTORY	
	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low
Jan.							88.97	87.90	68.50	62.80	25.16	20.92
Feb.	92.01	84.71	68.21	61.90	23.92	19.15	88.37	86.88	68.37	62.90	25.00	20.57
Mar.	85.20	83.95	64.30	60.89	19.77	17.17	88.29	84.78	68.69	59.88	25.06	17.60
Apr.	91.60	86.00	64.45	63.00	21.38	18.71	90.30	87.39	70.29	63.30	27.00	19.60
May	91.20	87.17	71.10	67.59	24.00	19.84	90.53	88.34	75.60	67.18	30.25	20.92
June	92.63	89.53	77.99	74.87	32.48	25.51	90.62	89.94	81.08	74.43	31.92	24.95
July	91.68	88.63	81.32	76.33	35.45	29.74	95.13	90.25	84.72	77.72	35.35	30.86
Aug.	97.18	88.97	86.71	80.33	36.32	34.37	95.68	91.68	85.45	80.64	41.50	30.00
Sept.	96.64	94.30	86.75	84.00	36.63	34.25	95.45	94.00	85.50	83.22	37.69	34.50
Oct.	97.20	95.00	86.44	83.70	36.23	35.00	95.55	94.84	85.92	84.12	35.90	34.73
Nov.	96.04	94.60	86.12	84.85	39.85	36.62	95.55	94.93	85.64	85.00	36.97	35.67
Dec.	96.46	94.92	86.14	85.73	41.30	37.66	95.65	94.06	85.39	84.90	41.20	35.42

1922	UPPER MICHIGAN AND WISCONSIN MILLS						ALL MICHIGAN AND WISCONSIN MILLS					
	CLEAR		NO. 1		FACTORY		CLEAR		NO. 1		FACTORY	
	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low
Jan.	93.90	87.63	67.01	58.50	26.46	15.84	93.90	87.63	68.50	58.50	26.46	15.84
Feb.	90.70	85.43	69.17	58.32	24.12	18.40	92.01	84.71	69.17	58.32	25.00	18.40
Mar.	93.22	85.30	66.95	58.93	22.27	15.17	93.22	83.95	68.69	58.93	25.06	15.17
Apr.	92.92	86.91	70.63	60.25	24.13	17.00	92.92	86.00	70.63	60.25	27.00	17.00
May	93.45	89.65	73.81	68.70	28.14	22.79	93.45	87.17	75.60	67.18	30.25	19.84
June	94.05	90.00	77.49	75.92	32.88	25.45	94.05	89.53	81.08	74.43	32.88	24.95
July	97.45	91.26	83.48	76.04	34.30	29.52	97.46	88.63	84.72	76.04	35.45	29.52
Aug.	97.77	92.08	83.95	81.70	37.25	32.62	97.77	88.97	86.71	80.33	41.50	30.00
Sept.	97.40	94.78	87.84	84.32	37.50	34.75	97.40	94.00	87.84	83.22	37.69	34.25
Oct.	98.83	93.98	88.06	84.87	38.14	34.86	98.83	93.98	88.06	83.70	38.14	34.73
Nov.	96.55	93.59	90.50	84.45	43.20	35.48	96.55	93.59	90.50	84.45	43.20	35.48
Dec.	98.16	95.40	87.00	84.80	43.00	35.48	98.16	94.06	87.00	84.80	43.00	35.42

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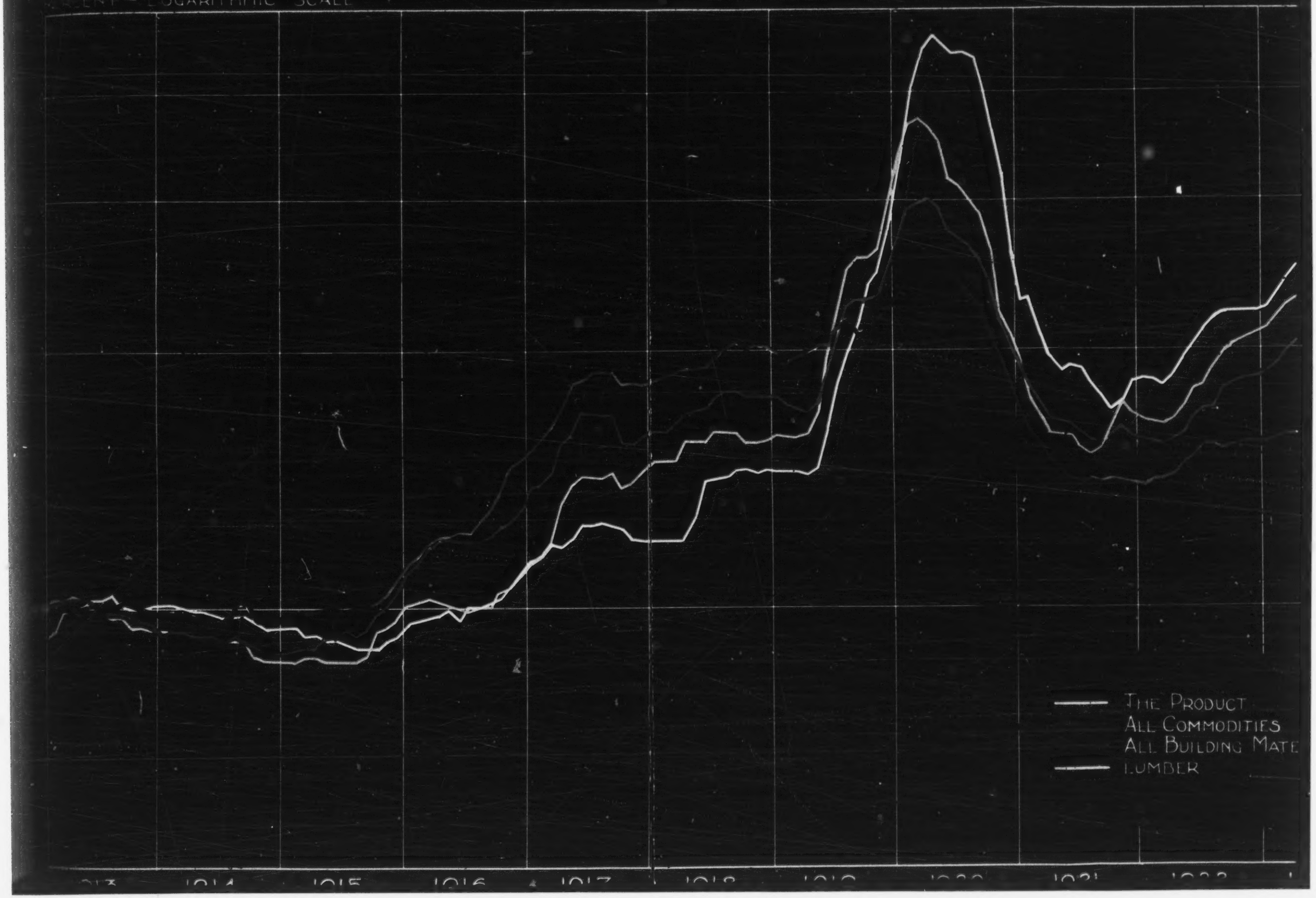
APPENDIX F

ALL COMMODITY PRICES, ALL BUILDING MATERIALS PRICES, AND LUMBER PRICES
MONTHLY 1913-1923

PERCENT - LOGARITHMIC SCALE

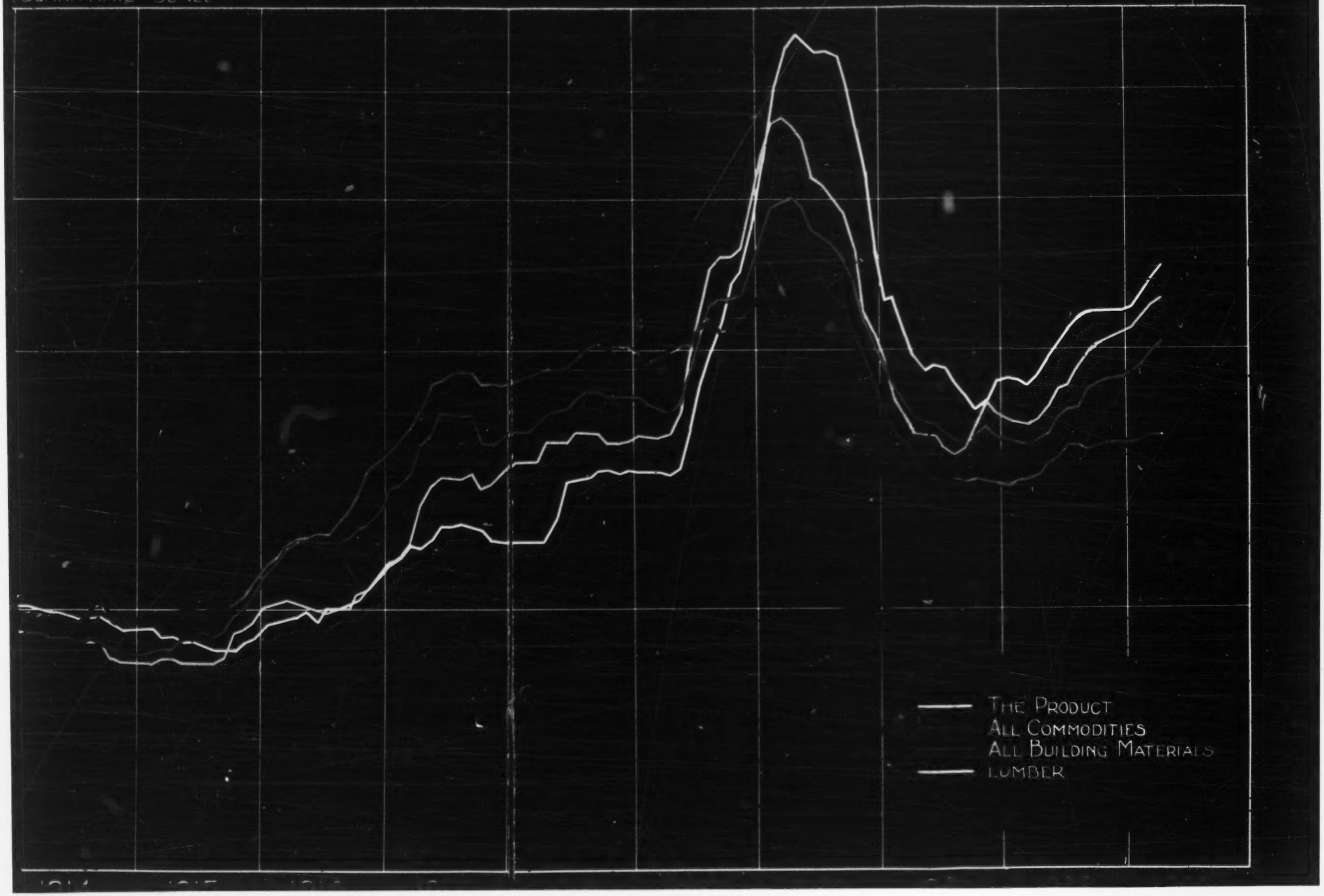
19



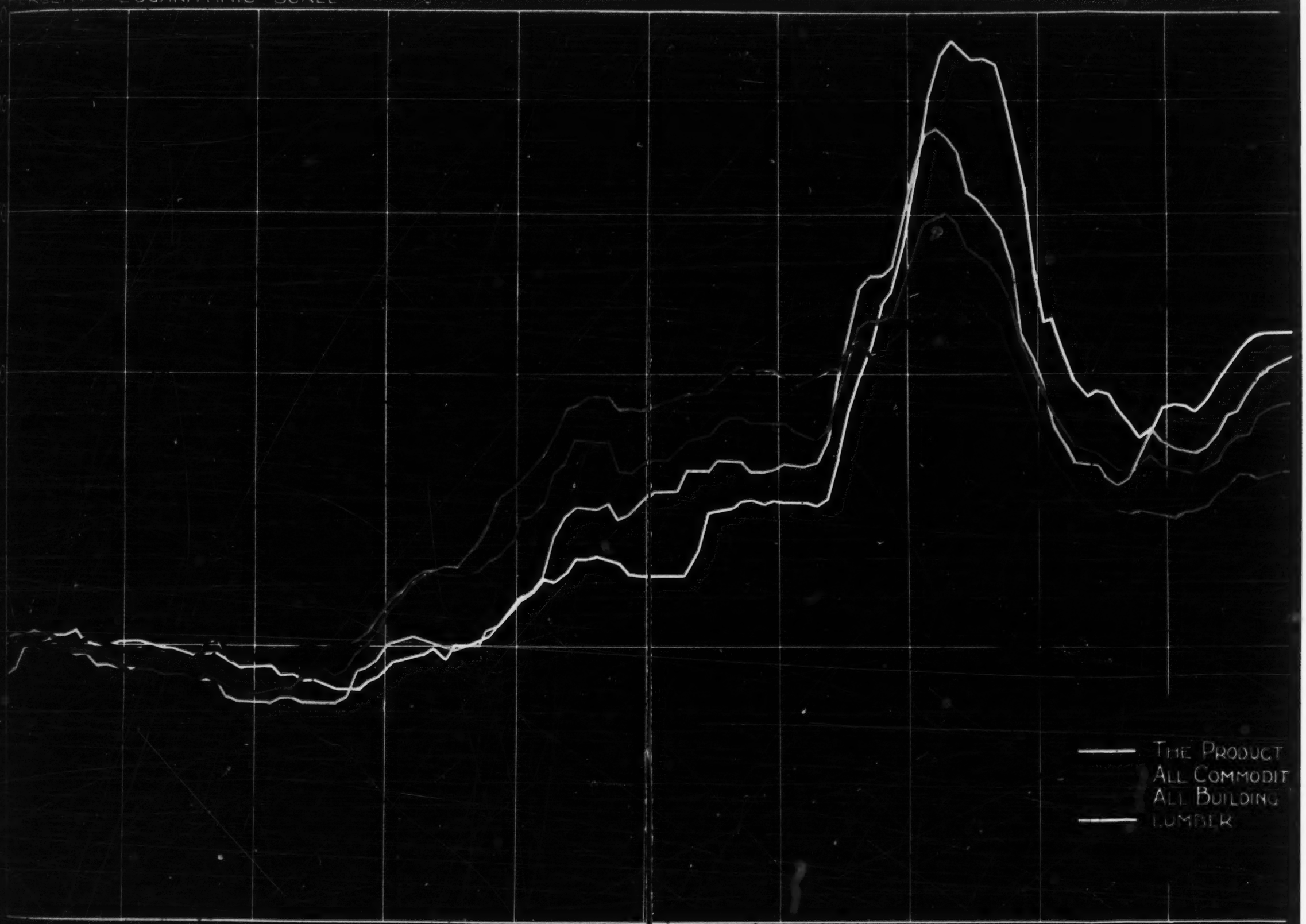
ALL COMMODITY PRICES, ALL BUILDING MATERIALS PRICES, AND LUMBER PRICES
MONTHLY 1913-1923

LOGARITHMIC SCALE

1913 = 100



PERCENT - LOGARITHMIC SCALE

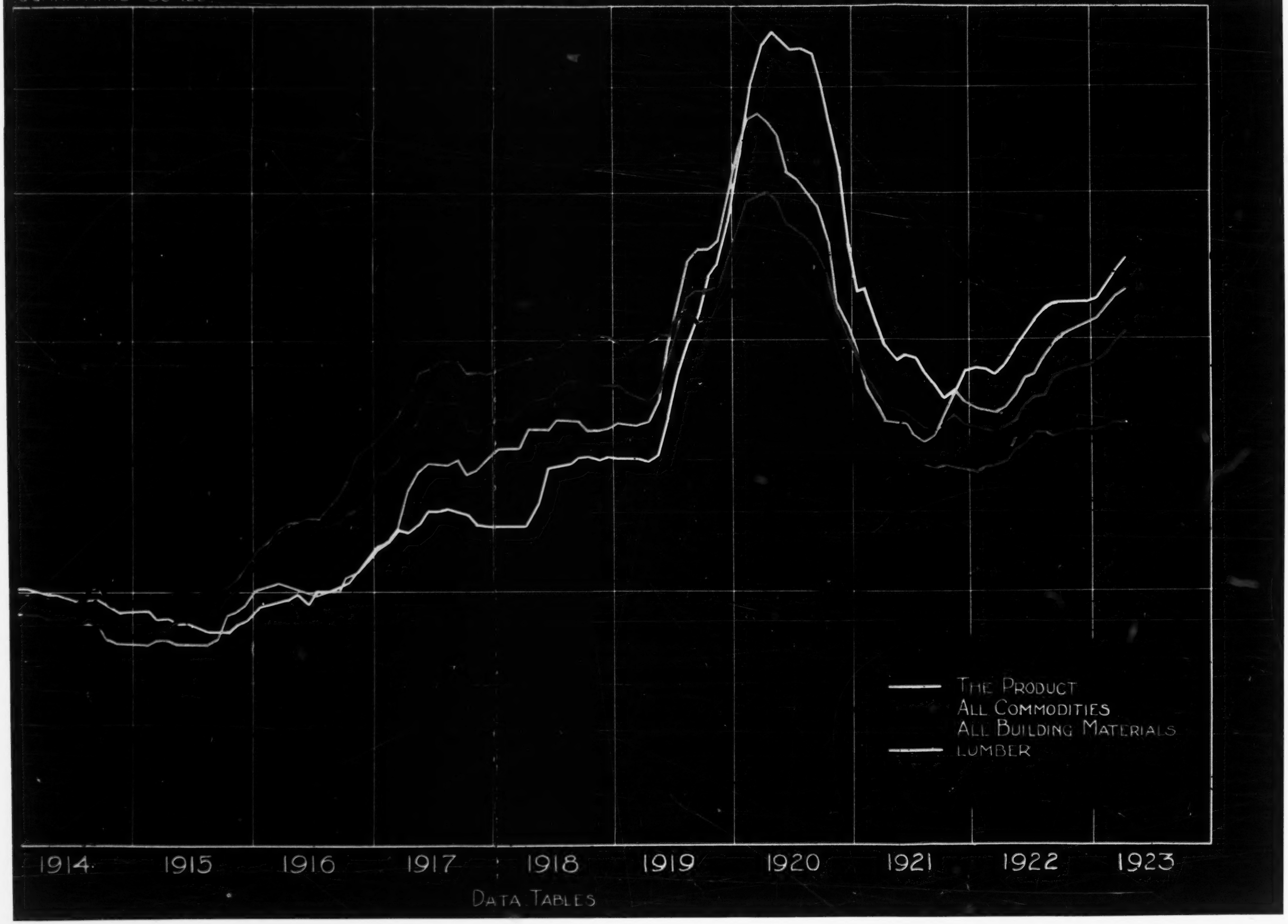


1913 1914 1915 1916 1917 1918 1919 1920 1921 1922

DATA TABLES

OGARITHMIC SCALE

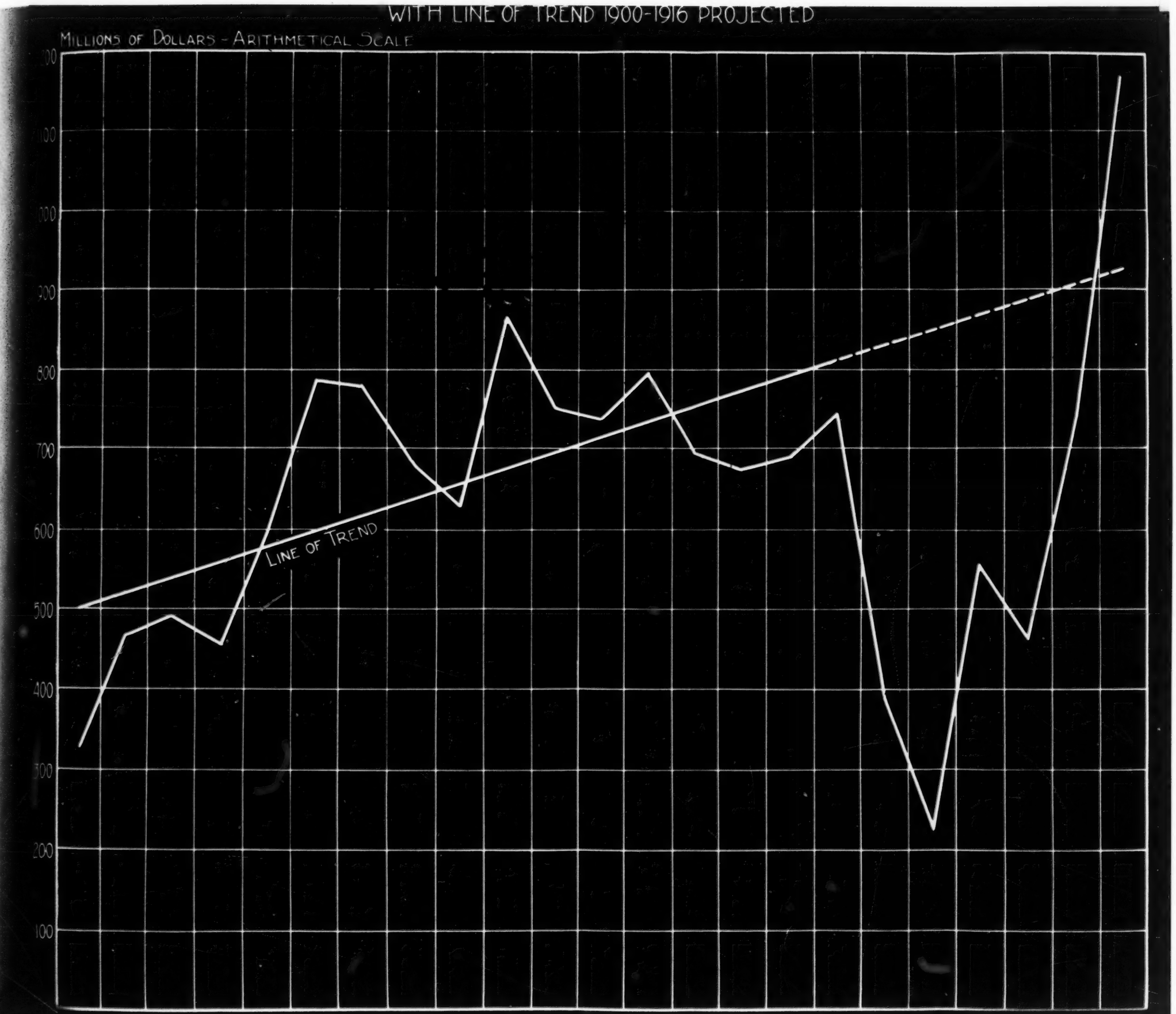
1913 = 100

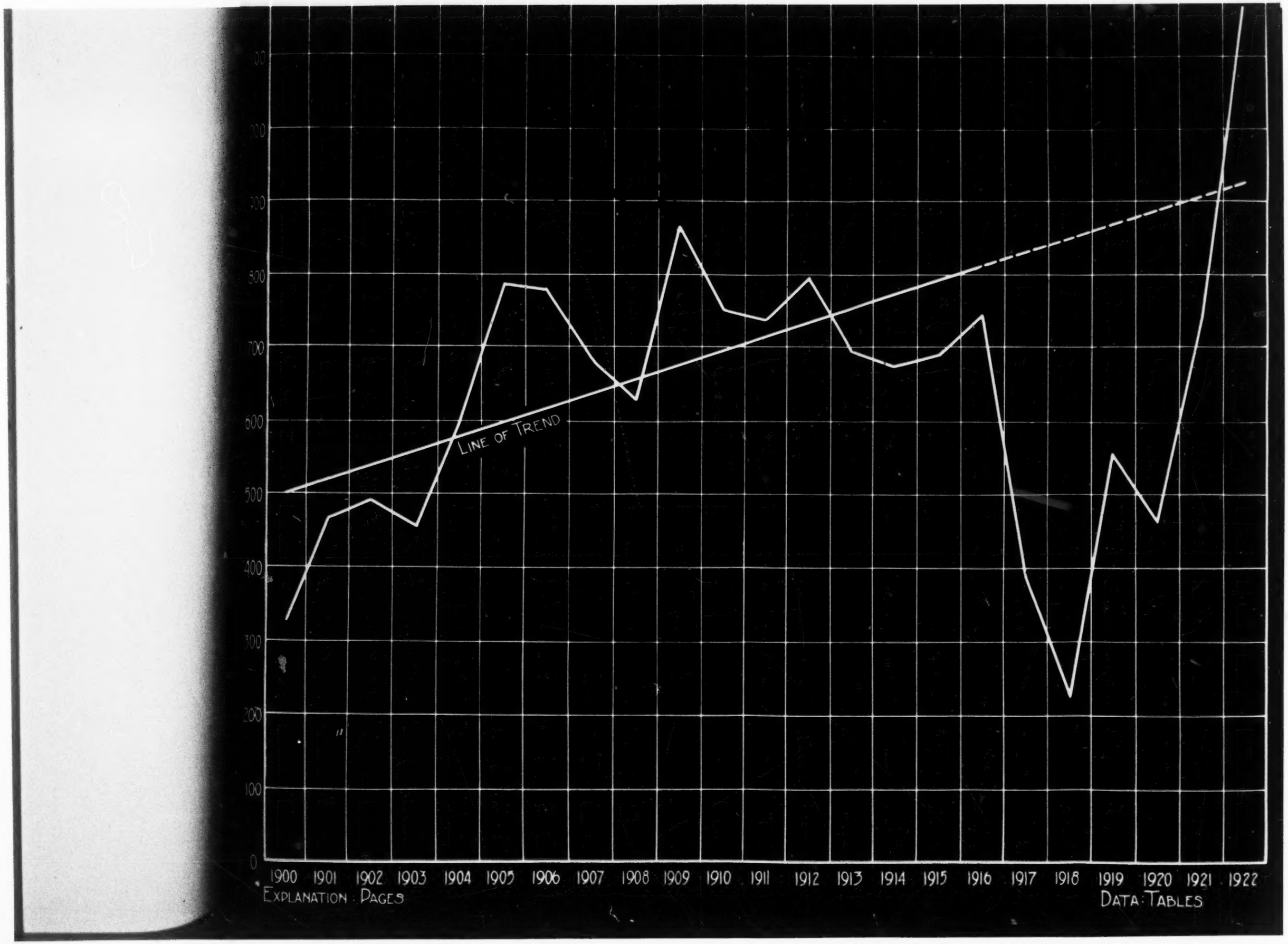


DATA TABLES

APPENDIX G

WITH LINE OF TREND 1900-1916 PROJECTED




00
700
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LINE OF TREND
1900 1901 1902 1903 1904 1905 1906 1907 1908 1909 1910 1911 1912 1913 1914 1915 1916 1917 1918 1919 1920 1921 1922
EXPLANATION: PAGES
DATA: TABLES

	1912	1913	1914	1915	1916	1917
Common laborers	1.85	1.85	1.85	1.85	2.10	2.50
Edgerman	2.50	2.50	2.50	2.50	2.70	3.10
Feeders	2.10	2.25	2.25	2.50	2.70	3.10
Gauger	2.40	2.50	2.50	2.75	2.95	3.35
Inspector	2.00	2.00	2.00	2.00	2.20	2.70
Tallyman	1.85	2.00	2.00	2.00	2.20	2.60
	12.70= 97%*	13.10=100%*	13.10=100%*	13.60=104%*	14.85=113%*	17.35=132%*

	1918	1919	1920	1921	1922	1923
Common laborers	3.00	3.50	4.15	2.75	3.00	3.25
Edgerman	3.60	4.10	4.90	3.40	3.70	4.25
Feeders	3.60	4.10	5.05	3.55	3.85	4.50
Gaugers	3.85	4.75	5.55	4.05	5.00	5.50
Inspector	3.20	3.90	4.70	3.20	3.50	4.00
Tallyman	3.10	3.75	4.65	3.15	3.40	4.00
	20.35=155%*	24.10=184%*	29.00=221%*	20.10=153%*	22.45=171%*	25.50=195%*

[*In red in copy.]

Yours very truly, Cummer-Diggins Co.

APPENDIX I

[fol. 5399]

DEFENDANTS' EXHIBIT L

No. 25

Wages Paid in Flooring Factory from September, 1915, When Factory Started, Until Present

1913 as 100%	Sept., 1915	1916 Jan. 1917	Dec. 1917	1918 June, 1919	Aug., 1919	Dec., 1919	Apr., 1920	Aug., 1920	Dec., 1920	Feb., 1921	Mar., 1921	June, 1921	Sept., 1922	May, 1923
Foreman	3.00	4.00	4.00	4.00	4.25	4.50	5.00	7.00	6.50	6.35	6.35	6.35	6.73	6.73
Asst. Foreman	2.00	2.50	3.50	3.50	3.75	4.00	4.50	5.00	4.50	4.00	3.50	3.25	3.50	3.75
Grader	2.00	2.50	2.90	3.75	4.00	4.25	4.75	5.50	5.00	4.50	4.00	4.00	4.75	5.00
Ripper	2.00	2.25	2.90	3.50	3.75	4.00	4.50	4.75	4.25	4.00	4.00	3.75	4.00	4.25
Feeding	2.00	2.00	2.65	3.50	3.75	4.00	4.50	4.50	4.00	3.75	3.25	3.00	3.50	3.75
End Matcher	2.00	2.00	2.15	3.25	3.50	3.75	4.50	4.50	4.00	3.75	3.25	2.75	3.35	3.75
Tiers & Bundlers	1.50	1.75	2.15	3.25	3.50	3.75	4.25	4.50	4.00	3.50	3.00	2.75	3.00	3.25
Swamper	1.75	1.75	2.00	3.00	3.25	3.50	4.00	4.50	4.00	3.50	3.00	2.75	3.00	3.25
Cut Off	1.75	1.75	2.00	3.00	3.25	3.50	4.25	4.50	4.00	3.50	3.00	2.75	3.25	3.50
Shed Men	1.75	1.75	2.00	3.00	3.25	3.50	4.50	4.50	4.00	3.50	3.00	2.75	3.00	3.25
Totals	19.75	22.25	26.25	33.75	36.25	38.75	44.75	49.25	44.25	40.35	36.35	34.10	38.08	40.48
		S. A.		S. A.			S. A.			S. A.				
		24.25		36.25			46.08			36.93				

[S. A. means simple average]

25. Comparative Wages Paid Per Day to Employees, 1912 to 1923

Flooring Factory:	1912	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923
Foreman	3.85	4.25	4.60	4.60	4.60	4.60	5.20	5.77	7.12	9.00	9.00	9.50
Mill Right	2.50	2.75	2.75	2.20	2.75	3.00	3.50	3.85	5.00	6.00	6.00	6.00
Filer	2.75	2.75	2.75	2.00	2.50	2.90	3.25	3.50	8.05	5.50	5.00	5.25
Filer	2.50	2.50	2.50	1.60	2.00	2.75	3.00	3.25	6.50	4.75	4.25	4.75
Gauger	2.75	2.75	2.75	2.20	2.75	3.00	3.50	3.65	6.25	5.50	5.00	5.25
Oiler	2.00	2.00	2.00	1.60	2.00	2.50	2.75	3.25	4.50	4.00	3.50	3.50
Ripsaw	2.25	2.25	2.25	1.80	2.45	2.94	3.07	3.65	4.75	4.50	4.00	4.50
Matcher	1.60	1.70	1.70	1.36	1.84	2.77	2.82	2.82	5.08	3.75	3.25	3.75
End Matcher	1.50	1.65	1.75	1.40	1.79	2.55	2.66	3.93	5.08	6.25	6.00	6.00
Inspector	....	....	....	....	....	....	3.03	3.13	4.65	3.25	2.75	3.25
Sorting	1.60	1.70	1.70	1.36	1.79	2.00	2.25	2.35	4.34	2.50	2.25	2.75
Packer	1.75	1.85	1.85	1.28	1.75	2.39	2.56	2.91	4.96	3.50	3.00	3.50
Trimmer	1.75	1.85	1.85	1.48	1.75	2.50	2.77	2.97	5.08	3.25	2.75	3.25
Wood Saw	1.60	1.70	1.70	1.36	1.74	2.22	2.50	2.75	4.25	3.00	2.50	3.00
Bench Saw	2.00	2.00	2.00	1.60	2.15	2.24	2.61	2.97	4.96	3.00	2.50	3.25
Tie & Tally	1.60	1.50	1.50	1.20	1.73	2.11	2.25	2.45	4.52	3.25	2.75	3.25
Trucking	1.50	1.70	1.70	1.36	1.74	2.25	2.66	2.87	5.27	3.25	2.75	3.25
General	1.50	1.50	1.50	1.20	1.53	2.11	2.35	2.75	4.25	2.75	2.50	2.75
General	1.60	1.60	1.60	1.28	1.75	2.77	2.75	3.06	4.48	3.00	3.00	3.75
General	1.85	1.85	1.85	1.48	1.79	2.93	2.75	3.25	4.50	3.50	3.50	4.00
Resaw	1.50	1.65	1.60	1.32	1.65	2.22	....	....	....	3.75	3.25	3.75
Scraper	1.40	1.65	1.65	1.36	1.73	2.17	2.15	2.35	4.34	3.25	2.75	3.25
Dry Kiln:												
Foreman	2.25	2.50	2.50	2.50	2.50	3.00	3.75	3.75	5.00	4.25	3.75	4.50
Labor	1.60	1.65	1.70	1.36	1.70	2.50	2.87	3.13	4.75	3.70	3.20	3.45
Teamster	1.60	1.75	1.75	1.40	1.75	2.57	2.90	3.13	4.75	3.25	2.75	3.25
Blacksmith Foreman	2.50	2.50	2.50	2.00	2.50	3.25	4.00	4.25	7.00	7.00	6.00	6.25
Blacksmith	1.85	1.85	1.85	1.48	1.85	2.50	3.25	3.25	6.50	5.50	5.00	5.50
Machine Shop:												
Foreman	3.25	3.25	3.50	3.50	3.50	4.00	6.25	6.25	8.00	8.00	7.50	7.75
Machinist	3.00	3.00	3.00	2.40	3.00	3.75	5.00	6.00	7.00	6.75	5.00	5.25
Helper	2.00	2.00	2.00	1.60	1.75	2.00	2.50	3.00	4.25	5.00	4.50	5.25
Carpenter	2.00	2.00	2.00	1.60	2.00	2.25	2.50	2.75	4.25	4.25	3.75	4.00
Factory Shipping:												
Foreman	2.75	3.25	3.50	3.50	3.50	3.75	3.75	4.00	5.25	5.25	4.50	5.25
Loading	1.50	1.60	1.75	1.40	1.75	2.25	2.50	2.75	4.50	3.00	2.50	3.25
Piling	1.75	1.85	1.85	1.48	1.89	2.25	3.00	3.00	4.50	3.00	2.50	3.25
	65.90	68.70	68.85	57.94	69.82	86.77	99.62	109.61	169.03	142.45	127.20	141.45
1913 as 100%	96. %	100. %	102. %	84. %	102. %	126. %	145. %	160. %	246. %	207. %	185. %	206. %

25 (cont'd). Comparative Cost of Operating Supplies, 1912 to 1923.

Description	1912	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922
½ x 1 Set Screws—Per C	.95	.95	.95	1.33	2.28	2.28	2.11	1.90	2.09	1.70	1.30
½ x 1½ " " — " "	1.20	1.20	1.20	1.68	2.88	2.88	2.66	2.40	2.16	2.20	1.60
½ x 2 " " — " "	1.50	1.50	1.50	2.10	3.60	3.60	3.33	3.00	2.70	2.70	2.00
½ x 3 " " — " "	2.25	2.25	2.25	2.80	5.40	5.40	4.98	4.50	4.05	4.00	3.00
½ x 3 Machine Bolts "	1.46	1.38	1.25	1.46	2.85	2.85	3.28	3.28	3.28	1.70	2.30
½ x 4 " " " "	1.63	1.54	1.40	1.63	3.18	3.18	3.67	3.67	3.67	1.90	2.60
½ x 5 " " " "	1.80	1.71	1.54	1.80	3.52	3.52	4.07	4.07	4.07	2.10	2.80
½ x 4 Lag Screws "	1.38	1.32	....	1.28	3.05	2.77	3.33	3.33	....	1.90	2.60
½" Cut Washers, C. W. T	4.90	4.90	3.35	4.25	5.25	8.00	8.50	7.00	8.50	4.00	6.50
½" " " "	4.60	4.60	2.95	3.80	4.75	7.00	8.00	6.00	8.20	3.70	6.10
½ x 3 Carriage Bolts, C	1.24	1.24	1.37	1.34	2.47	2.47	3.00	2.97	2.82	1.60	2.00
½ x 5 " " "	1.63	1.64	1.68	1.77	3.25	3.25	3.95	3.88	3.72	2.10	2.70
½ x 3 " " "	....	....	.34	....	.81	.81	1.01	.96	....	....	.75
Cotton Waste, lb	.07	.09	.07	.09½	.09	.13½	.13½	.15	.15	.11	.10
Warehouse Brooms, each	.42	.44	.42	.50	.62½	.70	.77	.75	.75	.65	.70
8d Common Nails, C. W. T	2.35	2.30	2.25	3.10	3.70	4.55	5.00	4.75	5.15	3.90	3.90
10d " " "	2.30	2.25	2.20	3.00	3.65	4.50	4.90	4.65	5.05	3.80	3.80
20d " " "	2.25	2.20	2.15	2.95	3.60	4.45	4.85	4.60	4.85	3.60	3.60
40d " " "	2.25	2.20	2.15	2.95	3.60	4.45	4.85	4.60	4.85	3.60	3.60
3" Single Leather Belt, ft	.31	.31	.28	.35	.43	.43	.47	.63	.51	.46	.47
4" " " " "	.41	.41	.38	.47	.58	.58	.62	.84	.68	.53	.62
3" Double " " "	.55	.57	.57	.65	.78	.78	.87	1.15	1.03	.76	.90
6" " " " "	1.09	1.15	1.15	1.30	1.56	1.56	1.73	2.30	2.05	1.53	1.80
10" " " " "	1.70	1.92	1.92	2.15	2.64	2.64	2.88	3.84	3.42	2.53	1.80
Copper Tacks, lb	....	....	.35	.35	.50	.49	.59	.50	.64	.45	.39
Copper Rivets, "	.33	.33	.33	.38	.63	.65	.55	.50	.46	.33	.33
5" Slim Taper Files, doz	.71	....	1.42	1.42	1.35	1.04	1.37	1.13	1.25	.96	1.07
6" " " " "	.75	.76	1.76	1.76	1.67	1.29	1.71	1.39	1.55	1.20	1.33
8" Mill Bastard Files "	1.05	1.05	2.44	2.44	2.32	1.79	2.37	1.93	2.15	1.65	1.84
10" " " " "	1.36	1.36	3.18	3.17	3.03	2.33	3.08	2.52	2.80	2.16	2.40
Eldorado Engine Oil, gal	.169	....	....	....	....	.26	.305	.36	.39	.377	.344
Capitol Cylinder Oil, "	.329	.32	.332	.34	.29	.38	.42	.46	.40	.477	.424
Renown Engine Oil, "	.204	.20	.22	.165	.174	.26	.31	.33	.30	.347	.314
Castor Machine Oil, "	.174	.18	.18½	.16	.179	.30	.315	.46	.30	.387	.344
Kerosine Oil, "	.085	.10	.099	.084	.079	.114	.13	.169	.197	.098	.138
12" 12 Guage Ripsaws, each*	....	2.40	....	1.98	1.98	2.64	....	*6.00	5.28	....	....
14" 11 " " " " *	....	2.90	2.90	2.38	2.38	3.18	....	*8.00	6.38	....	....
13" 15 " Cut-off " *	....	2.65	2.65	2.16	2.16	2.88	4.40	*7.50	5.00	....	....
34" 10 " " " "	....	....	6.75	6.07	6.07	....	....	13.50	14.85	....	....
13" 13 " Resaw "	....	....	2.65	2.16	2.16	2.88	4.80	7.50	8.00	....	....
	38.89	41.05	41.52	49.99	69.05	76.32	83.51	78.69	81.91	55.82	61.31
	95. %	100. %	101. %	122. %	168. %	186. %	203. %	192. %	200. %	136. %	149. %

History of the Lumber Market from January 1, 1918, to June 1, 1923

The period covered by the dates above enumerated mark one of the most interesting eras in entire lumber annals, beginning with a period when this Nation was a participant with European Allied countries in the World War, going thru the last year of that war and proceeding thru the subsequent scarcity of all products of civilized life with its riot of prices at a height which had never been conceived, when all factories and workmen were pushed harder than during the fever of war-times until wants were fairly well satisfied and the expected realized, which, although somewhat anticipated, acted as a restraining force to further enlargements of industry and increase of values.

We see lumber advancing from the beginning of this period, especially lumber used in the manufacture of Maple Flooring and similar products, from a base of $30.00 per M for 4/4 #1 Common, $25.00 for #2 and $23.00 for #3 to $122.00 per M for the #1 Common, $82.00 for the #2 and $37.00 for the #3 in June 1920, and to recede from this pinnacle by the end of 1921 to $75.00 per M for the #1 Common, $45.00 for the #2 and $38.00 for the #3, and by October 1921, $40.00 per M for the #1 Common, $24.00 for the #2 and $17.00 for the #3; to advance slightly in June of the following year to $52.00 for the #1 Common, $32.00 for the #2 and $22.00 for the #3 and to gradually advance from these prices to $60.00 per M for the #1 Common, $40.00 for the #2 and $25.00 for the #3 of this year.

[fol. 5424] During the above period it is very interesting to note the cost of production of Maple Flooring lumber and we have taken as a basis of this cost the minimum wage paid in both the mill and woods departments of representative saw mills in the district of the Northern Peninsula of Michigan. At the beginning of this period, Jan. 1, 1918, common labor at the sawmill was receiving $2.50 per day and woods labor was receiving an average of $40.00 per month and keep. However, in the case of the mill labor no keep is included.

We note that saw mill labor advanced April 1, 1918 to $2.75 and August 1st to $2.90; woods labor showed no advance until August 1st and was advanced to $45.00 and again on Oct. 1st, to $50.00 per month, this rate being held until February 1st, 1919, at which time the sawmill labor had reached $3.00 per day. In June 1919 the sawmill labor was getting $3.25 per day and the woods labor $45.00 per month. At the end of this year, 1919, however, woods labor had reached $55.00 per month and sawmill labor $3.75 per day. We see a steady advance from this point, in both sawmill and woods labor, until Dec. 1, 1920, when sawmill labor had reached the hitherto unheard-of rate of $5.00 per day for common labor and woods labor $75.00 per month, which is the peak and highest wages ever paid in this district for labor. From this point a decline is noticed somewhat gradual and Jan. 1 1922 sees sawmill labor at $2.50 per day and woods labor $26.00 [fol. 5425] per month and keep. It advanced, however, until by the end of the year, on account of shortage of men, woods labor was receiving $40.00 per month and mill labor $3.00 per day from which point, during 1923, mill labor is advanced to $3.25 per day and woods labor to from $50.00 to $60.00 per month. According to the records kept by the J. W. Wells Lumber Co. the peak seems to have been reached both insofar as net returns on lumber are concerned and the highest wages paid for men both at mill and in the woods department, in Sept. 1920. This has special reference also to the net rates for Maple Flooring values, following very closely the cost of production and the law of supply and demand.

DEF. EXHIBIT CC½

1918	J.W.Wells Lbr. Co.	Sawyer Goodman Co.	East Jordan Lbr. Co.	Wis.	Mich.	Chgd Flg. Fact	Net Proceeds rec'd by J. W. Wells Lbr. Co. #2 & Btr.	Culls	COMMON WAGES Mill Per Day	COMMON WAGES Woods Per Month	Unfilled orders J. W. Wells Lbr. Co. (Hardwood)
Jan.	$45 FAS 30 #1 25 #2 23 #3-A		$30 #1 25 #2 23 #3-A			23.00	51.83	20.92	$ 2.50	$40.00	8,249 M'
Feb.						23.00	64.00	23.08	2.50	40.00	
Mar.						23.00	29.83	19.90	2.50	40.00	
April						23.32	50.87	17.66	2.75	40.00	
May	$45 FAS 31 #1 26 #2 23 #3-A					23.00	33.27	21.14	2.75	40.00	
June						23.00	41.41	19.70	2.75	40.00	
July						23.00	34.87	22.20	2.85	40.00	11,087 M'
Aug						23.00	48.69	24.20	2.90	45.00	
Sept.	$45 FAS 30 #1 25 #2 23 #3-A					23.00	47.14	26.92	2.90	45.00	
Oct.						23.00	32.20	22.44	2.90	50.00	
Nov.						23.45	39.45	20.24	2.90	50.00	
Dec.						40.00	58.69	21.75	2.90	50.00	3,790 M'
1919 Jan.	$45 FAS 30 #1 26 #2 24 #3-A		$31 #1 26 #2 23 #3			23.00	80.92	25.49	3.00	50.00	5,081 M'
Feb.			$31 #1 26 #2 23 #3	$31 #1 26 #2 17 #3-A		23.00	41.61	23.97	3.00	50.00	
March		$32 #1 27 #2 20 #3-A	$31 #1 26 #2 23 #3	$31 #1 26 #2 20 #3-A		23.00	47.52	27.00	3.00	40.00	
April		"	$31 #1 26 #2 23 #3	$29 #1 24 #2 24 #3-A	$35 #1 30 #2 29 #3-A	23.00	47.16	23.21	3.00	40.00	3,026 M'
May		"	$31 #1 26 #2 23 #3	"	"	27.00	39.37	23.03	3.00	40.00	
June	$52 FAS 35 #1 30 #2 25 #3-A	$37 #1 27 #2 19 #3-A	$31 #1 26 #2 23 #3	$37 #1 29 #2	$35 #1 30 #2 29 #3-A	27.00	41.34	24.13	3.25	45.00	5426

18 1919 — Cont'd	J. W. Wells Lbr. Co.	Sawyer Goodman Co.	East Jordan Lbr. Co.	Wis.	Mich.	Chgd. Flg. Fact.	Net Proceeds rec'd by J. W. Wells Lbr. Co. #2 & Btr.	Culls	COMMON WAGES Mill Per Day	COMMON WAGES Woods Per Month	Unfilled orders J. W. Wells Lbr. Company (Hardwood)
July		$ 37 #1 27 #2 19 #3-A	$31 #1 26 #2 23 #3	$40 #1 32 #2	$35 #1 30 #2 29 #3-A	27.00	36.91	24.50	$ 3.25	$50.00	7,206 M'
Aug.	$40 #1 30 #2 25 #3	"	$37 #1 32 #2 25 #3	$45 #1 34 #2	$42 #1 36 #2 34 #3-A	27.00	43.39	21.68	3.75	55.00	
Sept.		"	"		"	35.00	47.53	20 90	3.75	55.00	
Oct.		"	"	$48 #1 34 #2	$48 #1 42 #2 40 #3-A	32.00	58.67	18.75	3.75	55.00	6,878 M'
Nov.	$	$50 #1 39 #2 23 #3-A	$37 #1 32 #2 25 #3	$50 #1 39 #2		40.00	58.69	21.75	3.75	55.00	
Dec.		"	"		$65 #1 52 #2 50 #3-A	40.00	58.52	27.00	3.75	55.00	
1920 — Jan.		$51 #1 41 #2 25 #3-A	$60 FAS 48 #1 42 #2	$100 #1 70 #2 50 #3		40.00	71.89	25.49	4.00	60.00	2,265 M'
Feb.		$103 #1 83 #2 37 #3-A	"	$102 #1 76 #2 57 #3-A		40.00	61.26	23.97	4.00	60.00	
March		$117 #1 82 #2 40 #3-A	"			50.00	105.86	27.00	4.25	65.00	
April		$117 #1 82 #2 40 #3-A	"			50.00	112.68	23.21	4.50	70.00	6,732 M'
May		"	"			46.60	80.40	23.03	4.50	70.00	
June		$122 #1 82 #2 37 #3-A	$90 #1 65 #2 40 #3			46.00		24.13	4.50	75.00	
July		"	"			50.00	117.92	24.50	4.50	75.00	2,882 M'
Aug.		$107 #1 72 #2 34 #3-A	"	$117 #1 82 #2 60 #3-A		50.00	133.11	21.68	5.00	75.00	

1920 — Cont'd	J. W. Wells Lbr. Co.	Sawyer Goodman Co.	East Jordan Lbr. Co.	Wis.	Mich.	Chgd. Flg. Fact.	Net Proceeds rec'd by J. W. Wells Lbr. Co. #2 & Btr.	Culls	COMMON WAGES Mill Per Day	COMMON WAGES Woods Per Month	Unfilled orders, J. W. Wells Lumber Company (Hardwood)
Sept.		$107 #1 72 #2 34 #3-A	$90 #1 65 #2 40 #3	$107 #1 72 #2 55 #3-A		50.00	141.24	20.90	$ 5.00	$75.00	
Oct.		$100 #1 70 #2 55 #3-A	"	$92 #1 62 #2 45 #3-A		50.00		18.75	5.00	75.00	2,745 M′
Nov.		$90 #1 55 #2 45 #3-A	"			50.00	113.64	21.75	5.00	70.00	
Dec.			$80 #1 50 #2 33 #3-A				121.88	27.00	4.00	45.00	
1921 — Jan.		$75 #1 45 #2 38 #3-A		$62 #1 37 #2 26 #3-A			92.31	19.81	3.50	40.00	2,529 M′
Feb.		$60 #1 40 #2 32 #3-A			$75 #1 50 #2 35 #3-A				3.50	40.00	
March		"		$52 #1 32 #2		40.00	84.00	14.92	3.50	40.00	
April		"				35.00	55.56	19.54	3.50	30.00	2,413 M′
May	$75 FAS 40 #1 28 #2			"	$50 #1 35 #2 25 #3-A	30.00	43.27	19.27	3.00	30.00	
June	20 #3-A	"				30.00	70.90	11.75	3.00	26.00	
July		"	$45 #1 35 #2 20 #3-A		$40 #1 28 #2 20 #3-A	30.00		13.90	3.00	30.00	2,165 M′
Aug.		"	$37 #1 25 #2 16 #3-A			30.00	52.45	17.82	3.00	30.00	
Sept.		"	"				47.17	11.61	2.50	26.00	
Oct.	$66⅔ FAS 32⅓ #1 23⅓ #2 16⅔ #3-A	$40 #1 24 #2 17 #3-A	"		$38 #1 28 #2 20 #3-A		49.50	11.33	2.25	26.00	2,535 M′
Nov.		$45 #1 30 #2 17 #3-A	"				29.42	15.81	2.25	26.00	
Dec.		"	"				35.08	14.76	2.50	26.00	

1922	J.W.Wells Lbr. Co.	Sawyer Goodman Co	East Jordan Lbr. Co.	Wis.	Mich.	Chgd. Flg. Fact.	Net Proceeds rec'd by J. W. Wells Lbr. Co. #2 & Btr.	Culls	COMMON WAGES Mill Per Day	COMMON WAGES Woods Per Month	Unfilled orders, J. W. Wells Lumber Company (Hardwood)
Jan.		$45 #1 30 #2 17 #3-A	$45 #1 30 #2 12 #3-A						$2.50	$26.00	1,524 M'
Feb.	$65 FAS 39 #1 25 #2 15 #3-A	"							2.50	26.00	
March		"							2.50	26.00	
April	$65 FAS 39 #1 25 #2 15 #3-A	$45 #1 27 #2 15 #3-A				33.57	49.44	9.80	2.50	26.00	1,573 M'
May		"		$43 #1 23 #2 13 #3-A		27.72	31.68	10.47	2.50	26.00	
June		"				27.89	51.35	12.31	2.50	30.00	
July		$47 #1 30 #2 15 #3-A				27.61	50.75	15.00	2.50	30.00	3,115 M'
Aug.		$52 #1 32 #2 22 #3-A					51.23	13.88	2.75	35.00	
Sept.		"				40.00	65.59	10.47	2.75	35.00	
Oct.		"		$52 #1 29 #2 20 #3			63.56	9.55	3.00	35.00	2,955 M'
Nov.		"		"			49.09	10.43	3.00	40.00	
Dec.		"		$52 #1 32 #2 20 #3		40.00	65.43	14.81	3.00	40.00	
1923 Jan.		$57 #1 37 #2 22 #3-A				40.00	75.76	15.90	3.00	40.00	2,044 M'
Feb.		"				40.00	93.21	17.77	3.00	40.00	1,065 M'
March		65 #1 45 #2 27 #3-A				40.00	84.36	19.97	3.25	40.00	1,354 M'
April		"				40.00	86.79	18.65	3.25	50.00	1,069 M'
May		"				40.00	89.57	16.01	3.50	50.00	1,173 M'
June		"				40.00	81.29	24.28	3.50	50.00	1,170 M'
July		$60 #1 40 #2 25 #3-A				40.00	88.00	21.15	3.50	50.00	1,165 M'

APPENDIX M

DEFENDANTS' EXHIBIT OO

Index of Wages; 1913 as 100%, Question No. 25

[fol. 5504]

Member	1912		1913		1914		1915		1916		1917		1918		1919	
	Amount	Per cent	Amount	Per cent	Amount	Per cent	Amount	Per cent	Amount	Per cent	Amount	Per cent	Amount	Per cent	Amount	Per cent
2. Daily Wage 4 Classes of Workmen	848	101	839	100	846	101	926	110	1,045	124	1,130	135	1,335	159	1,615	192
4. Labor Cost Per M feet Flooring	441	100	440	100	421	96	395	90	439	100	535	122	683	155	805	183
5. Labor Cost Per M feet Flooring	341	97	351	100	398	113	362	103	371	106	451	128	583	166	703	200
7. Daily Wage 32 Classes of Workmen	6,590	96	6,870	100	6,985	102	5,794	84	6,982	102	8,677	126	9,962	145	10,961	160
14. Daily Wage 6 Classes of Workmen	1,270	97	1,310	100	1,310	100	1,360	104	1,485	113	1,735	132	2,035	155	2,410	184
22. Hourly Wage Classes of Workmen	115	100	115	100	115	100	115	100	118	103	1,235	107	1,465	127	185	161
24. Labor Cost Per M feet Flooring	444	98	452	100	486	108	482	107	609	135	767	170	975	216	1,399	310
34. Daily Wage 8 Classes of Workmen	1,595	99	1,605	100	1,620	101	1,546	96	1,710	107	1,976	123	2,268	141	2,735	170
37. Daily Wage 16 Classes of Workmen	3,432	96	3,567	100	3,676	103	3,506	98	3,817	107	4,121	116	4,903	137	5,765	162
42. Daily Wage 11 Classes of Workmen	2,560	100	2,560	100	2,560	100	2,310	90	2,435	95	2,615	102	3,015	118	3,725	146
44. Daily Wage 29 Classes of Workmen	6,216	100	6,216	100	6,216	100	6,216	100	7,038	113	8,301	134	11,278	181	13,823	222
48. Daily Wage 7 Classes of Workmen	1,400	99	1,417	100	1,452	102	1,502	106	1,457	103	1,635	115	1,808	128	2,852	201
50. Daily Wage 10 Classes of Workmen	1,975	100	1,975	100	1,975	100	1,975	100	1,975	100	2,425	123	2,625	133	3,625	184
Simple Average		99		100		102		99		108		124		151		190

The same basis was used by the same member in each year.

DEFENDANTS' EXHIBIT OO

Index of Wages; 1913 as 100%, Question No. 25

13	1914		1915		1916		1917		1918		1919		1920		1921		1922		1923	
Per cent	Amount	Per cent	Amount	Per cent	Amount	Per cent	Amount	Per cent	Amount	Per cent	Amount	Per cent	Amount	Per cent	Amount	Per cent	Amount	Per cent	Amount	Per cent
100	846	101	926	110	1,045	124	1,130	135	1,335	159	1,615	192	2,125	253	1,525	182	1,250	149	1,675	200
100	421	96	395	90	439	100	535	122	683	155	805	183	1,082	246	762	173	684	155	725	165
100	398	113	362	103	371	106	451	128	583	166	703	200	855	244	842	240	652	186	.....	...
100	6,985	102	5,794	84	6,982	102	8,677	126	9,962	145	10,961	160	16,903	246	14,245	207	12,720	185	14,145	206
100	1,310	100	1,360	104	1,485	113	1,735	132	2,035	155	2,410	184	2,900	221	2,010	153	2,245	171	2,550	195
100	115	100	115	100	118	103	1,235	107	1,465	127	185	161	300	261	258	224	215	187	.....	...
100	486	108	482	107	609	135	767	170	975	216	1,399	310	1,749	387	1,303	288	1,109	245	1,181	261
100	1,620	101	1,546	96	1,710	107	1,976	123	2,268	141	2,735	170	3,377	210	2,480	155	2,500	156	2,638	164
100	3,676	103	3,506	98	3,817	107	4,121	116	4,903	137	5,765	162	6,672	187	5,770	162	5,445	153	5,867	164
100	2,560	100	2,310	90	2,435	95	2,615	102	3,015	118	3,725	146	5,525	216	4,600	180	3,650	143	4,725	185
100	6,216	100	6,216	100	7,038	113	8,301	134	11,278	181	13,823	222	16,415	264	15,288	246	14,080	227	.....	...
100	1,452	102	1,502	106	1,457	103	1,635	115	1,808	128	2,852	201	3,825	270	3,840	270	3,371	238	3,605	254
100	1,975	100	1,975	100	1,975	100	2,425	123	2,625	133	3,625	184	4,608	233	3,693	187	3,808	193	4,048	205
100		102		99		108		124		151		190		249		205		184		154

[fol. 5505]

DEFENDANTS' EXHIBIT PP

Index of Average Prices Paid for Rough Maple Flooring Lumber by Reporting Members of Defendant Maple Flooring Manufacturers' Association. Years 1912-19

Member No.	Rough maple flooring lumber purchases	Year 1912 Avg. price	Year 1912 Index %	Year 1913 Avg. price	Year 1913 Index %	Year 1914 Avg. price	Year 1914 Index %	Year 1915 Avg. price	Year 1915 Index %	Year 1916 Avg. price	Year 1916 Index %	Year 1917 Avg. price	Year 1917 Index %	Year 1918 Avg. price	Year 1918 Index %	Year 1919 Avg. price	Year 1919 Index %
3	1st. & 2nds																
30	" " "	3047	90	3396	100	3500	103										
37	" " "			2700	100											7500	278
48	" " "	2843	92	3090	100	3050	99	2725	88			4200	136	4500	146	6143	199
3	No. 1 Common & Better																
30	" " " "	2380															
3	No. 2 Common & Better																
30	" " " "	2450	93	2640	100	2700	102	2410	91	2480	94					4310	163
3	No. 1 Common with Selects																
30	" " " " "																
3	No 1 Common																
30	" "	2400	88	2742	100	2468	90	2392	87	2648	97	3033	111	3460	126	4573	167
34	" "			2015	100	2055	102			2058	102	2420	120	3200	159	3789	188
37	" "	2150	95	2267	100	2250	99	2100	93	2300	101	3000	132	2900	128	4250	187
48	" "	2269	89	2552	100	2461	96	2336	92	2542	99	3443	135	3450	135	4628	181
3	No. 2 Common																
30	" "	1926	93	2075	100	1961	95	1892	91	2113	102	2467	119	3013	145	3968	191
34	" "			1615	100	1522	94			1520	94	1420	88	2700	167	3108	192
37	" "	1650	93	1767	100	1750	99	1600	91	1800	102	2400	136	2400	136	2500	141
48	" "	1769	91	1952	100	1900	97	1736	89	2042	105	2871	147	2883	148	3950	202
3	No. 3 A Common																
30	" " "									1700						4107	
34	" " "			1420	100	1070	75			1095	77			2500	176	2508	177
37	" " "																
3	No. 3 Common																
30	" "	1340	89	1502	100	1550	103	1430	95	1380	92	1490	99			3032	202
37	" "			1100	100					1000	91	1600	145				
48	" "	1152	79	1452	100	1450	100	1243	86	1307	90	1885	130	2500	172	2975	205
			992		1600		1354		903				1498		1638		2673
			92		100		97		90		96		125		149		191

DEFENDANTS' EXHIBIT PP

or Rough Maple Flooring Lumber by Reporting Members of Defendant Maple Flooring Manufacturers' Association. Years 1912-1922. Year 1913 as 100%

Year 1914		Year 1915		Year 1916		Year 1917		Year 1918		Year 1919		Year 1920		Year 1921		Year 1922		Year 1923	
price	Index %	Avg. price	Index %	Avg. price	Index %	Avg. price	Index %	Avg. price	Index %	Avg. price	Index %	Avg. price	Index %	Avg. price	Index %	Avg. price	Index %	Avg. price	Index %
	103											12716		6992		7334			
										7500	278	10000	370			7050	261	8850	328
	99	2725	88			4200	136	4500	146	6143	199	11940	386	6000	194	7183	232		
																4880			
														4230		3840			
	102	2410	91	2480	94					4310	163	7560	286						
												10250		4766		5199		5600	
														4578		5302			
												9265		4022		5068			
	90	2392	87	2648	97	3033	111	3460	126	4573	167	10000	365	4544	166	5245	191		
	102			2058	102	2420	120	3200	159	3789	188	10565	524	4775	237	4525	225		
	99	2100	93	2300	101	3000	132	2900	128	4250	187	6500	287	4670	206	5143	227	6296	278
	96	2336	92	2542	99	3443	135	3450	135	4628	181	9404	368	4338	170	4800	189	6000	235
												7167		3299		3617		3900	
	95	1892	91	2113	102	2467	119	3013	145	3968	191	6665	321	3235	156	3668	177		
	94			1520	94	1420	88	2700	167	3108	192	7878	488	3100	192	2850	176		
	99	1600	91	1800	102	2400	136	2400	136	2500	141	2500	294	3320	188	3478	197	4223	241
	97	1736	89	2042	105	2871	147	2883	148	3950	202	6788	348	2808	144	3188	163	4000	205
												6080				2748		2940	
				1700						4107		4657		2593		2572			
	75			1095	77			2500	176	2508	177	5015	353			1775	125		
																2477		3074	
												4420				2530			
	103	1430	95	1380	92	1490	99			3032	202	4040	269	2443	163	2653	177		
				1000	91	1600	145					3750	341			1367	124	1775	161
	100	1243	86	1307	90	1885	130	2500	172	2975	205	5440	375	2208	152	2138	147	2700	186
	1354		903				1498		1638		2673		5375		1968		2611		1634
	97		90		96		125		149		191		358		179		187		233

APPENDIX C

APPENDIX O

1913 - 1923

SCALE

1913 1914 1915 1916 1917 1918 1919 1920 1921 1922

THE PRODUCT
ROUGH MAPLE LUMBER MICHIGAN
(EXCEPT JAN. FEB. MAR. AND APR. 1920. WISCONSIN)
DATA NOT AVAILABLE

"ARITHMETICAL AVERAGE OF PRICES OF F.O.S. NOS. 1 AND 3 COMMON 4/4 HARD MAPLE LUMBER"

1913-1923

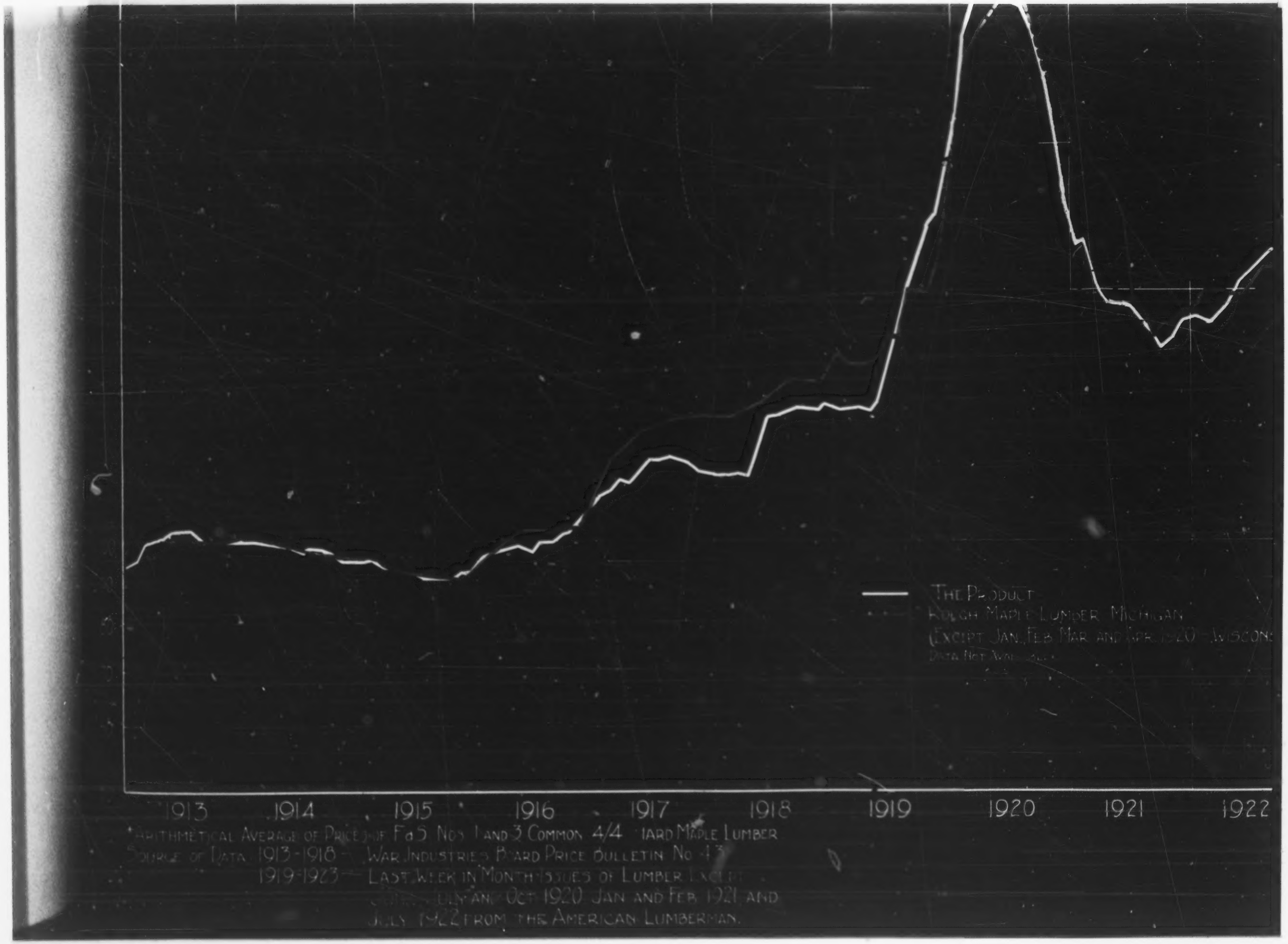
Log Scale

1913=100

THE PRODUCT
ROUGH MAPLE LUMBER MICHIGAN
(EXCEPT JAN. FEB MAR AND APR 1920 WISCONSIN)
DATA NOT AVAILABLE

3 1914 1915 1916 1917 1918 1919 1920 1921 1922 1923

TICAL AVERAGE OF PRICES OF F.A.S. NOS 1 AND 3 COMMON 4/4 HARD MAPLE LUMBER.



*ARITHMETICAL AVERAGE OF PRICE OF FAS NOS 1 AND 3 COMMON 4/4 HARD MAPLE LUMBER

SOURCE OF DATA 1913-1918 — WAR INDUSTRIES BOARD PRICE BULLETIN No 43

1919-1923 — LAST WEEK IN MONTH ISSUES OF LUMBER EXCEPT JULY AND OCT 1920 JAN AND FEB 1921 AND JULY 1922 FROM THE AMERICAN LUMBERMAN.

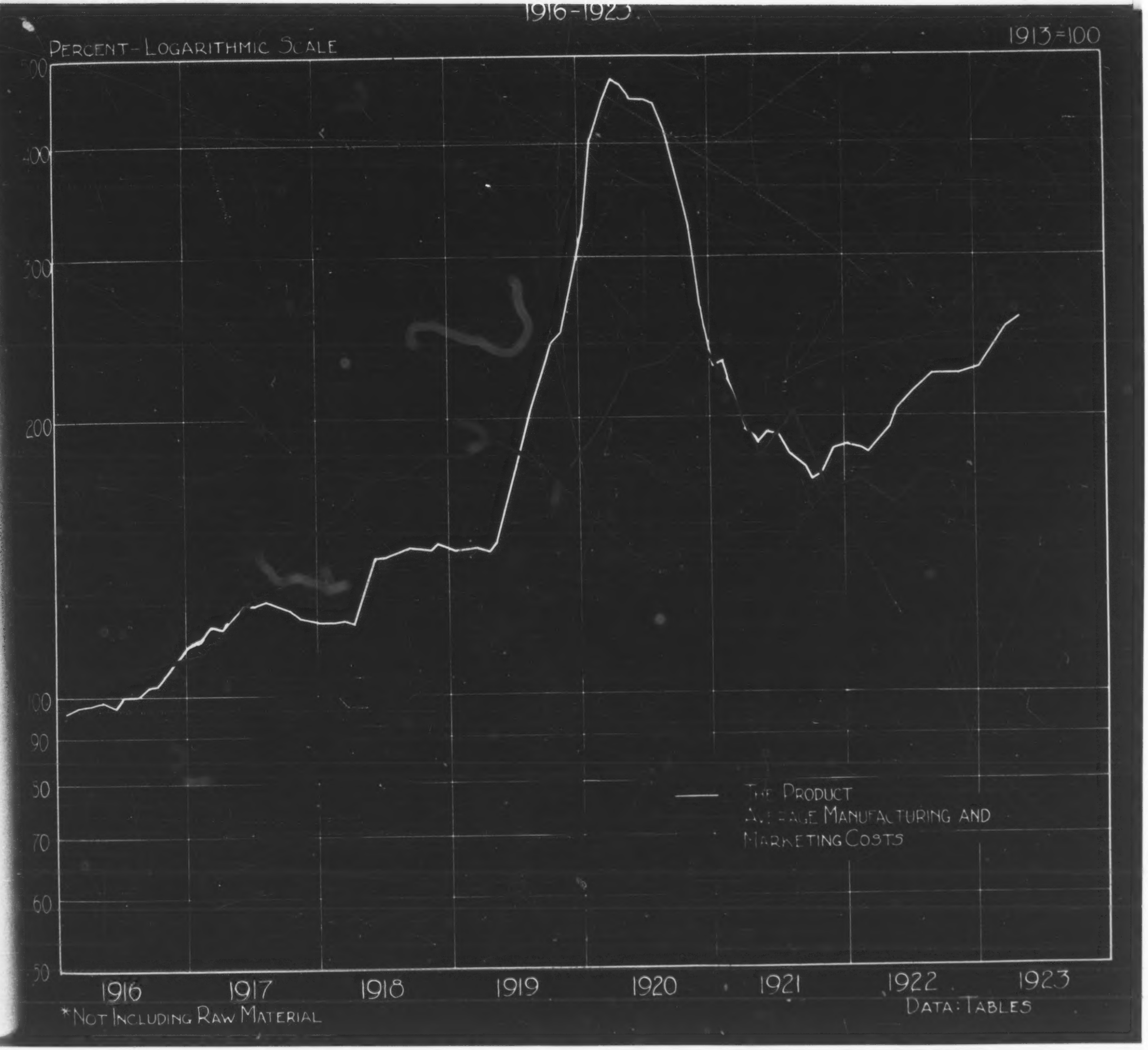
AGE OF PRICES OF FAS NOS 1 AND 3 COMMON 4/4 HARD MAPLE LUMBER
3-1918 — WAR INDUSTRIES BOARD PRICE BULLETIN NO 43
19-1923 — LAST WEEK IN MONTH ISSUES OF LUMBER EXCEPT
JULY AND OCT 1920 JAN AND FEB 1921 AND

APPENDIX P

1916-1923

PERCENT-LOGARITHMIC SCALE

1913=100



*NOT INCLUDING RAW MATERIAL

DATA: TABLES

APPENDIX Q

AND INDEX OF THE PRICES OF THE PRODUCT OF THE MERCANTILE CORRECTED FOR DECREASE IN THE VALUE OF THE DOLLAR
MONTHLY 1912-1923

PERCENT LOGARITHMIC SCALE

STOCKS ON HAND AND UNFILLED ORDERS 1913 100

PRICE LINE OF TREND OF ALL COMMODITIES PRICES 1913 100

200

100

90

80

70

60

50

40

30

PRICES
UNFILLED ORDERS
STOCKS ON HAND

1912 1913 1914 1915 1916 1917 1918 1919 1920 1921 1922 1923

MONTHLY 1912-1923

PERCENT LOGARITHMIC SCALE

STOCKS ON HAND AND UNFILLED ORDERS 1913=100
PRICES LINE OF TREND OF ALL COMMODITIES PRICES* 1912-1922=100

280
200
150
100
80
70
60
50
40
30

PRICES
UNFILLED ORDERS
STOCKS ON HAND

1912 1913 1914 1915 1916 1917 1918 1919 1920 1921 1922 1923

*EXPLANATION - PAGE
*IDENTICAL 15 MEMBERS

DATA TABLES

Rates of Freight on Maple Flooring (carloads) from Michigan and Wisconsin Mills

TO / FROM	Bay City Mich.	Grayling, Mich.	Saginaw, Mich.	Cadillac, Mich.	East Jordan, Mich.	Grand Rapids, Mich.	Manistee, Mich.	Reed City, Mich.	Gladstone, Mich.	Hermansville, Mich.	Menominee, Mich.	Newberry, Mich.	Wells, Mich.	Blackwell, Wis.	Mellen, Wis.	Oconto, Wis.	Phillips, Wis.	Totals of 17 Shipping Points	Average
Albuquerque, N. M	85	85	85	85	85	85	85	85	80	80	80	80	80	80	80	80	80	1400	82.4
Atlanta, Ga	56	62½	56	59	64	55	59	58	60½	60½	60½	60½	63	63	64	60½	63	1025	60.3
Baltimore, Md	36	41	36	42½	44	37½	42½	42½	44½	45	42½	44½	44½	44½	47½	42½	46½	724	42.6
Birmingham, Ala	48½	54½	48½	51½	56½	47½	55½	51½	53	53	53	53	55½	55½	56½	53	55½	902	53.1
Boise, Idaho	85	85	85	85	85	85	85	85	80	80	80	80	80	80	80	80	80	1400	82.4
Boston, Mass	41	46	41	47½	49	42½	47½	47½	49½	50	47½	49½	49½	49½	52½	47½	51½	809	47.6
Buffalo, N. Y	24	30	24	29½	35	28½	29½	29½	35	37	29½	35	35	39½	40½	29½	39½	550½	32.4
Butte, Mont	85	85	85	85	85	85	85	85	80	80	80	80	80	80	80	80	80	1400	82.4
Chicago, Ill	20½	24½	20½	24½	26	18	20½	20½	19	17	14	23½	17	19	19	14	19	336½	19.8
Cincinnati, Ohio	26	32	26	31½	36½	26	31½	30	33	33	33	33	33	35½	36½	33	35½	545	32.1
Cleveland, Ohio	22½	28½	22½	27½	35	24	27½	27½	29½	32	29½	29½	29½	35½	36½	29½	35½	502	29.5
Dallas, Texas	67	70½	67	71½	84	67	71½	71	71½	71½	69½	77	73	77	73	69½	73	1224½	72
Des Moines, Iowa	41	36	41	36	45½	39	36	36	31½	30½	29½	36	30½	30½	30½	29½	30½	589½	34.7
Denver, Colo	74	73½	74	73	80½	74	72	73	69	68	67½	73	68	68	68	66½	68	1210	71.2
Detroit, Mich	14	20½	14	20½	21	19½	21	20½	26½	30	21	26½	26½	34	35½	21	34	406	23.9
El Paso, Texas	85	85	85	85	85	85	85	85	80	80	80	80	80	80	80	80	80	1400	82.4
Fargo, N. D	55	46½	55	45½	45½	49½	45	45½	34½	34	33	31	34	34	34	33	34	689	40.5
Indianapolis, Ind	23	29½	23	29½	33	23	31½	27½	29½	29½	30	29½	29½	32½	34	30	32½	497	29.2
Jacksonville, Fla	58½	63	58½	62½	67½	58½	62½	61½	64	64	64	64	66½	66½	67½	64	66½	1079½	63.5
Kansas City, Mo	46	41½	46	41½	50½	44	41½	41½	38	37½	36½	42	37½	37½	37½	36	37½	692½	40.7
Louisville, Ky	29½	35½	29½	33	38	27½	36½	32	35	35	34½	34½	35	36½	37½	34½	36½	580½	34.1
Memphis, Tenn	38½	45½	38½	45½	50	38½	45½	44	43	41½	39	47	41½	43	43	39	43	726	42.7
Milwaukee, Wis	24	18	24	17	24	19½	15½	18	19	17	14	23½	17	19	19	14	19	321½	18.9
Minneapolis, Minn	36	31½	36	30	30	34½	30	30	17	17	19	23	17	17	13	19	13	413	24.3
St. Paul, Minn																			
Nashville, Tenn	41	47	41	44	49	40	47½	44	45½	45½	45½	45½	48	48	49	45½	48	774	45.5
New Orleans, La	50½	60	50½	60	65½	50½	60	59½	52	50½	48	56	50½	52	52	48	52	917½	54
New York, N. Y	39	44	39	45½	47	40½	45½	45½	47½	48	45½	47½	47½	47½	50½	45½	49½	775	45.6
Oklahoma City, Okla	73	70½	73	70	70	71	69	70	68	67	66½	72	67	67	67	65½	67	1173½	69
Omaha, Neb	46	41½	46	41½	50½	44	41½	41½	38	37½	36½	42	37½	37½	37½	36	37½	692½	40.7
Pacific Coast Terminals: Seattle, Portland, San Francisco, Los Angeles	85	85	85	85	85	85	85	85	80	80	80	80	80	80	80	80	80	1400	82.4
Philadelphia, Pa	37	42	37	43½	45	38½	43½	43½	45½	46	43½	45½	45½	45½	48½	43½	47½	741	43.6
Pittsburgh, Pa	27½	33	27½	33	35	28½	33	29½	35	39½	33	35	35	39½	40½	33	39½	577	33.9
Portland, Me	41	46	41	47½	49	42½	47½	47½	49½	50	47½	49½	49½	49½	52½	47½	51½	809	47.6
Richmond, Va	36	41	36	42½	44	37½	42½	42½	44½	45	42½	44½	44½	44½	47½	42½	46½	724	42.6
Salt Lake City, Utah	85	85	85	85	85	85	85	85	*80	*80	*80	*80	*80	*80	*80	*80	*80	1400	82.4
Spokane, Wash	85	85	85	85	85	85	85	85	80	80	80	80	80	80	80	80	80	1400	82.4
St. Louis, Mo	29½	36½	29½	34½	38	27½	36½	33	34	33	31	36	33	33	33	31	33	562	33.1
Sioux Falls, S. D	43½	42	43½	42	43½	45½	42	42	33½	33	32½	37½	33	33	33	32½	33	645	37.9
Washington, D. C	36	41	36	42½	44	37½	42½	42½	44½	45	42½	44½	44½	44½	47½	42½	46½	724	42.6
Wilmington, N. C	47½	52½	47½	54	55½	49	54	54	56	56½	54	56	56	56	59	54	58	919½	54.1
Totals—40 Points	1923½	2022½	1923½	2014½	2146½	1921	2022	1997½	1956	1959½	1895½	2007	1954½	1995	2023	1892½	2003	33657	1980.1
Average	48.1	50.6	48.1	50.4	53.7	48	50.6	49.9	48.9	49	47.4	50.2	48.9	49.9	50.6	47.3	50.1	841.7	49.5

Lowest rates applied in all cases regardless of minimum weights.

*The rate used of 80c to Salt Lake City, Utah, from Upper Michigan and Wisconsin Shipping points will be effective June 15, 1922.

June 27, 1922.

Freight Rates on Maple Flooring (in carloads) from 17 producing points in Michigan and Wisconsin to 30 representative markets in the United States

TO / FROM	Bay City, Mich.	Grayling, Mich.	Saginaw, Mich.	Cadillac, Mich.	East Jordan, Mich.	Grand Rapids, Mich.	Manistee, Mich.	Reed City, Mich.	Gladstone, Mich.	Hermansville, Mich.	Menominee, Mich.	Newberry, Mich.	Wells, Mich.	Blackwell, Wis.	Mellen, Wis.	Oconto, Wis.	Phillips, Wis.	Totals	Averages
1. Atlanta, Ga.	49½	53½	49½	51	56	49½	53½	52	54	54	53	54	54	56	57	53	56½	906	53.3
2. Baltimore, Md.	32	36½	32	38	39½	33½	38	38	40	40	38	40	40	40	42½	38	41½	647½	38.1
3. Boston, Mass.	37	41½	37	43	44½	38½	43	43	45	45	43	45	45	45	47½	43	46½	732½	43.1
4. Buffalo, N. Y.	20½	24½	20½	24½	28	21½	25	24½	31½	33½	26½	31½	31½	35½	36½	26½	35½	477½	28.1
5. Chicago, Ill.	18½	22	18½	20	22	16	20	19½	17	15½	12½	21	15½	17	17	12½	17	301½	17.7
6. Cincinnati, Ohio.	21½	26	21½	24½	27	20½	24½	24½	29½	29½	29½	29½	29½	32	33	29½	32	464	27.3
7. Cleveland, Ohio.	19½	24½	19½	22½	25½	20	24½	22½	26½	29	26½	26½	26½	32	33	26½	32	437	25.7
8. Des Moines, Iowa.	37½	32½	37½	32½	35	35½	32½	32½	29	27½	26½	32	27½	27½	27½	26½	27½	527	31.
9. Denver, Colo.	66½	66½	66½	66	66	65½	64½	66	62½	61½	61	66	61½	61½	61½	60	61½	1084½	63.8
10. Detroit, Mich.	12½	18½	12½	18½	19	17½	19	18½	24	27	19	24	24	30½	32	19	30½	366	21.5
11. El Paso, Texas.	85	85	85	80	85	85	85	80	80	80	80	80	80	80	80	80	80	1390	81.8
12. Indianapolis, Ind.	21½	26	21½	23½	26½	19½	24½	23½	26½	26½	27	26½	26½	29½	30½	27	29½	436	25.6
13. Kansas City, Mo.	42	37½	42	37½	39½	41	37½	37½	34½	34	33	38	34	34	34	33	34	623	36.6
14. Louisville, Ky.	25	29½	25	27	29½	23	27½	27	31½	31½	31	31	31½	33½	34½	31	33½	502½	29.6
15. Los Angeles, Calif.	85	85	85	85	85	85	85	85	80	80	80	80	80	80	80	80	80	1400	82.4
16. Minneapolis, Minn.	32½	27	32½	27	27	31	27	27	15½	15½	17	20½	15½	15½	11½	17	11½	370½	21.8
17. New York, N. Y.	35	39½	35	41	42½	36½	41	41	43	43	41	43	43	43	45½	41	44½	698½	41.9
18. Omaha, Neb.	42	37½	42	37½	39½	41	37½	37½	34½	34	33	38	34	34	34	33	34	623	36.6
19. Oklahoma City, Okla.	66	64	66	63½	63½	65	62	63½	61½	60½	60	65	60½	60½	60½	59	60½	1061½	62.4
20. Philadelphia, Pa.	33	37½	33	39	40½	34½	39	39	41	41	39	41	41	41	43½	39	42½	664½	39.1
21. Pittsburgh, Pa.	22½	27	22½	25½	29	23	27	25½	31½	35½	29½	31½	31½	35½	36½	29½	35½	498½	29.3
22. Portland, Me.	37	41½	37	43	44½	38½	43	43	45	45	43	45	45	45	47½	43	46½	732½	43.1
23. Portland, Ore.	85	85	85	85	85	85	85	85	80	80	80	80	80	80	80	80	80	1400	82.4
24. Richmond, Va.	32	36½	32	38	39½	33½	38	38	40	40	38	40	40	40	42½	38	41½	647½	38.1
25. Salt Lake City, Utah.	85	85	85	85	85	85	85	85	80	80	80	80	80	80	80	80	80	1400	82.4
26. San Francisco, Calif.	85	85	85	85	85	85	85	85	80	80	80	80	80	80	80	80	80	1400	82.4
27. St. Louis, Mo.	25½	29½	25½	27½	29½	24	27½	27	30	29½	28	33	29½	29½	29½	28	29½	482½	28.4
28. St. Paul, Minn.	32½	27	32½	27	27	31	27	27	15½	15½	17	20½	15½	15½	11½	17	11½	370½	21.8
29. Seattle, Wash. and Tacoma, Wash.	85	85	85	85	85	85	85	85	80	80	80	80	80	80	80	80	80	1400	82.4
30. Washington, D. C.	32	36½	32	38	39½	33½	38	38	40	40	38	40	40	40	42½	38	41½	647½	38.1
Totals.....	1303½	1352½	1303½	1340½	1390	1303	1351	1340½	1329	1334	1290	1362½	1322½	1353½	1371½	1288	1356½	22692	1335.8
Averages.....	43.4	45.1	43.4	44.7	46.3	43.4	45	44.7	44.3	44.5	43	45.4	44.1	45.1	45.7	42.9	45.2	756.2	44.5

CHART

TOO

LARGE

FOR

FILMING

STATEMENT OF PRICES OBTAINED FOR THE FOLLOWING SIZES AND GRADES OF MAPLE FLOORING REDUCED TO A COMMON NET F. O. B. MILL BASIS, COMPILED FROM RECORD OF COMPLETED TRANSACTIONS FOR WEEK ENDED MARCH 4, 1922, IN GOV. EXS. 43-BBB AND 43-CCC, PAGES 1 TO 4, IN "ADDITIONAL EXHIBITS."

Date 1922	Group	Quantity Feet	Delivered Price	Average Freight Rate per 100 lbs.	Average Freight per 1M feet	Price Reduced to F.O.B. Mill Basis	Less Commission	Net Price F. O. B. Mill Basis
		13/16 x 2 1/4" Factory Maple Flooring (Gov. Ex. 43-BBB)						
Mar. 2	E.L.M. Mills	6,000	25.00	.20	4.00	21.00	1.50	19.50
4		15,000	44.00	.85	17.00	27.00	2.00	25.00
		25,000	24.00	.20	4.00	20.00	1.00	19.00
1	Western Lower	3,000	45.00	.35	7.00	38.00	2.00	36.00
3	Michigan Mills	6,000	42.50	.17	3.50	39.00	1.50	37.50
		3,000	25.50	.17	3.50	22.00	2.00	20.00
4		5,000	23.00	.16	3.25	19.75	.....	19.75
		5,000	28.00	.30	6.00	22.00	1.50	20.50
Feb. 27		25,000	37.00	.85	17.00	20.00	1.50	18.50
22		15,000	25.75	.29	5.75	20.00	.....	20.00
25	Upper Michigan	2,000	26.00	.30	6.00	20.00	1.50	18.50
Mar. 1	and	10,000	27.50	.33	6.50	21.00	.....	21.00
4	Wisconsin Mills	3,000	24.75	.24	4.75	20.00	1.50	18.50
1		100,000	23.75	.19	3.75	20.00	.....	20.00
4		3,000	26.00	.14	2.75	23.25	.....	23.25
Feb. 27	Other Mills	2,450	36.00	.24	4.75	31.25	.....	31.25
		1,200	36.00	.24	4.75	31.25	.....	31.25
				(Gov. Ex. 43-CCC)				
25		6,000	28.00	.40	8.00	20.00	.....	20.00
Mar. 2	Western Lower	17,000	20.00	@ Mill	.....	20.00	.....	20.00
	Michigan Mills	10,000	28.00	.40	8.00	20.00	.....	20.00
Feb. 27		10,000	23.00	.24	4.75	18.25	2.00	16.25
Mar. 1	Upper Michigan	2,000	26.00	.26	5.25	20.75	2.00	18.75
4	and	15,000	23.50	.30	6.00	17.50	.....	17.50
	Wisconsin Mills	8,000	23.50	.30	6.00	17.50	.....	17.50
		297,650						
		13/16 x 1 1/2" Clear Maple Flooring (Gov. Ex. 43-BBB)						
Feb. 28		3,000	100.50	1.03	20.50	80.00	2.00	78.00
27	W.L.M. Mills	3,000	86.00	.30	6.00	80.00	1.50	78.50
19		8,000	102.00	.85	17.00	85.00	1.50	83.50
22	U.M.& W.Mills	2,000	91.00	.30	6.00	85.00	1.50	83.50
Mar. 4		2,000	91.00	.30	6.00	85.00	.....	85.00
				(Gov. Ex. 43-CCC)				
4		25,000	80.00	@ Mill	.....	80.00	.....	80.00
2		5,000	86.25	.17	3.50	82.75	2.00	80.75
	W.L.M. Mills	70,000	82.00	@ Mill	.....	82.00	2.00	80.00
		18,000	82.00	@ Mill	.....	82.00	2.00	80.00
Feb. 27		1,500	91.00	.30	6.00	85.00	2.00	83.00
28	U.M.& W.Mills	1,000	91.00	.30	6.00	85.00	.....	85.00
		10,000	91.00	.30	6.00	85.00	2.00	83.00
		10,000	93.50	.....	.....	93.50	2.00	91.50
		158,500						

RECAPITULATION OF STATEMENT OF PRICES OBTAINED FOR WEEK ENDED MARCH 4, 1922, **COMPARED WITH** LAST PRECEDING TABLE OF VALUES DATED NOV. 17, 1921, IN GOV. EX. 15W, PGS. 142-143, VOLUME 3.

Table of Values F. O. B. Flooring Mill	Number of Sales	Quantity Feet	Net Price
	1	10,000	16.25
	2	23,000	17.50
	3	30,000	18.50
	1	2,000	18.75
	1	25,000	19.00
	1	6,000	19.50
	1	5,000	19.75
	6	151,000	20.00
	1	5,000	20.50
	1	10,000	21.00
	1	3,000	23.25
$25.00	19	270,000	= 91% under $25.00
	1	15,000	= 5%@25.00
	2	3,650	31.25
	1	3,000	36.00
	1	6,000	37.50
	4	12,650	= 4% over $25.00
	24	297,650	= 100%
	1	3,000	78.00
	1	3,000	78.50
	3	113,000	80.00
	1	5,000	80.75
	2	11,500	83.00
	2	10,000	83.50
$85.00	10	145,500	= 92% under $85.00
	2	3,000	= 2%@85.00
	1	10,000	= 6%@91.50 (over $85.00)
	13	158,500	= 100%

STATEMENT OF PRICES OBTAINED FOR THE FOLLOWING SIZES AND GRADES OF MAPLE FLOORING REDUCED TO A COMMON NET F.O.B. MILL BASIS, COMPILED FROM RECORD OF COMPLETED TRANSACTIONS FOR WEEK ENDED MARCH 4, 1922, IN GOV. EXS. 43-BBB AND 43-CCC, PAGES 1 TO 4, IN "ADDITIONAL EXHIBITS."

Date 1922	Group	Quantity Feet	Delivered Price	Average Freight Rate per 100 lbs.	Average Freight per 1M feet	Price Reduced to F.O.B. Mill Basis	Less Commission	Net Price F. O. B. Mill Basis
			13/16 x 1 1/2″ No. 1 Maple Flooring					
Feb. 27	E.L.M. Mills.....	7,000	$ 62.75	$ .24	4.75	$ 58.00	$	$ 58.00
22		8,000	64.00	.30	6.00	58.00	1.50	56.50
Mar. 4	W.L.M. Mills.....	2,000	64.00	.30	6.00	58.00	.....	58.00
2	W.L.M. Mills.....	20,000	61.25	.17	3.50	57.75	2.00	55.75
4		25,000	50.00	@ Mill	.....	50.00	.....	50.00
Feb. 27	U.M.& W. Mills..	2,000	59.00	.30	6.00	53.00	2.00	51.00
28		10,000	66.50	.....	.....	66.50	2.00	64.50
		74,000						
			13/16 x 1 1/2″ Factory Maple Flooring					
Feb. 25		10,000	23.50	.43	8.50	15.00	1.50	13.50
Mar. 4	U.M.& W. Mills..	11,000	21.00	.30	6.00	15.00	.....	15.00
Feb. 27		2,000	23.50	.30	6.00	17.50	2.00	15.50
		23,000						
			13/16 x 2″ Clear Maple Flooring					
Feb. 28	W.L.M. Mills.....	3,000	102.50	1.03	20.50	82.00	2.00	80.00
Mar. 2		1,000	96.00	@ Mill	.....	96.00	.....	96.00
Feb. 27	Other Members....	1,600	105.00	.24	4.75	100.25	.....	100.25
Feb. 25	W.L.M. Mills.....	15,000	84.00	.17	3.50	80.50	2.00	78.50
25	W.L.M. Mills.....	11,000	86.00	.40	8.00	78.00	.....	78.00
Mar. 4	W.L.M. Mills.....	25,000	83.00	@ Mill	.....	83.00	.....	83.00
Mar. 2	W.L.M. Mills.....	4,500	87.00	.16	3.25	83.75	.....	83.75
		61,100						
			13/16 x 2″ No. 1 Maple Flooring					
Feb. 21	W.L.M. Mills.....	4,000	66.75	.24	4.75	62.00	2.00	60.00
Mar. 4		7,000	62.00	.16	3.25	58.75	.....	58.75
Feb. 25	W.L.M. Mills.....	10,000	60.00	.17	3.50	56.50	2.00	54.50
	W.L.M. Mills.....	8,000	62.00	.40	8.00	54.00	.....	54.00
Mar. 4	W.L.M. Mills.....	25,000	54.00	@ Mill	.....	54.00	.....	54.00
		54,000						
			13/16 x 2″ Factory Maple Flooring					
Mar. 3	W.L.M. Mills.....	2,000	39.50	.17	3.50	36.00	1.50	34.50
Feb. 25	W.L.M. Mills.....	8,000	25.00	.40	8.00	17.00	.....	17.00
Mar. 4	W.L.M. Mills.....	20,000	30.00	.45	9.00	21.00	2.00	19.00
Mar. 2	W.L.M. Mills.....	17,000	17.00	@ Mill	.....	17.00	.....	17.00
	W.L.M. Mills.....	17,000	17.00	@ Mill	.....	17.00	.....	17.00
		64,000						
			13/16 x 3 1/4″ No. 1 Maple Flooring (No Sale of Clear Grade.)					
Mar. 1	W.L.M. Mills.....	6,000	75.50	.47	10.50	65.00	2.00	63.00
Feb. 25	W.L.M. Mills.....	2,000	69.00	.32	7.25	61.75	.....	61.75
Mar. 2	W.L.M. Mills.....	20,000	75.25	.45	10.25	65.00	2.00	63.00
		28,000						
			13/16 x 3 1/4″ Factory Maple Flooring					
Mar. 1	E.L.M. Mills.....	18,000	30.50	.47	10.50	20.00	.....	20.00
3	W.L.M. Mills.....	1,000	45.75	.17	3.75	42.00	1.50	40.50
Feb. 25	W.L.M. Mills.....	2,000	30.00	.32	7.25	22.75	.....	22.75
Feb. 25	W.L.M. Mills.....	3,000	30.00	.32	7.25	22.75	.....	22.75
Mar. 2	W.L.M. Mills.....	11,000	31.00	.40	9.00	22.00	.....	22.00
Feb. 28	W.L.M. Mills.....	20,000	25.00	@ Mill	.....	25.00	2.00	23.00
		55,000						

RECAPITULATION OF STATEMENT OF PRICES OBTAINED FOR WEEK ENDED MARCH 4, 1922,—**COMPARED WITH** LAST PRECEDING TABLE OF VALUES DATED NOV. 17, 1921, IN GOV. EX. 15W, PGS. 142-143, VOLUME 3.

Table of Values F. O. B. Flooring Mill	Number of Sales	Quantity Feet	Net Price
	4	55,000 = 74%	under $58.00
	2	9,000 = 12%	@ 58.00
$ 58.00	1	10,000 = 14%	over 58.00
	7	74,000 = 100%	
	1 = 43%		under $15.00
	1 = 48%		at 15.00
15.00	1 = 9%		over 15.00
	3 = 100%		
	5	58,500 = 96%	under $87.00
	2	2,600 = 4%	above 87.00
87.00	7	61,100 = 100%	
62.00	5 = 100%		under $62.00
	4	62,000 = 97%	under $23.00
	1	2,000 = 3%	above 23.00
23.00	5	64,000 = 100%	
65.00	3 = 100%		under $65.00
	5	54,000 = 98%	under $30.00
	1	1,000 = 2%	above 30.00
30.00	6	55,000 = 100%	

STATEMENT OF PRICES OBTAINED FOR 13/16 x 2¼" FACTORY MAPLE FLOORING REDUCED TO A COMMON NET F. O. B. MILL BASIS, COMPILED FROM RECORD OF COMPLETED TRANSACTIONS FOR WEEK ENDED MAY 20, 1922, IN GOV. EX. 43-OOO, PAGES 5 TO 9, IN "ADDITIONAL EXHIBITS."

Date 1922	Mill No.	Quantity Feet	Delivered Price	Average Freight Rate per 100 lbs.	Average Freight per 1M feet	Price Reduced to F. O. B. Mill Basis	Less Commission	Net Price F. O. B. Mill Basis
May 19	24	8,000	25.50	.27	5.50	20.00	2.00	18.00
		12,000	26.00	.29	5.75	20.25	2.00	18.25
15	33	25,000	25.00	.42	8.50	16.50	.....	16.50
		15,000	28.00	.39	7.75	20.25	2.00	18.25
		8,000	28.00	.34	6.75	21.25	2.00	19.25
18	49	5,000	23.00	@Mill	.....	23.00	.....	23.00
17		25,000	29.00	.47	9.50	19.50	2.00	17.50
16		20,000	39.00	.85	17.00	22.00	2.00	20.00
15	5	14,200	27.75	.27	5.50	22.25	.....	22.25
18		2,000	26.50	.17	3.50	23.00	2.00	21.00
19		8,500	31.25	.40	8.00	23.25	1.50	21.75
	14	2,000	31.75	.24	4.75	27.00	1.50	25.50
15	37	60,000	37.00	.85	17.00	20.00	2.00	18.00
20		3,000	29.75	.24	4.75	27.00	2.00	23.00
12	47	17,000	30.00	.27	5.50	24.50	2.00	22.50
18		8,000	30.00	.25	5.00	25.00	2.00	23.00
13	4	3,000	30.50	.36	7.25	23.25	1.50	21.75
16		2,500	36.00	.55	11.00	25.00	1.50	23.50
17		3,000	30.25	.26	5.25	25.00	.....	25.00
16		17,000	24.00	.70	4.00	20.00	1.00	19.00
	7	11,000	25.00	.27	5.50	19.50	.....	19.50
		8,000	26.00	@Mill	.....	26.00	.....	26.00
17		5,000	26.00	.24	4.75	21.25	2.00	19.25
19		3,000	26.00	.30	6.00	20.00	1.50	18.50
		2,000	26.00	.30	6.00	20.00	2.00	18.00
		4,000	31.00	.25	5.00	26.00	2.00	24.00
		4,000	26.00	.30	6.00	20.00	1.50	18.50
15	34	2,500	33.50	.42	8.50	25.00	2.00	23.00
17		6,000	31.00	.30	6.00	25.00	2.00	23.00
		1,000	31.00	@Mill	.....	31.00	.....	31.00
18		12,000	34.50	.47	9.50	25.00	1.50	23.50
		8,000	31.00	.30	6.00	25.00	2.00	23.00
20		4,000	31.00	.30	6.00	25.00	2.00	23.00
		2,000	28.25	.41	8.25	20.00	.....	20.00
	42	10,000	33.50	.43	8.50	25.00	2.00	23.00
	44	5,000	28.50	.17	3.50	25.00	.....	25.00
		2,000	29.25	.19	3.75	25.50	.....	25.50
		2,000	31.00	.30	6.00	25.00	.....	25.00
18	45	30,000	34.50	.73	14.50	20.00	2.00	18.00
20	48	8,767	34.00	.24	4.75	29.25	.....	29.25
15	51	18,000	31.50	.47	9.50	22.00	2.00	20.00
		406,467						

RECAPITULATION OF STATEMENT OF PRICES OBTAINED FOR WEEK ENDED MAY 20, 1922, **COMPARED WITH** LAST PRECEDING TABLE OF VALUES, DATED NOV. 17, 1921, IN GOV. EX. 15W, PGS. 142-143, VOLUME 3.

Table of Values F. O. B. Flooring Mill	Number of Sales	Quantity Feet	Net Price
	1	25,000	16.50
	1	25,000	17.50
	4	100,000	18.00
	2	27,000	18.25
	2	7,000	18.50
	1	17,000	19.00
	2	13,000	19.25
	1	11,000	19.50
	3	40,000	20.00
	1	2,000	21.00
	2	11,500	21.75
	1	14,200	22.25
	1	17,000	22.50
	8	46,500	23.00
	2	14,500	23.50
$25.00			
	1	4,000	24.00
	33	374,700	= 92% under $25.00
	3	10,000	= 2% @ $25.00
	2	4,000	25.50
	1	8,000	26.00
	1	8,767	29.25
	1	1,000	31.00
	5	21,767	= 6% over $25.00
	41	406,467	= 100%

FIGURES REDUCED TO A COMMON NET F. O. B. MILL BASIS, COMPILED FROM RECORD OF COMPLETED TRANSACTIONS FOR WEEK ENDED MAY 20, 1922, IN GOV. EX. 43-OOO, PAGES 5 TO 9 IN "ADDITIONAL EXHIBITS."

Date 1922	Mill No.	Quantity Feet	Delivered Price	Average Freight Rate per 100 lbs.	Average Freight per 1M feet	Price Reduced to F. O. B. Mill Basis	Less Commission	Net Price F. O. B. Mill Basis
			13/16 x 1 1/2" Clear Maple Flooring.					
May 19	5	6,000	$ 83.75	$ .45	$ 9.00	$ 74.75	$ 2.00	$ 72.75
18	47	3,000	90.00	.25	5.00	85.00	2.00	83.00
5	4	4,000	91.00	.30	6.00	85.00	1.50	83.50
15	7	20,000	91.00	.30	6.00	85.00	1.50	83.50
16		8,000	91.00	.30	6.00	85.00	1.50	83.50
17	34	10,000	91.00	.30	6.00	85.00	2.00	83.00
20		3,000	93.25	.41	8.25	85.00	.....	85.00
20		10,000	91.00	.30	6.00	85.00	2.00	83.00
		64,000						
			13/16 x 1 1/2" No. 1 Maple Flooring.					
May 15	24	5,000	67.50	.50	10.00	57.50	.....	57.50
5	4	10,000	64.00	.30	6.00	58.00	1.50	56.50
6		25,000	64.00	.30	6.00	58.00	1.50	56.50
15	7	20,000	69.00	.30	6.00	63.00	1.50	61.50
16		15,000	69.00	.30	6.00	63.00	1.50	61.50
19		3,000	69.00	.30	6.00	63.00	1.50	61.50
		3,000	69.00	.30	6.00	63.00	1.50	61.50
15	34	27,000	64.00	.30	6.00	58.00	.....	58.00
20		20,000	64.00	.30	6.00	58.00	2.00	56.00
20		3,000	58.25	.41	8.25	50.00	.....	50.00
		131,000						
			13/16 x 1 1/2" Factory Maple Flooring.					
May 18	47	4,000	20.00	.25	5.00	15.00	2.00	13.00
		4,000	20.00	.25	5.00	15.00	2.00	13.00
15	22	833	30.00	.30	6.00	24.00	.....	24.00
18		540	37.00	.30	6.00	31.00	.....	31.00
		9,373						
			13/16 x 2" Clear Maple Flooring.					
May 18	5	13,000	95.00	.65	13.00	82.00	2.00	80.00
		18,000	95.00	.65	13.00	82.00	2.00	80.00
20	48	850	98.00	.24	4.75	93.25	.....	93.25
		31,850						
			13/16 x 2" No. 1 Maple Flooring.					
May 12	2	8,606	72.00	.50	10.00	62.00	2.00	60.00
	47	10,000	69.00	.40	8.00	61.00	.....	61.00
9		7,500	67.50	.40	8.00	59.50	.....	59.50
20	48	1,455	73.00	.24	4.75	68.25	.....	68.25
		27,561						
			13/16 x 2" Factory Maple Flooring.					
May 12	2	10,079	28.00	.50	10.00	18.00	2.00	16.00
	47	8,000	28.00	.40	8.00	20.00	.....	20.00
		18,079						
			13/16 x 3 1/4" Clear Maple Flooring.					
May 15	24	4,000	83.00	.34	7.75	75.25	.....	75.25
			13/16 x 3 1/4" No. Maple Flooring.					
May 15	24	30,000	77.00	.85	19.25	57.75	2.00	55.75
	24	4,000	63.00	.34	7.75	55.25	.....	55.25
14	49	5,000	66.50	.31	7.00	59.50	2.00	57.50
12	24	6,600	67.00	.42	9.50	57.50	2.00	55.50
		45,600						
			13/16 x 3 1/4" Factory Maple Flooring.					
May 19	24	40,000	31.25	.42	9.50	21.75	.....	21.75
15	33	10,000	31.00	.34	7.75	23.25	2.00	21.25
	33	25,000	23.75	.44	10.00	23.75	2.00	21.75

WITH LAST PRECEDING TABLE OF VALUES, DATED NOV. 17, 1921, IN GOV. EX. 15W, PGS. 142-143, VOLUME 3.

Table of Values F. O. B. Flooring Mill	Number of Sales	Quantity Feet	Net Price
	7	61,000	= 95% under $85.00
$85.00	1	3,000	= 5% @ 85.00
	8	64,000	=100%
	5	63,000	= 48% under $58.00
	1	27,000	= 21% @ 58.00
58.00	4	41,000	= 31% over 58.00
	10	131,000	=100%
	2	8,000	= 85% under $15.00
15.00	2	1,373	= 15% over 15.00
	4	9,373	=100%
	2	31,000	= 97% under $87.00
87.00	1	850	= 3% over 87.00
	3	31,850	=100%
	3	26,106	= 95% under $62.00
62.00	1	1,455	= 5% over 62.00
	4	27,561	=100%
23.00	2		= 100% under $23.00
85.00	1		= 100% under $85.00
65.00	4		= 100% under $65.00

Date 1922	Mill No.	Quantity Feet	Delivered Price	Freight Rate per 100 lbs.	Freight per 1M feet	to F. O. B. Mill Basis	Less Commission	F. O. B. Mill Basis	F. O. B. Flooring Mill	Number of Sales	Quantity Feet	Net Price
			13/16 x 1 1/2" Clear Maple Flooring.									
May 19	5	6,000	$ 83.75	$ .45	$ 9.00	$ 74.75	$ 2.00	$ 72.75				
18	47	3,000	90.00	.25	5.00	85.00	2.00	83.00				
5	4	4,000	91.00	.30	6.00	85.00	1.50	83.50		7	61,000	= 95% under $85.00
15	7	20,000	91.00	.30	6.00	85.00	1.50	83.50	$85.00	1	3,000	= 5% @ 85.00
16		8,000	91.00	.30	6.00	85.00	1.50	83.50				
17	34	10,000	91.00	.30	6.00	85.00	2.00	83.00		8	64,000	=100%
20		3,000	93.25	.41	8.25	85.00	.....	85.00				
20		10,000	91.00	.30	6.00	85.00	2.00	83.00				
		64,000										
			13/16 x 1 1/2" No. 1 Maple Flooring.									
May 15	24	5,000	67.50	.50	10.00	57.50	.....	57.50				
5	4	10,000	64.00	.30	6.00	58.00	1.50	56.50				
6		25,000	64.00	.30	6.00	58.00	1.50	56.50		5	63,000	= 48% under $58.00
15	7	20,000	69.00	.30	6.00	63.00	1.50	61.50		1	27,000	= 21% @ 58.00
16		15,000	69.00	.30	6.00	63.00	1.50	61.50	58.00	4	41,000	= 31% over 58.00
19		3,000	69.00	.30	6.00	63.00	1.50	61.50				
		3,000	69.00	.30	6.00	63.00	1.50	61.50		10	131,000	=100%
15	34	27,000	64.00	.30	6.00	58.00	.....	58.00				
20		20,000	64.00	.30	6.00	58.00	2.00	56.00				
20		3,000	58.25	.41	8.25	50.00	.....	50.00				
		131,000										
			13/16 x 1 1/2" Factory Maple Flooring.									
May 18	47	4,000	20.00	.25	5.00	15.00	2.00	13.00		2	8,000	= 85% under $15.00
		4,000	20.00	.25	5.00	15.00	2.00	13.00	15.00	2	1,373	= 15% over 15.00
15	22	833	30.00	.30	6.00	24.00	.....	24.00				
18		540	37.00	.30	6.00	31.00	.....	31.00		4	9,373	=100%
		9,373										
			13/16 x 2" Clear Maple Flooring.									
May 18	5	13,000	95.00	.65	13.00	82.00	2.00	80.00		2	31,000	= 97% under $87.00
		18,000	95.00	.65	13.00	82.00	2.00	80.00	87.00	1	850	= 3% over 87.00
20	48	850	98.00	.24	4.75	93.25	.....	93.25		3	31,850	=100%
		31,850										
			13/16 x 2" No. 1 Maple Flooring.									
May 12	2	8,606	72.00	.50	10.00	62.00	2.00	60.00		3	26,106	= 95% under $62.00
	47	10,000	69.00	.40	8.00	61.00	.....	61.00		1	1,455	= 5% over 62.00
9		7,500	67.50	.40	8.00	59.50	.....	59.50	62.00			
20	48	1,455	73.00	.24	4.75	68.25	.....	68.25		4	27,561	=100%
		27,561										
			13/16 x 2" Factory Maple Flooring.									
May 12	2	10,079	28.00	.50	10.00	18.00	2.00	16.00				
	47	8,000	28.00	.40	8.00	20.00	.....	20.00	23.00	2	= 100% under $23.00	
		18,079										
			13/16 x 3 1/4" Clear Maple Flooring.									
May 15	24	4,000	83.00	.34	7.75	75.25	.....	75.25	85.00	1	= 100% under $85.00	
			13/16 x 3 1/4" No. Maple Flooring.									
May 15	24	30,000	77.00	.85	19.25	57.75	2.00	55.75				
	24	4,000	63.00	.34	7.75	55.25	.....	55.25	65.00	4	= 100% under $65.00	
14	49	5,000	66.50	.31	7.00	59.50	2.00	57.50				
12	24	6,600	67.00	.42	9.50	57.50	2.00	55.50				
		45,600										
			13/16 x 3 1/4" Factory Maple Flooring.									
May 19	24	40,000	31.25	.42	9.50	21.75	.....	21.75				
15	33	10,000	31.00	.34	7.75	23.25	2.00	21.25				
	33	25,000	33.75	.44	10.00	23.75	2.00	21.75	30.00	5	= 100% under $30.00	
18	49	100,000	33.50	.47	10.50	23.00	2.00	21.00				
20	49	13,000	26.00	.31	7.00	19.00	.....	19.00				

STATEMENT OF PRICES OBTAINED FOR THE FOLLOWING SIZES AND GRADES OF MAPLE FLOORING REDUCED TO A COMMON NET F. O. B. MILL BASIS, COMPILED FROM RECORD OF COMPLETED TRANSACTIONS FOR WEEK ENDED JUNE 3, 1922, IN GOV. EXS. 43-QQQ AND 43-RRR, PAGES 10 TO 13, IN "ADDITIONAL EXHIBITS."

Date 1922	Mill No.	Quantity Feet	Delivered Price	Average Freight Rate per 100 lbs.	Average Freight per 1M feet	Price Reduced to F. O. B. Mill Basis	Less Commission	Net Price F.O.B. Mill Basis
			13/16 x 2 1/4" Factory Maple Flooring					
May 31	2	15,287	31.00	.45	9.00	22.00	2.00	20.00
26	24	7,000	35.00	.25	5.00	30.00	2.00	28.00
June 1		15,000	39.50	.47	9.50	30.00	2.00	28.00
May 29	33	5,000	28.50	.50	10.00	18.50	.....	18.50
		66,000	29.50	.43	8.50	21.00	2.00	19.00
	49	10,000	29.50	@ Mill	.....	29.50	2.00	27.50
		22,000	30.50	.43	8.50	22.00	2.00	20.00
		5,000	30.75	.29	5.75	25.00	2.00	23.00
		48,000	27.25	.52	10.50	16.75	2.00	14.75
		3,200	30.00	@ Mill	.....	30.00	2.00	28.00
		4,000	29.75	.24	4.75	25.00	.....	25.00
May 30	14	5,000	49.00	.85	17.00	32.00	2.00	30.00
31	37	7,000	42.00	.85	17.00	25.00	.....	25.00
27	47	935	39.00	.43	8.50	30.50	2.00	28.50
25		26,600	32.75	.36	7.25	25.50	2.00	23.50
29	7	60,000	26.00	.24	4.75	21.25	2.00	19.25
31		3,000	34.00	.30	6.00	28.00	2.00	26.00
		2,000	34.75	.26	5.25	29.50	2.00	27.50
June 1		2,000	34.75	.24	4.75	30.00	2.00	28.00
	34	3,000	36.00	.30	6.00	30.00	.....	30.00
3	44	10,000	36.00	.30	6.00	30.00	2.00	28.00
	48	1,000	34.00	.24	4.75	29.25	.....	29.25
May 30	4	20,000	36.00	.30	6.00	30.00	.....	30.00
June 1		25,000	29.00	.20	4.00	25.00	.....	25.00
May 27	45	98,000	24.00	.17	3.50	20.50	.....	20.50
June 1		22,500	33.25	.43	8.50	24.75	1.00	23.75
May 31	50	2,500	36.00	.30	6.00	30.00	.....	30.00
		489,022						
			13/16 x 3 1/4" Clear Maple Flooring					
May 29	30	3,000	104.00	.85	19.25	84.75	2.00	82.75
June 3	42	25,000	90.00	.45	10.25	79.75	2.00	77.75
		28,000						
			13/16 x 3 1/4" No. 1 Maple Flooring					
May 29	26	15,000	70.00	.47	10.50	59.50	2.00	57.50
June 1	47	10,000	72.00	.34	7.75	64.25	2.00	62.25
May 27	2	22,000	74.50	.42	9.50	65.00	2.00	63.00
		47,000						
			13/16 x 3 1/4" Factory Maple Flooring					
May 26	47	20,000	40.25	.45	10.25	30.00	2.00	28.00

RECAPITULATION OF STATEMENT OF PRICES OBTAINED FOR WEEK ENDED JUNE 3, 1922, **COMPARED WITH** LAST PRECEDING AVERAGE COST CHART F. O. B. CARS FLOORING MILL, DATED MAY 31, 1922, IN GOV. EX. 35, FOLIOS 881-2 IN VOLUME 3.

Average Costs F. O. B. Flooring Mill	Number of Sales	Quantity Feet	Net Price
	1	48,000	14.75
	1	5,000	18.50
	1	66,000	19.00
	1	60,000	19.25
	2	37,287	20.00
	1	98,000	20.50
	1	5,000	23.00
	1	26,600	23.50
	1	22,500	23.75
	3	36,000	25.00
	1	3,000	26.00
$30.00	2	12,000	27.50
	5	37,200	28.00
	1	935	28.50
	1	1,000	29.25
	23	458,522	= 94% under $30.00
	4	30,500	= 6% @ 30.00 (Avge. Cost)
	27	489,022	= 100%
85.00	2		= 100% under Avge. Cost
75.00	3		= 100% under Avge. Cost
35.00	1		= 100% under Avge. Cost

STATEMENT OF PRICES OBTAINED FOR THE FOLLOWING SIZES AND GRADES OF MAPLE FLOORING REDUCED TO A COMMON NET F. O. B. MILL BASIS, COMPILED FROM RECORD OF COMPLETED TRANSACTIONS FOR WEEK ENDED JUNE 3, 1922, IN GOV. EXS. 43-QQQ AND 43-RRR, PAGES 10 TO 13, IN "ADDITIONAL EXHIBITS."

Date 1922	Mill No.	Quantity Feet	Delivered Price	Average Freight Rate per 100 lbs.	Average Freight per 1M feet	Price Reduced to F. O. B. Mill Basis	Less Commission	Net Price F.O.B. Mill Basis
				13/16 x 1 1/2" Clear Maple Flooring				
May 29	49	2,200	85.00	@ Mill	.....	85.00	.....	85.00
June 3	3	5,000	94.00	.45	9.00	85.00	2.00	83.00
	5	3,000	95.00	.50	10.00	85.00	2.00	83.00
May 31	7	4,000	91.00	.30	6.00	85.00	2.00	83.00
June 3	42	5,000	92.00	.30	6.00	86.00	2.00	84.00
	44	15,000	91.00	.30	6.00	85.00	2.00	83.00
1	4	17,000	89.00	.24	4.75	84.25	1.50	82.75
		4,000	92.75	.39	7.75	85.00	1.50	83.50
		6,400	91.00	.30	6.00	85.00	1.50	83.50
2	50	1,425	91.00	.30	6.00	85.00	.....	85.00
		63,025						
				13/16 x 1 1/2" No. 1 Maple Flooring				
May 31	7	12,000	74.00	.30	6.00	68.00	2.00	66.00
June 3		10,000	74.00	.30	6.00	68.00	2.00	66.00
	44	5,000	74.00	.30	6.00	68.00	2.00	66.00
		27,000						
				13/16 x 1 1/2" Factory Maple Flooring				
May 29	34	3,000	25.00	@ Mill	.....	25.00	.....	25.00
		2,000	25.00	@ Mill	.....	25.00	.....	25.00
June 3	44	8,000	32.50	.38	7.50	25.00	2.00	23.00
		13,000						
				13/16 x 2" Clear Maple Flooring				
May 31	2	2,100	99.00	.38	7.50	91.50	2.00	89.50
29	33	5,000	95.50	.50	10.00	85.50	.....	85.50
31	5	15,000	102.00	.85	17.00	85.00	1.50	83.50
29	30	5,000	104.00	.85	17.00	87.00	2.00	85.00
		27,100						
				13/16 x 2" No. 1 Maple Flooring				
May 27	2	14,000	75.50	.43	8.50	67.00	2.00	65.00
June 1	24	5,000	79.50	.47	9.50	70.00	2.00	68.00
May 31	5	3,000	92.00	.85	17.00	75.00	1.50	73.50
		22,000						

13/16 x 2" Factory Maple Flooring—NONE

RECAPITULATION OF STATEMENT OF PRICES OBTAINED FOR WEEK ENDED JUNE 3, 1922, **COMPARED WITH** LAST PRECEDING AVERAGE COST CHART, F. O. B. CARS FLOORING MILL, DATED MAY 31, 1922, IN GOV. EX. 35, FOLIOS 881-2, IN VOL. 3.

Average Costs F. O. B. Flooring Mill	Number of Sales	Quantity Feet	Net Price
	8	59,400	= 94% under $85.00
$85.00	2	3,625	= 6% @ 85.00 (Avge. Cost)
	10	63,025	= 100%
$68.00	3		= 100% under Avge. Cost
$20.00	3		= 100% over Avge. Cost
	3	25,000	= 92% under $87.00
$87.00	1	2,100	= 8% over 87.00
	4	27,100	= 100%
	2	19,000	= 86% under $72.00
$72.00	1	3,000	= 14% over 72.00
	3	22,000	= 100%

STATEMENT OF PRICES OBTAINED FOR THE FOLLOWING SIZES AND GRADES OF MAPLE FLOORING REDUCED TO A COMMON NET F. O. B. MILL BASIS, COMPILED FROM RECORD OF COMPLETED TRANSACTIONS FOR WEEK ENDED JUNE 17, 1922, IN GOV. EXS. 43-TTT AND 43-UUU, PAGES 14 TO 18 IN "ADDITIONAL EXHIBITS."

Date 1922	Mill No.	Quantity Feet	Delivered Price	Average Freight Rate per 100 Lbs.	Average Freight per 1M Feet	Price Reduced to F.O.B. Mill Basis	Less Commission	Net Price F.O.B. Mill Basis
			13/16 x 2 1/4" Factory Maple Flooring.					
June 12	2	3,000	41.00	.35	7.00	34.00	2.00	32.00
10	24	10,000	38.50	.43	8.50	30.00	2.00	28.00
12	33	20,000	35.75	.36	7.25	28.50	2.00	26.50
		6,000	44.00	.70	14.00	30.00	2.00	28.00
13		20,000	29.00	.14	2.75	26.25	....	26.25
14		2,000	36.25	.34	6.75	29.50	....	29.50
16		20,000	29.00	.20	4.00	25.00	....	25.00
13	49	12,000	27.50	.24	4.75	22.75	....	22.75
14	3	30,000	28.00	@ Mill	.....	28.00	1.50	26.50
13	30	3,100	40.00	@ Mill	.....	40.00	....	40.00
14	47	3,000	30.00	@ Mill	.....	30.00	2.00	28.00
15		1,300	36.00	.25	5.00	31.00	....	31.00
12	42	50,000	35.50	.45	9.00	26.50	2.00	24.50
14	50	1,000	36.00	.30	6.00	30.00	....	30.00
15	48	5,250	25.00	.24	4.75	20.25	....	20.25
		1,300	38.00	.24	4.75	33.25	....	33.25
		1,280	47.00	.24	4.75	42.25	....	42.25
		4,500	32.00	.24	4.75	27.25	....	27.25
13	7	7,000	26.00	.30	6.00	20.00	1.50	18.50
14		3,000	31.00	.30	6.00	25.00	1.50	23.50
		203,730						
			13/16 x 3 1/4" Clear Maple Flooring.					
June 16	24	20,000	89.50	.47	10.50	79.00	2.00	77.00
12	14	2,000	92.50	.47	10.50	82.00	2.00	80.00
16	30	1,000	95.50	.47	10.50	85.00	2.00	83.00
		23,000						
			13/16 x 3 1/4" No. 1 Maple Flooring.					
June 16	33	6,000	85.25	.45	10.25	75.00	2.00	73.00
12	49	20,000	80.50	.47	10.50	70.00	2.00	68.00
		45,000	80.00	.47	10.50	69.50	2.00	67.50
16	26	40,000	78.50	.70	15.75	62.75	2.00	60.75
17		650	70.00	@ Mill	.....	70.00	....	70.00
15	30	1,500	94.00	@ Mill	.....	94.00	....	94.00
14	51	7,000	85.25	.47	10.50	74.75	2.00	72.75
		120,150						
			13/16 x 3 1/4" Factory Maple Flooring.					
June 13	2	26,000	41.00	.27	6.00	35.00	2.00	33.00
	24	22,440	35.00	@ Mill	.....	35.00	2.00	33.00
14	33	11,000	42.00	.34	7.75	34.25	....	34.25
		59,440						

RECAPITULATION OF STATEMENT OF PRICES OBTAINED FOR WEEK ENDED JUNE 17, 1922, **COMPARED WITH** LAST PRECEDING AVERAGE COST CHART F. O. B. CARS FLOORING MILL, DATED MAY 31, 1922, IN GOV. EX. 35, FOLIOS 881-2, VOL. 3.

Average Costs F. O. B. Flooring Mill	Number of of Sales	Quantity Feet	Net Price
	1	7,000	18.50
	1	5,250	20.25
	1	12,000	22.75
	1	3,000	23.50
	1	50,000	24.50
	1	20,000	25.00
	1	20,000	26.25
	2	50,000	26.50
	1	4,500	27.25
	3	19,000	28.00
$30.00	1	2,000	29.50
	14	192,750 = 95%	under $30.00
	1	1,000	@ 30.00 (Avge Cost)
	1	1,300	31.00
	1	3,000	32.00
	1	1,300	33.25
	1	3,100	40.00
	1	1,280	42.25
	5	9,980 = 5%	over $30.00
	20	203,730 = 100%	
$85.00	3 = 100%	under $85.00 (Avge Cost)	
	6	118,650 = 99%	under $75.00
	1	1,500 = 1%	over 75.00
$75.00	7	120,150 = 100%	
$35.00	3 = 100%	under $35.00 (Avge Cost)	

STATEMENT OF PRICES OBTAINED FOR THE FOLLOWING SIZES AND GRADES OF MAPLE FLOORING REDUCED TO A COMMON NET F. O. B. MILL BASIS, COMPILED FROM RECORD OF COMPLETED TRANSACTIONS FOR WEEK ENDED JUNE 17, 1922, IN GOV. EXS. 43-TTT AND 43-UUU, PAGES 14 TO 18, IN "ADDITIONAL EXHIBITS."

Date 1922	Mill No.	Quantity Feet	Delivered Price	Average Freight Rate per 100 Lbs.	Average Freight per 1M Feet	Price Reduced to F.O.B. Mill Basis	Less Commission	Net Price F.O.B. Mill Basis
			13/16 x 1 1/2 " Clear Maple Flooring.					
June 12	3	2,000	94.00	.45	9.00	85.00	....	85.00
14	30	9,000	89.50	.43	8.50	81.00	....	81.00
	47	26,000	82.00	@ Mill	.....	82.00	2.00	80.00
		75,000	82.00	@ Mill	.....	82.00	2.00	80.00
		4,000	82.00	@ Mill	.....	82.00	2.00	80.00
13	50	2,000	91.00	.30	6.00	85.00	....	85.00
14		5,000	91.00	.30	6.00	85.00	....	85.00
12	7	8,000	96.00	.30	6.00	90.00	2.00	88.00
13		4,000	91.00	.30	6.00	85.00	1.50	83.50
14		8,000	91.00	.30	6.00	85.00	1.50	83.50
		4,000	96.00	.30	6.00	90.00	....	90.00
		147,000						
			13/16 x 1 1/2" No. 1 Maple Flooring.					
June 17	37	20,000	66.00	.30	6.00	60.00	2.00	58.00
14	47	75,000	63.00	@ Mill	.....	63.00	2.00	61.00
		5,000	63.00	@ Mill	.....	63.00	2.00	61.00
12	42	34,000	63.00	@ Mill	.....	63.00	2.00	61.00
13	50	1,000	74.00	.30	6.00	68.00	....	68.00
14		6,000	74.00	.30	6.00	68.00	....	68.00
15		25,000	74.00	.30	6.00	68.00	2.00	66.00
13	7	2,000	69.00	.30	6.00	63.00	1.50	61.50
14		3,000	74.00	.30	6.00	68.00	1.50	66.50
		171,000						
			13/16 x 1 1/2" Factory Maple Flooring.					
June 14	7	20,000	31.00	.30	6.00	25.00	....	25.00
June 14	34	2,000	25.00	@ Mill	.....	25.00	....	25.00
			13/16 x 2" Clear Maple Flooring.					
June 12	2	5,048	101.50	.45	9.00	92.50	....	92.50
14	24	3,300	85.00	@ Mill	.....	85.00	....	85.00
15	33	25,000	80.00	.20	4.00	76.00	1.50	74.50
12	3	3,000	94.00	.45	9.00	85.00	....	85.00
14	14	10,000	104.00	.85	17.00	87.00	2.00	85.00
17		6,000	104.00	.85	17.00	87.00	2.00	85.00
10	47	4,000	89.00	.15	3.00	86.00	2.00	84.00
14		75,000	82.00	@ Mill	.....	82.00	2.00	80.00
	51	11,000	96.00	.47	9.50	86.50	2.00	84.50
		142,348						
			13/16 x 2" No. 1 Maple Flooring.					
June 14	2	7,162	75.50	.18	3.50	72.00	....	72.00
15		5,600	82.50	.33	6.50	76.00	2.00	74.00
15	33	20,000	70.00	.20	4.00	66.00	1.50	64.50
15	26	2,300	68.00	@ Mill	.....	68.00	2.00	66.00
10	47	13,000	74.00	.15	3.00	71.00	2.00	69.00
14		75,000	67.00	@ Mill	.....	67.00	2.00	65.00
	51	18,000	72.75	.29	5.75	67.00	2.00	65.00
		141,062						
			13/16 x 2" Factory Maple Flooring.					
June 14	2	10,000	27.00	.18	3.50	23.50	....	23.50
13	5	10,000	31.25	.38	7.50	23.75	1.50	22.25
14	14	2,000	47.00	.85	17.00	30.00	2.00	28.00
15	26	25,000	29.00	.17	3.50	25.50	2.00	23.50
		47,000						

RECAPITULATION OF STATEMENT OF PRICES OBTAINED FOR WEEK ENDED JUNE 17, 1922, **COMPARED WITH** LAST PRECEDING AVERAGE COST CHART F. O. B. CARS FLOORING MILL, DATED MAY 31, 1922, IN GOV. EX. 35, FOLIOS-881-2, VOL. 3.

Average Costs F. O. B. Flooring Mill	Number of Sales	Quantity Feet	Net Price
85.00	6	126,000	=86% under $85.00
	3	9,000	=6% @ $85.00 (Avge Cost)
	2	12,000	=8% over 85.00
	11	147,000	=100%
68.00	7	164,000	=96% under $68.00
	2	7,000	=4% @ $68.00 (Avge Cost)
	9	171,000	=100%
20.00	2		=100% over Avge Cost
87.00	8	137,300	=96% under $87.00
	1	5,048	=4% @ 87.00 (Avge Cost)
	9	142,348	=100%
72.00	5	128,300	=91% under $72.00
	1	7,162	=5% @ 72.00 (Avge Cost)
	1	5,600	=4% over 72.00
	7	141,062	=100%
28.00	4	45,000	=96% under 28.00
	1	2,000	=4% @ 28.00 (Avge Cost)
	5	47,000	=100%

STATEMENT OF PRICES OBTAINED FOR THE FOLLOWING SIZES AND GRADES OF MAPLE FLOORING REDUCED TO A COMMON NET F. O. B. MILL BASIS, COMPILED FROM RECORD OF COMPLETED TRANSACTIONS FOR WEEK ENDED AUGUST 19, 1922, IN GOV. EX. 43-4E, PAGES 19 TO 21, IN "ADDITIONAL EXHIBITS."

Date 1922	Mill No.	Quantity Feet	Delivered Price	Average Freight Rate per 100 lbs.	Average Freight per 1M feet	Price Reduced to F. O. B. Mill Basis	Less Commission	Net Price F. O. B. Mill Basis
			13/16 x 2 1/4" Factory Maple Flooring.					
Aug. 19	37	14,000	47.00	.49	9.75	37.25	2.00	35.25
11	47	25,000	39.50	.40	8.00	31.50	2.00	29.50
14		17,000	30.00	@ Mill	.....	30.00	1.50	28.50
16		100,000	35.50	.18	3.50	32.00	.50	31.50
17	7	3,000	41.00	.27	5.50	35.50	1.50	34.00
		15,000	29.75	.27	5.50	24.25	.....	24.25
19		3,000	41.00	.30	6.00	35.00	1.50	33.50
16	23	2,000	37.50	@ Mill	.....	37.50	2.00	35.50
		50,000	37.75	.24	4.75	33.00	2.00	31.00
14	34	8,000	37.25	.36	7.25	30.00	1.50	28.50
		11,000	36.00	.30	6.00	30.00	2.00	28.00
16		14,000	37.50	.38	7.50	30.00	.....	30.00
	42	4,000	39.75	.24	4.75	35.00	2.00	33.00
	48	14,000	40.00	...	.....	40.00	.....	40.00
		1,850	47.00	.24	4.75	42.25	.....	42.25
		5,628	40.00	.24	4.75	35.25	.....	35.25
		14,900	30.00	@ Mill	.....	30.00	.....	30.00
		302,378						
			13/16 x 3 1/4" Clear Maple Flooring.					
Aug. 16	2	8,000	95.50	.47	10.50	85.00	2.00	83.00
12	47	50,000	89.00	.45	10.25	78.75	2.00	76.75
16	48	623	98.00	.24	5.50	92.50	.....	92.50
		58,623						
			13/16 x 3 1/4" No. 1 Maple Flooring.					
Aug. 17	2	8,000	75.00	.17	3.75	71.25	.....	71.25
16	48	1,000	90.00	.24	5.50	84.50	.....	84.50
		9,000						
			13/16 x 3 1/4" Factory Maple Flooring.					
Aug. 17	2	22,200	42.00	.29	6.50	35.50	2.00	33.50
14	47	17,000	40.00	@ Mill	.....	40.00	2.00	38.00
		39,200						

RECAPITULATION OF STATEMENT OF PRICES OBTAINED FOR WEEK ENDED AUGUST 19, 1922, **COMPARED WITH** LAST PRECEDING AVERAGE COST CHART F. O. B. CARS FLOORING MILL, DATED MAY 31, 1922, IN GOV. EX. 35, FOLIOS 881-2, VOLUME 3.

Average Costs F. O. B. Flooring Mill	Number of Sales	Quantity Feet	Net Price
	1	15,000	24.25
	1	11,000	28.00
	2	25,000	28.50
	1	25,000	29.50
	5	76,000 = 25% under $30.00	
	2	28,900 = 10% @ 30.00 (Avge Cost)	
	1	50,000	31.00
	1	100,000	31.50
	1	4,000	33.00
$30.00	1	3,000	33.50
	1	3,000	34.00
	2	19,628	35.25
	1	2,000	35.50
	1	14,000	40.00
	1	1,850	42.25
	10	197,478 = 65% over $30.00	
	17	302,378 = 100%	
	2	58,000 = 99% under $85.00	
85.00	1	623 = 1% over 85.00	
	3	58,623 = 100%	
	1 = 89% under $75.00		
75.00	1 = 11% over 75.00		
	2 = 100%		
	1 = 57% under $35.00		
35.00	1 = 43% over 35.00		
	2 = 100%		

STATEMENT OF PRICES OBTAINED FOR THE FOLLOWING SIZES AND GRADES OF MAPLE FLOORING REDUCED TO A COMMON NET F. O. B. MILL BASIS, COMPILED FROM RECORD OF COMPLETED TRANSACTIONS FOR WEEK ENDED AUGUST 19, 1922, IN GOV. EX. 43-4E, PAGES 19 TO 21, IN "ADDITIONAL EXHIBITS."

Date 1922	Mill No.	Quantity Feet	Delivered Price	Average Freight Rate per 100 lbs.	Average Freight per 1M feet	Price Reduced to F. O. B. Mill Basis	Less Commission	Net Price F. O. B. Mill Basis
			13/16 x 1 1/2" Clear Maple Flooring.					
Aug. 18	5	5,000	96.50	.38	7.50	89.00	1.50	87.50
19	4	1,200	98.50	.42	8.50	90.00	1.50	88.50
		3,000	98.50	.42	8.50	90.00	1.50	88.50
14	7	3,000	90.00	.22	4.50	85.50	1.50	84.00
16	44	11,000	91.00	.30	6.00	85.00	.....	85.00
		23,200						
			13/16 x 1 1/2" No. 1 Maple Flooring.					
Aug. 15	3	4,000	80.50	.27	5.50	75.00	2.00	73.00
18	23	24,500	65.00	.30	6.00	59.00	2.00	57.00
		28,500						
			13/16 x 1 1/2" Factory Maple Flooring.					
Aug. 16	24	18,000	21.00	.30	6.00	15.00	2.00	13.00
14	34	3,000	25.00	@ Mill	.....	25.00	.....	25.00
		21,000						
			13/16 x 2" Clear Maple Flooring					
Aug. 15	2	40,000	91.00	.20	4.00	87.00	.....	87.00
	3	5,000	97.75	.39	7.75	90.00	2.00	88.00
16		3,200	96.75	.34	6.75	90.00	1.50	88.50
15	14	15,000	94.50	.21	4.25	90.25	1.50	88.75
16	48	1,400	100.00	.24	4.75	95.25	.....	95.25
		64,600						
			13/16 x 2" No. 1 Maple Flooring					
Aug. 16	3	6,000	88.75	.34	6.75	82.00	1.50	80.50
	47	6,800	80.00	@ Mill	.....	80.00	2.00	78.00
		12,800						
			13/16 x 2" Factory Maple Flooring					
Aug. 15	24	1,000	30.00	@ Mill	.....	30.00	.....	30.00
	3	10,000	33.50	.27	5.50	28.00	1.50	26.50
		11,000						

RECAPITULATION OF STATEMENT OF PRICES OBTAINED FOR WEEK ENDED AUGUST 19, 1922, **COMPARED WITH** LAST PRECEDING AVERAGE COST CHART F. O. B. CARS FLOORING MILL, DATED MAY 31, 1922, IN GOV. EX. 35, FOLIOS 881-2 IN VOLUME 3.

Average Costs F. O. B. Flooring Mill	Number of Sales	Quantity Feet	Net Price
	1	3,000 = 13%	under 85.00
	1	11,000 = 47%	@ 85.00 (Avge. Cost)
$85.00	3	9,200 = 40%	over 85.00
	5	23,200 = 100%	
68.00	1	24,500 = 86%	under 68.00
	1	4,000 = 14%	over 68.00
	2	28,500 = 100%	
20.00	1	18,000 = 86%	under 20.00
	1	3,000 = 14%	over 20.00
	2	21,000 = 100%	
87.00	1	40,000 = 62%	@ 87.00 (Avge. Cost)
	4	24,600 = 38%	over 87.00
	5	64,600 = 100%	
72.00	2 = 100%		over $72.00
28.00	1	10,000 = 91%	under $28.00
	1	1,000 = 9%	over 28.00
	2	11,000 = 100%	

STATEMENT OF PRICES OBTAINED FOR THE FOLLOWING SIZES AND GRADES OF MAPLE FLOORING REDUCED TO A COMMON NET F. O. B. MILL BASIS, COMPILED FROM RECORD OF COMPLETED TRANSACTIONS FOR WEEK ENDED SEPTEMBER 30, 1922, IN GOV. EX. 43-4-J, PAGES 22 TO 24, IN "ADDITIONAL EXHIBITS."

Date 1922	Mill No.	Quantity Feet	Delivered Price	Average Freight Rate per 100 lbs.	Average Freight per 1M Feet	Price Reduced to F. O. B. Mill Basis	Less Commission	Net Price F. O. B. Mill Basis
			13/16 x 2 1/4" Factory Maple Flooring					
Sept. 25	2	18,000	40.50	.28	5.50	35.00	2.00	33.00
28	33	60,000	40.25	.26	5.25	35.00	2.00	33.00
25	49	13,000	43.50	.38	7.50	36.00	2.00	34.00
	5	2,500	52.00	.85	17.00	35.00	1.50	33.50
28	26	10,000	40.25	.26	5.25	35.00	2.00	33.00
23	47	42,000	43.00	.40	8.00	35.00	2.00	33.00
25		11,000	35.00	@ Mill	....	35.00	2.00	33.00
28	23	55,000	41.25	.31	6.25	35.00	2.00	33.00
29	34	3,000	40.50	.28	5.50	35.00	2.00	33.00
25	42	11,000	52.00	.85	17.00	35.00	.....	35.00
27	44	25,000	39.50	.22	4.50	35.00	1.50	33.50
	45	127,000	35.00	.24	4.75	30.25	.....	30.25
	50	9,232	41.50	.32	6.50	35.00	2.00	33.00
29	48	7,875	40.00	.24	4.75	35.25	.....	35.25
29	48	3,600	47.00	.24	4.75	42.25	.....	42.25
		398,207						
			13/16 x 1 1/2" Clear Maple Flooring					
Sept. 30	49	8,000	92.50	.39	7.75	84.75	2.00	82.75
29	5	3,000	100.00	.50	10.00	90.00	1.50	88.50
25	47	11,000	90.50	.27	5.50	85.00	2.00	83.00
26	7	10,000	93.00	.15	3.00	90.00	1.50	88.50
29		7,000	96.75	.34	6.75	90.00	.....	90.00
29	48	6,500	86.00	.24	4.75	81.25	.....	81.25
		45,500						
			13/16 x 1 1/2" No. 1 Maple Flooring					
Sept. 25	34	5,000	84.75	.34	6.75	78.00	.....	78.00
29	50	8,000	83.50	.27	5.50	78.00	.....	78.00
		13,000						
			13/16 x 1 1/2" Factory Maple Flooring					
Sept. 29	2	18,000	32.50	.62	12.50	20.00	.....	20.00
			13/16 x 2" Clear Maple Flooring					
Sept. 23	2	18,000	94.25	.21	4.25	90.00	2.00	88.00
27	24	20,000	94.00	.18	3.50	90.50	2.00	88.50
28		5,000	98.50	.30	6.00	92.50	2.00	90.50
27	3	15,000	94.50	.20	4.00	90.50	2.00	88.50
30	5	10,000	107.00	.85	17.00	90.00	1.50	88.50
26	37	30,000	93.00	.15	3.00	90.00	1.50	88.50
25	47	12,000	94.75	.15	3.00	91.75	2.00	89.75
27		4,000	97.00	.25	5.00	92.00	....	92.00
		114,000						

RECAPITULATION OF STATEMENT OF PRICES OBTAINED FOR WEEK ENDED SEPTEMBER 30, 1922, **COMPARED WITH** STATEMENT OF AVERAGE COSTS F. O. B. FLOORING MILL BASIS, DATED OCTOBER 25, 1922 (IN GOV. EX. No. 26, PAGES 284-286, IN VOLUME 3), AS USED IN GOVERNMENT'S COMPILATIONS OF 13/16 x 2¼" CLEAR MAPLE FLOORING SALES FOR WEEK ENDED SEPTEMBER 30, 1922, EXHIBIT 79, PAGES 695-6-7, IN VOLUME 4.

Average Costs F. O. B. Flooring Mill	Number of Sales	Quantity Feet	Net Price
	1	127,000	30.25
	8	208,232	33.00
	2	27,500	33.50
$40.00	1	13,000	34.00
	1	11,000	35.00
	1	7,875	35.25
	14	394,607	=99% under $40.00
	1	3,600 = 1% @ 42.25 (over 40.00)	
	15	398,207 =100%	
	5	38,500 = 85% under $90.00	
90.00	1	7,000 = 15% 90.00 (Avge Cost)	
	6	45,500 = 100%	
78.00	2 = 100% @ Avge Cost		
25.00	1 = 100% under Avge Cost		
	6	105,000 = 92% under $90.00	
90.00	2	9,000 = 8% over 90.00	
	8	114,000 =100%	

STATEMENT OF PRICES OBTAINED FOR THE FOLLOWING SIZES AND GRADES OF MAPLE FLOORING, REDUCED TO A COMMON NET F. O. B. MILL BASIS, COMPILED FROM RECORD OF COMPLETED TRANSACTIONS FOR WEEK ENDED SEPTEMBER 30, 1922, IN GOV. EX. 43-4-J, PAGES 22 TO 24, IN "ADDITIONAL EXHIBITS."

Date 1922	Mill No.	Quantity Feet	Delivered Price	Average Freight Rate per 100 lbs.	Average Freight per 1M feet	Price Reduced to F. O. B. Mill Basis	Less Commission	Net Price F. O. B. Mill Basis
			13/16 x 2" No. 1 Maple Flooring					
Sept. 28	24	8,000	88.50	.30	6.00	82.50	2.00	80.50
27	3	30,000	86.50	.20	4.00	82.50	2.00	80.50
30	5	6,000	99.00	.85	17.00	82.00	1.50	80.50
28	26	5,000	80.25	.26	5.25	75.00	2.00	73.00
25	47	8,000	84.75	.15	3.00	81.75	2.00	79.75
		57,000						
			13/16 x 2" Factory Maple Flooring					
Sept. 28	24	8,000	38.50	.30	6.00	32.50	2.00	30.50
26	26	5,000	30.00	@ Mill	.....	30.00	.....	30.00
		13,000						
			13/16 x 3 1/4" Clear Maple Flooring					
Sept. 26	26	20,000	80.00	.22	5.00	75.00	2.00	73.00
		16,000	83.50	.45	10.25	73.25	.....	73.25
29	47	4,500	86.50	.20	4.50	82.00	2.00	80.00
29	48	1,100	98.00	.24	5.50	92.50	.....	92.50
		41,600						
			13/16 x 3 1/4" No. 1 Maple Flooring					
Sept. 29	24	12,000	82.00	.43	9.75	72.25	2.00	70.25
27	49	54,000	78.25	.41	9.25	69.00	2.00	67.00
30	49	75,000	76.25	.41	9.25	67.00	2.00	65.00
27	42	6,000	81.00	.28	6.25	74.75	.....	74.75
		147,000						
			13/16 x 3 1/4" Factory Maple Flooring					
Sept. 27	2	24,000	46.25	.28	6.25	40.00	2.00	38.00

RECAPITULATION OF STATEMENT OF PRICES OBTAINED FOR WEEK ENDED SEPTEMBER 30, 1922, **COMPARED WITH** STATEMENT OF AVERAGE COSTS F. O. B. FLOORING MILL BASIS, DATED OCTOBER 25, 1922 (IN GOV. EX. No. 26, PAGES 284–286 IN COLUMN 3), AS USED IN GOVERNMENT'S COMPILATIONS OF 13/16 x 2 1/4" CLEAR MAPLE FLOORING SALES FOR WEEK ENDED SEPTEMBER 30, 1922, EXHIBIT 79, PAGES 695–6–7 IN VOLUME 4.

Average Costs F. O. B. Flooring Mill	Number of Sales	Quantity Feet	Net Price
80.00	2	13,000 = 23%	under $80.00
	3	44,000 = 77%	over 80.00
	5	57,000 = 100%	
35.00	2 = 100%		under Avge Cost
80.00	2	36,000 = 86%	under $80.00
	1	4,500 = 11%	@ 80.00 (Avge Cost)
	1	1,100 = 3%	over 80.00
		41,600 = 100%	
75.00	4 = 100%		under Avge Cost
45.00	1 = 100%		under Avge Cost

STATEMENT OF PRICES OBTAINED FOR THE FOLLOWING SIZES AND GRADES OF MAPLE FLOORING REDUCED TO A COMMON NET F. O. B. MILL BASIS, COMPILED FROM RECORD OF COMPLETED TRANSACTIONS FOR WEEK ENDED OCT. 21, 1922, IN GOV. EX. 43-4 N, PAGES 25 TO 27, IN "ADDITIONAL EXHIBITS."

Date 1922	Mill No.	Quantity Feet	Delivered Price	Average Freight Rate per 100 lbs.	Average Freight per 1M feet	Price Reduced to F.O.B. Mill Basis	Less Commission	Net Price F.O.B. Mill Basis
			13/16 x 2 1/4" Factory Maple Flooring.					
Oct. 18	2	13,000	42.75	.39	7.75	35.00	2.00	33.00
16	33	20,000	41.00	.24	4.75	36.25	2.00	34.25
21		27,000	43.25	.41	8.25	35.00	2.00	33.00
19	3	25,000	43.50	.43	8.50	35.00	2.00	33.00
16	47	20,000	40.00	.25	5.00	35.00	2.00	33.00
		2,000	35.00	@ Mill	.....	35.00	.....	35.00
18	4	5,000	52.00	.85	17.00	35.00	1.50	33.50
		8,000	39.50	.26	5.25	34.25	1.50	32.75
20	7	5,000	41.00	.27	5.50	35.50	1.50	34.00
		3,000	40.50	.27	5.50	35.00	.....	35.00
17	34	1,000	40.00	@ Mill	.....	40.00	.....	40.00
	42	6,000	42.50	.33	6.50	36.00	2.00	34.00
		20,000	43.75	.40	8.00	35.75	2.00	33.75
	44	5,000	36.00	.27	5.50	30.50	.....	30.50
20	48	5,690	40.00	.24	4.75	35.25	.....	35.25
20	50	20,000	40.50	.27	5.50	25.00	2.00	33.00
		185,690						
			13/16 x 1 1/2" Clear Maple Flooring					
Oct. 16	14	2,500	94.50	.23	4.50	90.00	2.00	88.00
16	30	4,000	90.50	.27	5.50	85.00	2.00	83.00
19		12,000	82.75	@ Mill	.....	82.75	.....	82.75
18	4	5,000	109.50	.85	17.00	92.50	1.50	91.00
18	7	16,800	95.50	.27	5.50	90.00	1.50	88.50
20		3,000	95.50	.27	5.50	90.00	.....	90.00
21		10,000	95.00	.25	5.00	90.00	.....	90.00
20	50	60,000	95.50	.27	5.50	90.00	2.00	88.00
20	51	15,000	83.00	.41	8.25	74.75	2.00	72.75
		128,300						
			13/16 x 1 1/2" No. 1 Maple Flooring.					
Oct. 18	4	3,000	72.50	.43	8.50	64.00	1.50	62.50
21	7	2,000	84.00	.25	5.00	79.00	.....	79.00
20	50	40,000	83.50	.27	5.50	78.00	2.00	76.00
		45,000						
			13/16 x 1 1/2" Factory Maple Flooring					
Oct. 19	50	3,000	30.50	.27	5.50	25.00	.....	25.00
20		20,000	30.50	.27	5.50	25.00	2.00	23.00
		23,000						
			13/16 x 2" No. 1 Maple Flooring.					
Oct. 18	2	4,000	89.75	.39	7.75	82.00	2.00	80.00
			13/16 x 2" Factory Maple Flooring.					
Oct. 18	26	1,400	35.00	.....	.....	35.00	2.00	33.00
		5,000	34.00	.17	3.50	30.50	.....	30.50
		6,400						
			13/16 x 3 1/4" Clear Maple Flooring.					
Oct. 18	2	25,000	89.75	.43	9.75	80.00	2.00	78.00
21	26	16,200	107.00	.85	19.25	89.75	2.00	87.75
14	47	17,000	93.50	.43	9.75	83.75	2.00	81.75
		58,200						
			13/16 x 3 1/4" No. 1 Maple Flooring.					
Oct. 18	2	2,000	78.50	.15	3.50	75.00	.....	75.00
14	24	42,500	79.00	.42	9.50	69.50	2.00	67.50
20	30	3,500	79.00	@ Mill	.....	79.00	.....	79.00
18	51	24,000	75.00	.43	9.75	65.25	2.00	63.25
		72,000						
			13/16 x 3 1/4" Factory Maple Flooring.					
Oct. 18	24	1,700	55.00	.26	5.75	49.25	.....	49.25

COMPARED WITH STATEMENT OF AVERAGE COSTS F. O. B. FLOORING MILL BASIS DATED OCTOBER 25, 1922 (IN GOV. EX. No. 26, PAGES 284-286, IN VOLUME 3), AS USED IN GOVERNMENT'S COMPILATIONS OF 13/16 x 2 1/4" CLEAR MAPLE FLOORING SALES FOR WEEK ENDED OCTOBER 21, 1922, EX. 79, PAGES 703-4-5, IN VOLUME 4.

Average Costs F. O. B. Flooring Mill	Number of Sales	Quantity Feet	Net Price
	1	5,000	30.50
	1	8,000	32.75
	5	105,000	33.00
	1	5,000	33.50
	1	20,000	33.75
	2	11,000	34.00
	1	20,000	34.25
	2	5,000	35.00
$40.00	1	5,690	35.25
	15	184,690 = 99% under $40.00	
	1	1,000 = 1% @ 40.00 (Avge. Cost.)	
	16	185,690 = 100%	
	6	110,300 = 86% under $90.00	
	2	13,000 = 10% @ 90.00 (Avge.Cost)	
90.00	1	5,000 = 4% over 90.00	
	9	128,300 = 100%	
	2	43,000 = 96% under $78.00	
78.00	1	2,000 = 4% over 78.00	
	3	45,000 = 100%	
	1	= 87% under $25.00	
25.00	1	= 13% @ 25.00 (Avge. Cost)	
	2	= 100%	
80.00	1	= 100% @ Avge. Cost	
35.00	2	= 100% under Avge. Cost	
	1	= 43% under $80.00	
80.00	2	= 57% over 80.00	
	3	= 100%	
	2	66,500 = 92% under $75.00	
	1	2,000 = 3% @ 75.00 (Avge.Cost)	
75.00	1	3,500 = 5% over 75.00	
	4	72,000 = 100%	

Date 1922	Mill No.	Quantity Feet	Delivered Price	Average Freight Rate per 100 lbs.	Average Freight per 1M feet	Price Reduced to F.O.B. Mill Basis	Less Commission	Net Price F.O.B. Mill Basis	Average Costs F. O. B. Flooring Mill	Number of Sales	Quantity Feet	Net Price
			13/16 x 2 1/4" Factory Maple Flooring.									
Oct. 18	2	13,000	42.75	.39	7.75	35.00	2.00	33.00		1	5,000	30.50
16	33	20,000	41.00	.24	4.75	36.25	2.00	34.25		1	8,000	32.75
21		27,000	43.25	.41	8.25	35.00	2.00	33.00		5	105,000	33.00
19	3	25,000	43.50	.43	8.50	35.00	2.00	33.00		1	5,000	33.50
16	47	20,000	40.00	.25	5.00	35.00	2.00	33.00		1	20,000	33.75
										2	11,000	34.00
		2,000	35.00	@ Mill	.....	35.00	.....	35.00		1	20,000	34.25
18	4	5,000	52.00	.85	17.00	35.00	1.50	33.50		2	5,000	35.00
		8,000	39.50	.26	5.25	34.25	1.50	32.75	$40.00	1	5,690	35.25
20	7	5,000	41.00	.27	5.50	35.50	1.50	34.00				
		3,000	40.50	.27	5.50	35.00	.....	35.00		15	184,690 = 99%	under $40.00
17	34	1,000	40.00	@ Mill	.....	40.00	.....	40.00		1	1,000 = 1%	@ 40.00 (Avge. Cost.)
	42	6,000	42.50	.33	6.50	36.00	2.00	34.00				
		20,000	43.75	.40	8.00	35.75	2.00	33.75		16	185,690 = 100%	
	44	5,000	36.00	.27	5.50	30.50	.....	30.50				
20	48	5,690	40.00	.24	4.75	35.25	.....	35.25				
20	50	20,000	40.50	.27	5.50	25.00	2.00	33.00				
		185,690										
			13/16 x 1 1/2" Clear Maple Flooring									
Oct. 16	14	2,500	94.50	.23	4.50	90.00	2.00	88.00				
16	30	4,000	90.50	.27	5.50	85.00	2.00	83.00				
19		12,000	82.75	@ Mill	.....	82.75	.....	82.75		6	110,300 = 86%	under $90.00
18	4	5,000	109.50	.85	17.00	92.50	1.50	91.00		2	13,000 = 10%	@ 90.00 (Avge.Cost)
18	7	16,800	95.50	.27	5.50	90.00	1.50	88.50	90.00	1	5,000 = 4%	over 90.00
20		3,000	95.50	.27	5.50	90.00	.....	90.00		9	128,300 = 100%	
21		10,000	95.00	.25	5.00	90.00	.....	90.00				
20	50	60,000	95.50	.27	5.50	90.00	2.00	88.00				
20	51	15,000	83.00	.41	8.25	74.75	2.00	72.75				
		128,300										
			13/16 x 1 1/2" No. 1 Maple Flooring.									
										2	43,000 = 96%	under $78.00
Oct. 18	4	3,000	72.50	.43	8.50	64.00	1.50	62.50	78.00	1	2,000 = 4%	over 78.00
21	7	2,000	84.00	.25	5.00	79.00	.....	79.00				
20	50	40,000	83.50	.27	5.50	78.00	2.00	76.00		3	45,000 = 100%	
		45,000										
			13/16 x 1 1/2" Factory Maple Flooring									
										1 = 87%	under $25.00	
Oct. 19	50	3,000	30.50	.27	5.50	25.00	.....	25.00	25.00	1 = 13%	@ 25.00 (Avge. Cost)	
20		20,000	30.50	.27	5.50	25.00	2.00	23.00				
		23,000								2 = 100%		
			13/16 x 2" No. 1 Maple Flooring.									
Oct. 18	2	4,000	89.75	.39	7.75	82.00	2.00	80.00	80.00	1 = 100%	@ Avge. Cost	
			13/16 x 2" Factory Maple Flooring.									
Oct. 18	26	1,400	35.00	.....	.....	35.00	2.00	33.00	35.00	2 = 100%	under Avge. Cost	
		5,000	34.00	.17	3.50	30.50	.....	30.50				
		6,400										
			13/16 x 3 1/4" Clear Maple Flooring.									
										1 = 43%	under $80.00	
Oct. 18	2	25,000	89.75	.43	9.75	80.00	2.00	78.00	80.00	2 = 57%	over 80.00	
21	26	16,200	107.00	.85	19.25	89.75	2.00	87.75				
14	47	17,000	93.50	.43	9.75	83.75	2.00	81.75		3 = 100%		
		58,200										
			13/16 x 3 1/4" No. 1 Maple Flooring.									
Oct. 18	2	2,000	78.50	.15	3.50	75.00	.....	75.00		2	66,500 = 92%	under $75.00
14	24	42,500	79.00	.42	9.50	69.50	2.00	67.50		1	2,000 = 3%	@ 75.00 (Avge.Cost)
20	30	3,500	79.00	@ Mill	.....	79.00	.....	79.00	75.00	1	3,500 = 5%	over 75.00
18	51	24,000	75.00	.43	9.75	65.25	2.00	63.25				
		72,000								4	72,000 = 100%	
			13/16 x 3 1/4" Factory Maple Flooring.									
Oct. 16	24	1,700	55.00	.26	5.75	49.25	.....	49.25				
16	51	5,000	55.50	.43	9.75	45.75	.....	45.75	45.00	2 = 100%	over $45.00	
		6,700										

STATEMENT OF PRICES OBTAINED FOR THE FOLLOWING SIZES AND GRADES OF MAPLE FLOORING REDUCED TO A COMMON NET F. O. B. MILL BASIS, COMPILED FROM RECORD OF COMPLETED TRANSACTIONS FOR WEEK ENDED NOVEMBER 4, 1922, IN GOV. EX. 43-4P, PAGES 28 TO 30, IN "ADDITIONAL EXHIBITS."

Date 1922	Mill No.	Quantity Feet	Delivered Price	Average Freight Rate per 100 lbs.	Average Freight per 1M feet	Price Reduced to F. O. B. Mill Basis	Less Commission	Net Price F. O. B. Mill Basis
			13/16 x 2 1/4" Factory Maple Flooring.					
Nov. 1	33	14,000	42.75	.39	7.75	35.00	2.00	33.00
3		7,000	42.75	.39	7.75	35.00	2.00	33.00
1	49	50,000	40.50	.27	5.50	35.00	2.00	33.00
4		6,500	54.00	.85	17.00	37.00	2.00	35.00
3	5	4,000	40.50	.28	5.50	35.00	1.50	33.50
3	26	20,000	40.50	.20	4.00	36.50	2.00	34.50
2	37	24,000	42.75	.39	7.75	35.00	2.00	33.00
Oct. 28	47	3,000	44.00	.25	5.00	39.00	2.00	37.00
27	47	25,000	48.00	.60	12.00	36.00	2.00	34.00
		25,000	43.50	.40	8.00	35.50	2.00	33.50
30		2,000	42.50	.22	4.50	38.00	2.00	36.00
	4	4,900	42.25	.33	6.50	35.75	1.50	34.25
		2,000	40.50	.27	5.50	35.00	1.50	33.50
31		23,000	45.00	.26	5.25	39.75	1.50	38.25
Nov. 3		125,000	39.00	.22	4.50	34.50	....	34.50
	34	4,000	40.00	@ Mill	.....	40.00	....	40.00
		1,000	40.00	@ Mill	.....	40.00	....	40.00
		340,400						
			13/16 x 1 1/2" Clear Maple Flooring.					
Oct. 30	30	1,300	99.00	.28	5.50	93.50	2.00	91.50
	4	10,000	98.00	.27	5.50	92.50	1.50	91.00
Nov. 2	44	15,000	91.00	.27	5.50	85.50	2.00	83.50
		26,300						
			13/16 x 1 1/2" No. 1 Maple Flooring.					
Oct. 31	42	20,000	71.50	.27	5.50	66.00	2.00	64.00
			13/16 x 1 1/2" Factory Maple Flooring.					
Oct. 26	2	5,280	36.25	.28	5.50	30.75	....	30.75
28	47	3,000	28.00	.25	5.00	23.00	2.00	21.00
Nov. 3	4	5,000	36.00	.27	5.50	30.50	1.50	29.00
	34	2,000	30.00	@ Mill	.....	30.00	....	30.00
		600	25.00	@ Mill	.....	25.00	....	25.00
		15,880						
			13/16 x 2" Clear Maple Flooring.					
Nov. 2	37	23,000	91.50	.15	3.00	88.50	....	88.50
			13/16 x 2" No. 1 Maple Flooring.					
Nov. 1	5	2,000	84.50	.23	4.50	80.00	2.00	78.00
3	30	5,000	83.50	.18	3.50	80.00	2.00	78.00
		7,000						
			13/16 x 2" Factory Maple Flooring.					
Nov. 1	2	20,000	46.75	.44	8.75	38.00	2.00	36.00
Oct. 30	24	18,000	39.00	.20	4.00	35.00	2.00	33.00
		38,000						
			13/16 x 3 1/4" No. 1 Maple Flooring.					
Nov. 1	2	4,000	78.50	.38	8.50	70.00	2.00	68.00
2		20,000	79.75	.43	9.75	70.00	2.00	68.00
4	24	2,000	75.00	@ Mill	.....	75.00	....	75.00
Oct. 30	30	5,000	85.00	.28	6.25	78.75	2.00	76.75
Nov. 2		9,000	86.00	.36	8.00	78.00	....	78.00
		40,000						
			13/16 x 3 1/4" Factory Maple Flooring.					

RECAPITULATION OF STATEMENT OF PRICES OBTAINED FOR WEEK ENDED NOVEMBER 4, 1922, **COMPARED WITH** LAST PRECEDING STATEMENT OF AVERAGE COSTS F. O. B. FLOORING MILL BASIS DATED OCT. 25, 1922, IN GOV. EX. No. 26, PAGE 284–286, IN VOLUME 3.

Average Costs F. O. B. Flooring Mill	Number of Sales	Quantity Feet	Net Price
	4	95,000	33.00
	3	31,000	33.50
	1	25,000	34.00
	1	4,900	34.25
	2	145,000	34.50
	1	6,500	35.00
	1	2,000	36.00
$40.00	1	3,000	37.00
	1	23,000	38.25
	15	335,400 = 99%	under $40.00
	2	5,000 = 1%	@ 40.00 (Avge. Cost)
	17	340,400 = 100%	
$90.00	1 = 57% under $90.00 2 = 43% over $90.00		
	3 = 100%		
$78.00	1 = 100% under Avge. Cost		
$25.00	1 = 19% under $25.00 1 = 4% @ $25.00 (Avge. Cost) 3 = 77% over $25.00		
	5 = 100%		
$90.00	1 = 100% under Avge. Cost		
$80.00	2 = 100% under Avge. Cost		
$35.00	1 = 47% under $35.00 1 = 53% over $35.00		
	2 = 100%		
$75.00	2 = 60% under $75.00 1 = 5% @ $75.00 (Avge. Cost) 2 = 35% over $75.00		
	5 = 100%		

Date 1922	Mill No.	Quantity Feet	Delivered Price	Average Freight Rate per 100 lbs.	Average Freight per 1M feet	Price Reduced to F. O. B. Mill Basis	Less Commission	Net Price F. O. B. Mill Basis	Average Costs F. O. B. Flooring Mill	Number of Sales	Quantity Feet	Net Price
			13/16 x 2 1/4″ Factory Maple Flooring.									
Nov. 1	33	14,000	42.75	.39	7.75	35.00	2.00	33.00				
3		7,000	42.75	.39	7.75	35.00	2.00	33.00				
1	49	50,000	40.50	.27	5.50	35.00	2.00	33.00		4	95,000	33.00
4		6,500	54.00	.85	17.00	37.00	2.00	35.00		3	31,000	33.50
3	5	4,000	40.50	.28	5.50	35.00	1.50	33.50		1	25,000	34.00
										1	4,900	34.25
3	26	20,000	40.50	.20	4.00	36.50	2.00	34.50		2	145,000	34.50
2	37	24,000	42.75	.39	7.75	35.00	2.00	33.00		1	6,500	35.00
Oct. 28	47	3,000	44.00	.25	5.00	39.00	2.00	37.00		1	2,000	36.00
27	47	25,000	48.00	.60	12.00	36.00	2.00	34.00	$40.00	1	3,000	37.00
		25,000	43.50	.40	8.00	35.50	2.00	33.50		1	23,000	38.25
30		2,000	42.50	.22	4.50	38.00	2.00	36.00				
	4	4,900	42.25	.33	6.50	35.75	1.50	34.25		15	335,400 = 99%	under $40.00
		2,000	40.50	.27	5.50	35.00	1.50	33.50				
31		23,000	45.00	.26	5.25	39.75	1.50	38.25		2	5,000 = 1%	@ 40.00 (Avge. Cost)
Nov. 3		125,000	39.00	.22	4.50	34.50	....	34.50				
	34	4,000	40.00	@ Mill	.....	40.00	....	40.00		17	340,400 = 100%	
		1,000	40.00	@ Mill	.....	40.00	....	40.00				
		340,400										
			13/16 x 1 1/2″ Clear Maple Flooring.									
Oct. 30	30	1,300	99.00	.28	5.50	93.50	2.00	91.50		1 =	57%	under $90.00
	4	10,000	98.00	.27	5.50	92.50	1.50	91.00	$90.00	2 =	43%	over $90.00
Nov. 2	44	15,000	91.00	.27	5.50	85.50	2.00	83.50				
		26,300								3 =	100%	
			13/16 x 1 1/2″ No. 1 Maple Flooring.									
Oct. 31	42	20,000	71.50	.27	5.50	66.00	2.00	64.00	$78.00	1 =	100%	under Avge. Cost
			13/16 x 1 1/2″ Factory Maple Flooring.									
Oct. 26	2	5,280	36.25	.28	5.50	30.75	....	30.75		1 =	19%	under $25.00
28	47	3,000	28.00	.25	5.00	23.00	2.00	21.00		1 =	4%	@ $25.00 (Avge. Cost)
Nov. 3	4	5,000	36.00	.27	5.50	30.50	1.50	29.00	$25.00	3 =	77%	over $25.00
	34	2,000	30.00	@ Mill	.....	30.00	....	30.00				
		600	25.00	@ Mill	.....	25.00	....	25.00		5 =	100%	
		15,880										
			13/16 x 2″ Clear Maple Flooring.									
Nov. 2	37	23,000	91.50	.15	3.00	88.50	....	88.50	$90.00	1 =	100%	under Avge. Cost
			13/16 x 2″ No. 1 Maple Flooring.									
Nov. 1	5	2,000	84.50	.23	4.50	80.00	2.00	78.00				
3	30	5,000	83.50	.18	3.50	80.00	2.00	78.00	$80.00	2 =	100%	under Avge. Cost
		7,000										
			13/16 x 2″ Factory Maple Flooring.									
Nov. 1	2	20,000	46.75	.44	8.75	38.00	2.00	36.00		1 =	47%	under $35.00
Oct. 30	24	18,000	39.00	.20	4.00	35.00	2.00	33.00	$35.00	1 =	53%	over $35.00
		38,000								2 =	100%	
			13/16 x 3 1/4″ No. 1 Maple Flooring.									
Nov. 1	2	4,000	78.50	.38	8.50	70.00	2.00	68.00				
2		20,000	79.75	.43	9.75	70.00	2.00	68.00		2 =	60%	under $75.00
4	24	2,000	75.00	@ Mill	.....	75.00	....	75.00	$75.00	1 =	5%	@ $75.00 (Avge. Cost)
Oct. 30	30	5,000	85.00	.28	6.25	78.75	2.00	76.75		2 =	35%	over $75.00
Nov. 2		9,000	86.00	.36	8.00	78.00	....	78.00				
		40,000								5 =	100%	
			13/16 x 3 1/4″ Factory Maple Flooring.									
Oct. 14	2	22,000	53.50	.60	13.50	40.00	....	40.00				
Nov. 1		14,000	48.50	.38	8.50	40.00	2.00	38.00				
Oct. 30	14	10,000	51.50	.43	9.75	41.75	2.00	39.75	$45.00	5 =	100%	under Avge. Cost
30	42	12,000	58.50	.59	13.25	45.25	3.00	42.25				
		6,000	45.00	.41	9.25	35.75	2.00	33.75				
		64,000										

STATEMENT OF PRICES OBTAINED FOR 13/16 X 2 1/4" FACTORY MAPLE FLOORING REDUCED TO A COMMON NET F. O. B. MILL BASIS, COMPILED FROM RECORD OF COMPLETED TRANSACTIONS FOR WEEK ENDED DEC. 2, 1922, IN GOV. EX. 43-4 T, PAGES 31 TO 33, IN "ADDITIONAL EXHIBITS."

Date 1922	Mill No.	Quantity Feet	Delivered Price	Average Freight Rate per 100 lbs.	Average Freight per 1M feet	Price Reduced to F. O. B. Mill Basis	Less Commission	Net Price F. O. B. Mill Basis
Nov. 29	2	18,000	50.75	.54	10.75	40.00	2.00	38.00
27		18,000	47.75	.39	7.75	40.00	2.00	38.00
29		8,000	47.75	.39	7.75	40.00	2.00	38.00
27	24	10,000	46.50	.32	6.50	40.00	1.50	38.50
28		25,000	50.50	.53	10.50	40.00	2.00	38.00
27	49	14,160	53.00	.85	17.00	36.00	2.00	34.00
Dec. 1		42,500	42.25	.26	5.25	37.00	2.00	35.00
Nov. 29	30	2,500	45.00	@ Mill	.....	45.00	.....	45.00
25	47	42,000	41.00	.25	5.00	36.00	2.00	34.00
27		25,000	43.00	.25	5.00	38.00	2.00	36.00
28		20,000	39.50	.20	4.00	35.50	2.00	33.50
		13,000	46.00	.25	5.00	41.00	2.00	39.00
	4	16,000	33.10	@ Mill	.....	33.10	1.50	31.60
Dec. 1		17,000	38.50	.18	3.50	35.00	1.50	33.50
		90,000	52.50	.85	17.00	35.50	2.00	33.50
		500	42.25	.33	6.50	35.75	1.50	34.25
Nov. 27	7	3,000	45.50	.20	4.00	41.50	1.50	40.00
28	23	1,000	40.00	.16	3.25	36.75	.....	36.75
		2,000	40.00	@ Mill	.....	40.00	2.50	37.50
	34	15,000	40.50	.27	5.50	35.00	.....	35.00
	42	20,000	43.00	.26	5.25	37.75	2.00	35.75
	44	2,500	40.50	.27	5.50	35.00	.....	35.00
		10,000	39.50	.20	4.00	35.50	.....	35.50
		415,160						

RECAPITULATION OF STATEMENT OF PRICES OBTAINED FOR WEEK ENDED DECEMBER 2, 1922, **COMPARED WITH** LAST PRECEEDING STATEMENT OF AVERAGE COSTS F. O. B. FLOORING MILL BASIS, DATED OCTOBER 25, 1922, IN GOV. EX. No. 26, PAGES 284-286, IN VOLUME 3.

Average Costs F. O. B. Flooring Mill	Number of Sales	Quantity Feet	Net Price
	1	16,000	31.60
	3	127,000	33.50
	2	56,160	34.00
	1	500	34.25
	3	60,000	35.00
	1	10,000	35.50
	1	20,000	35.75
	1	25,000	36.00
	1	1,000	36.75
	1	2,000	37.50
$40.00	4	69,000	38.00
	1	10,000	38.50
	1	13,000	39.00
	21	409,660 = 98%	under $40.00
	1	3,000 = 1%	@ 40.00 (Avge Cost)
	1	2,500 = 1%	@ 45.00 (over Avge Cost)
	23	415,160 = 100%	

STATEMENT OF PRICES OBTAINED FOR THE FOLLOWING SIZES AND GRADES OF MAPLE FLOORING REDUCED TO A COMMON NET F. O. B. MILL BASIS, COMPILED FROM RECORD OF COMPLETED TRANSACTIONS FOR WEEK ENDED DECEMBER 2, 1922, IN GOV. EX. 43-4-T, PAGES 31 TO 33, IN "ADDITIONAL EXHIBITS."

Date 1922	Mill No.	Quantity Feet	Delivered Price	Average Freight Rate per 100 Lbs.	Average Freight per 1M Feet	Price Reduced to F. O. B. Mill Basis	Less Commissions	Net Price F. O. B. Mill Basis
			13/16 x 1 1/2" Clear Maple Flooring.					
Nov. 28	30	2,000	86.50	.22	4.50	82.00	2.00	80.00
Dec. 1	4	500	96.50	@ Mill	....	96.50	....	96.50
Nov. 27	7	4,000	95.50	.27	5.50	90.00	1.50	88.50
		4,000	95.50	.27	5.50	90.00	1.50	88.50
23	42	17,000	108.00	.41	8.25	99.75	2.00	97.75
28	44	2,000	90.50	.27	5.50	85.00	2.00	83.00
		29,500						
			13/16 x 1 1/2" No. 1 Maple Flooring					
Dec. 1	4	1,700	77.00	@ Mill	....	77.00	....	77.00
			13/16 x 1 1/2" Factory Maple Flooring					
Dec. 1	30	5,000	35.50	.52	10.50	25.00	2.00	23.00
Nov. 28	23	5,000	25.00	.15	3.00	22.00	....	22.00
" 28	34	1,000	30.50	.27	5.50	25.00	....	25.00
		11,000						
			13/16 x 2" Clear Maple Flooring					
Nov. 28	33	5,000	97.50	.39	7.75	89.75	2.00	87.75
" 27	3	14,000	98.50	.43	8.50	90.00	2.00	88.00
" 28	30	16,000	95.00	.25	5.00	90.00	2.00	88.00
" 24	47	24,500	96.00	.41	8.25	87.75	2.00	85.75
" 27	47	2,000	90.00	@ Mill	....	90.00	2.00	88.00
		61,500						
			13/16 x 2" No. 1 Maple Flooring					
Nov. 27	3	6,000	88.50	.43	8.50	80.00	2.00	78.00
" 28	33	10,000	87.50	.39	7.75	79.75	2.00	77.75
" 29	14	5,000	94.00	.85	17.00	77.00	2.00	75.00
" 29	5	28,000	85.50	.27	5.50	80.00	1.50	78.50
		49,000						
			13/16 x 2" Factory Maple Flooring					
Nov. 29	14	3,000	52.00	.85	17.00	35.00	2.00	33.00
Dec. 1	30	10,000	45.50	.52	10.50	35.00	2.00	33.00
Nov. 25	47	40,000	38.00	.30	6.00	32.00	2.00	30.00
" 28	23	2,500	35.00	.15	3.00	32.00	....	32.00
		55,500						
			13/16 x 3 1/4" Clear Maple Flooring					
Nov. 28	33	12,000	86.00	.27	6.00	80.00	2.00	78.00
" 27	5	1,000	98.75	.43	9.75	89.00	2.00	87.00
" 28	47	15,000	85.00	.27	6.00	79.00	2.00	77.00
" 28	51	5,000	87.00	.41	9.25	77.75	2.00	75.75
		33,000						
			13/16 x 3 1/4" No. 1 Maple Flooring					
Nov. 28	2	2,213	78.50	.15	3.50	75.00	....	75.00
" 28	47	25,000	75.00	.27	6.00	69.00	2.00	67.00
" 29	51	17,000	76.50	.43	9.75	66.75	2.00	64.75
		44,213						
			13/16 x 3 1/4" Factory Maple Flooring					
Nov. 27	33	18,000	47.00	.18	4.00	43.00	....	43.00
" 25	47	18,000	48.00	.38	8.50	39.50	2.00	37.50
" 23	42	15,500	46.00	.26	5.75	40.25	1.00	39.25
		51,500						

RECAPITULATION OF STATEMENT OF PRICES OBTAINED FOR WEEK ENDED DECEMBER 2, 1922, **COMPARED WITH** LAST PRECEDING STATEMENT OF AVERAGE COSTS, F. O. B. FLOORING MILL BASIS, DATED OCTOBER 25, 1922, in GOV. EX. No. 26, PAGES 284-286, VOLUME 3.

Average Costs F. O. B. Flooring Mill	Number of Sales	Quantity Feet	Net Price
$90.00	4	12,000 = 41%	under $90.00
	2	17,500 = 59%	over $90.00
	6	29,500 = 100%	
78.00	1 = 100%		under Avge Cost
25.00	2	10,000 = 91%	under $25.00
	1	1,000 = 9%	@ $25.00 (Avge Cost)
	3	11,000 = 100%	
90.00	5 = 100%		under Avge Cost
80.00	4 = 100%		under Avge Cost
35.00	4 = 100%		under Avge Cost
80.00	3	32,000 = 97%	under $80.00
	1	1,000 = 3%	over $80.00
	4	33,000 = 100%	
75.00	2	42,000 = 95%	under $75.00
	1	2,213 = 5%	@ $75.00 (Avge Cost)
	3	44,213 = 100%	
45.00	3 = 100%		under Avge Cost

CHART

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LARGE

FOR

FILMING

STATEMENT OF PRICES OBTAINED FOR THE FOLLOWING SIZES AND GRADES OF MAPLE FLOORING, REDUCED TO A COMMON NET F. O. B. MILL BASIS, COMPILED FROM RECORD OF COMPLETED TRANSACTIONS FOR WEEK ENDED FEBRUARY 24, 1923, IN GOV. EX. 43-5F, PAGES 41 TO 44 IN "ADDITIONAL EXHIBITS."

Date 1923	Mill No.	Quantity Feet	Delivered Price	Average Freight Rate per 100 lbs.	Average Freight per 1M Feet	Price Reduced to F. O. B. Mill Basis	Less Commission	Net Price F. O. B. Mill Basis
			13/16 x 2 1/4" Factory Maple Flooring					
Feb. 15	2	10,000	57.75	.39	7.75	50.00	2.00	48.00
21	49	4,000	42.75	.14	2.75	40.00	.....	40.00
22		48,000	49.50	.22	4.50	45.00	2.00	43.00
19	30	5,000	54.50	.72	14.50	40.00	2.00	38.00
22		1,000	52.00	@Mill	.....	52.00	.....	52.00
23		7,000	52.50	.38	7.50	45.00	2.00	43.00
21	37	24,500	42.50	.22	4.50	38.00	.....	38.00
16	47	15,000	52.50	.37	7.50	45.00	2.00	43.00
17		55,000	50.00	.25	5.00	45.00	2.00	43.00
18		35,000	47.75	.12	2.50	45.25	2.00	43.25
20	4	2,500	38.00	@Mill	.....	38.00	....	38.00
		208,000	44.00	.20	4.00	40.00	....	40.00
		60,000	57.00	.85	17.00	40.00	2.00	38.00
24		5,000	38.00	@Mill	....	38.00	....	38.00
		34,000	50.50	.51	10.25	40.25	2.00	38.25
21	7	3,280	48.25	.36	7.25	41.00	....	41.00
23		5,000	51.00	.27	5.50	45.50	1.50	44.00
		3,000	51.00	.27	5.50	45.50	1.50	44.00
		3,000	51.00	.27	5.50	45.50	1.50	44.00
		6,000	50.25	.26	5.25	45.00	....	45.00
22	34	3,000	46.50	.32	6.50	40.00	1.50	38.50
20	42	100,000	62.00	.85	17.00	45.00	2.00	43.00
22		200,000	47.50	.22	4.50	43.00	2.00	41.00
		3,000	50.00	.25	5.00	45.00	....	45.00
		25,000	50.00	.25	5.00	45.00	2.00	43.00
	44	4,000	47.25	.36	7.25	40.00	....	40.00
24	48	4,000	50.00	.24	4.75	45.25	....	45.25
19	51	22,000	47.50	.32	6.50	41.00	2.00	39.00
		895,280						
			13/16 x 1 1/2" Clear Maple Flooring					
Feb. 19	30	5,000	90.50	.27	5.50	85.00	2.00	83.00
		25,000	88.00	.15	3.00	85.00	2.00	83.00
		30,000	88.00	.15	3.00	85.00	2.00	83.00
20	4	5,000	101.50	.33	6.50	95.00	1.50	93.50
22		5,000	101.50	.33	6.50	95.00	1.50	93.50
		70,000						
			13/16 x 1 1/2" No. 1 Maple Flooring					
Feb. 19	30	28,000	88.00	.15	3.00	85.00	2.00	83.00
23		21,000	77.75	.14	2.75	75.00	....	75.00
21	7	5,000	88.00	.36	7.25	80.75	....	80.75
22	44	4,000	85.75	.36	7.25	78.50	....	78.50
		3,000	84.00	.27	5.50	78.50	....	78.50
		61,000						
			13/16 x 1 1/2" Factory Maple Flooring					
Feb. 21	34	15,000	35.50	.27	5.50	30.00	....	30.00
24	50	1,000	35.50	@ Mill	....	35.50	....	35.50
		16,000						

RECAPITULATION OF STATEMENT OF PRICES OBTAINED FOR WEEK ENDED FEBRUARY 24, 1923, **COMPARED WITH** LAST PRECEDING AVERAGE COST CHART F. O. B. CARS AT FLOORING MILL, DATED FEBRUARY 15, 1923, IN GOV. EX. FOLIOS 913-14, BETWEEN PAGES 330 AND 331, IN VOLUME 3.

Average Costs F.O.B. Flooring Mill	Number of Sales	Quantity Feet	Net Price
	5	97,000	38.00
	1	34,000	38.25
	1	3,000	38.50
	1	22,000	39.00
	3	216,000	40.00
	2	203,280	41.00
	6	250,000	43.00
	1	35,000	43.25
	3	11,000	44.00
	23	871,280 =	97% under $45.00
	2	9,000 =	1%@ 45.00 (Avge. Cost)
	1	4,000	45.25
$45.00	1	10,000	48.00
	1	1,000	52.00
	3	15,000 =	2% over $45.00
	28	895,280 =	100%
	3	60,000 =	86% under $90.00
	2	10,000 =	14% over 90.00
90.00	5	70,000 =	100%
	1	21,000 =	34% under 78.00
	4	40,000 =	66% over 78.00
78.00	5	61,000 =	100%
	1	15,000 =	94%@30.00 (Avge. Cost).
30.00	1	1,000 =	6% over $30.00
	2	16,000 =	100%

STATEMENT OF PRICES OBTAINED FOR THE FOLLOWING SIZES AND GRADES OF MAPLE FLOORING, REDUCED TO A COMMON NET F. O. B. MILL BASIS, COMPILED FROM RECORD OF COMPLETED TRANSACTIONS FOR WEEK ENDED FEBRUARY 24, 1923, IN GOV. EX. 43-5F, PAGES 41 TO 44 IN "ADDITIONAL EXHIBITS."

Date 1923	Mill No.	Quantity Feet	Delivered Price	Average Freight Rate per 100 Lbs.	Average Freight per 1M Feet	Price Reduced to F. O. B. Mill Basis	Less Commission	Net Price F. O. B. Mill Basis
			13/16 x 2″ Clear Maple Flooring					
Feb. 20	2	7,066	100.50	.18	3.50	97.00	....	97.00
23	30	12,000	98.50	.18	3.50	95.00	....	95.00
20	37	13,000	95.25	.41	8.25	87.00	2.00	85.00
19	47	18,000	98.00	.40	8.00	90.00	2.00	88.00
23	37	10,000	97.00	.25	5.00	92.00	2.00	90.00
		60,066						
			13/16 x 2″ No. 1 Maple Flooring					
Feb. 15	2	18,000	90.00	.25	5.00	85.00	....	85.00
		7,500	94.75	.39	7.75	87.00	2.00	85.00
21	49	5,000	89.00	.20	4.00	85.00	....	85.00
20	3	1,000	88.00	.15	3.00	85.00	2.00	83.00
19	5	12,000	88.50	.18	3.50	85.00	....	85.00
	30	2,000	94.00	@ Mill	....	94.00	....	94.00
20	37	5,000	88.25	.41	8.25	80.00	2.00	78.00
21	47	18,000	86.00	.20	4.00	82.00	2.00	80.00
23	37	10,000	85.00	.25	5.00	80.00	2.00	78 00
		78,500						
			13/16 x 2″ Factory Maple Flooring					
Feb. 20	3	12,000	38.00	.15	3.00	35.00	2.00	33.00
24	3	5,000	38.00	.15	3.00	35.00	2.00	33.00
19	5	5,000	38.50	.18	3.50	35.00	....	35.00
21	47	25,000	46.50	.32	6.50	40.00	2.00	38.00
		47,000						
			13/16 x 3 1/4″ Clear Maple Flooring					
Feb. 23	49	20,000	89.75	.43	9.75	80.00	2.00	78.00
20	14	8,000	93.75	.43	9.75	84.00	2.00	82.00
15	47	11,000	89.00	.43	9.75	79.25	2.00	77.25
		39,000						
			13/16 x 3 1/4″ No. 1 Maple Flooring					
Feb. 21	49	10,000	84.75	.43	9.75	75.00	2.00	73.00
	47	4,000	75.00	@ Mill	....	75.00	2.00	73.00
19		35,000	81.50	.27	6.00	75.50	2.00	73.50
		13,000	82.00	.32	7.25	74.75	2.00	72.75
		62,000						
			13/16 x 3 1/4″ Factory Maple Flooring					
Feb. 22	24	30,000	52.00	.27	6.00	46.00	2.00	44.00
17	47	38,500	60.00	.50	11.25	48.75	2.00	46.75
21		10,000	48.00	@ Mill	....	48.00	2.00	46.00
15		70,000	59.50	.50	11.25	48.25	2.00	46.25
19		25,000	54.50	.27	6.00	48.50	2.00	46.50
		173,500						

RECAPITULATION OF STATEMENT OF PRICES OBTAINED FOR WEEK ENDED FEBRUARY 24, 1923, **COMPARED WITH** LAST PRECEDING AVERAGE COST CHART F. O. B. CARS AT FLOORING MILL, DATED FEBRUARY 15, 1923, IN GOV. EX. FOLIOS 913-14, BETWEEN PAGES 330 AND 331, IN VOLUME 3.

Average Costs F.O.B. Flooring Mill	Number of Sales	Quantity Feet	Net Price
	3	41,000 =	68% under $95.00
	1	12,000 =	20%@ 95.00 (Avge. Cost)
$95.00	1	7,066 =	12% over $95.00
	5	60,066 =	100%
	4	34,000 =	43% under $85.00
	4	42,500 =	54%@ 85.00 (Avge. Cost)
	1	2,000 =	3% over 85.00
$85.00	9	78,500 =	100%
$40.00	4 =	100% under Avge. Cost.	
$85.00	3 =	100% under Avge. Cost.	
$80.00	4 =	100% under Avge. Cost.	
$50.00	5 =	100% under Avge. Cost.	

STATEMENT OF PRICES OBTAINED FOR THE FOLLOWING SIZES AND GRADES OF MAPLE FLOORING REDUCED TO A COMMON NET F. O. B. MILL BASIS, COMPILED FROM RECORD OF COMPLETED TRANSACTIONS FOR WEEK ENDED MARCH 17, 1923, IN GOV. EX. 43-5I, PAGES 45 TO 48 IN "ADDITIONAL EXHIBITS."

Date 1923	Mill No.	Quantity Feet	Delivered Price	Average Freight Rate per 100 Lbs.	Average Freight per 1M Feet	Price Reduced to F. O. B. Mill Basis	Less Commission	Net Price F. O. B. Mill Basis
			13/16 x 2 1/4" Factory Maple Flooring					
Mar. 9	2	3,024	54.75	.24	4.75	50.00	2.00	48.00
14		20,000	54.50	.23	4.50	50.00	2.00	48.00
12	49	8,000	53.25	.16	3.25	50.00	2.00	48.00
15	26	5,000	49.00	.20	4.00	45.00	2.00	43.00
	30	3,000	50.50	.27	5.50	45.00	....	45.00
		17,000	55.25	.51	10.25	45.00	2.00	43.00
12	4	100,000	52.75	.39	7.75	45.00	2.00	43.00
13		60,000	62.00	.85	17.00	45.00	2.00	43.00
17		10,000	52.00	.35	7.00	45.00	1.50	43.50
		25,000	52.50	.22	4.50	48.00	1.50	46.50
		17,000	50.00	.24	4.75	45.25	1.50	43.75
		10,000	51.75	.34	6.75	45.00	....	45.00
13	7	5,000	50.50	.27	5.50	45.00	....	45.00
15		4,000	53.00	.14	2.75	50.25	....	50.25
13	23	10,000	50.75	.51	10.25	40.50	2.00	38.50
		10,500	50.75	.51	10.25	40.50	2.00	38.50
12	34	3,000	50.50	.27	5.50	45.00	....	45.00
		78,000	50.50	.27	5.50	45.00	2.00	43.00
		2,000	50.50	.27	5.50	45.00	....	45.00
		25,000	49.00	.20	4.00	45.00	2.00	43.00
		50,000	53.25	.39	7.75	45.50	2.00	43.50
		4,000	50.50	.27	5.50	45.00	....	45.00
15		35,000	50.50	.27	5.50	45.00	....	45.00
		20,000	50.00	.24	4.75	45.25	1.50	43.75
16		20,000	53.25	.39	7.75	45.50	2.00	43.50
17	44	5,000	50.25	.41	8.25	42.00	....	42.00
		25,000	49.00	.20	4.00	45.00	....	45.00
13	50	3,000	45.50	.27	5.50	40.00	....	40.00
15		4,000	45.50	.27	5.50	40.00	....	40.00
		2,000	45.50	.27	5.50	40.00	....	40.00
	48	4,700	50.00	.24	4.75	45.25	....	45.25
		588,224						
			13/16 x 1 1/2" Clear Maple Flooring					
Mar. 14	5	2,000	101.75	.34	6.75	95.00	1.50	93.50
15	30	15,000	95.50	.27	5.50	90.00	....	90.00
13	7	3,000	100.50	.27	5.50	95.00	....	95.00
17		14,000	100.00	.25	5.00	95.00	....	95.00
13	50	8,000	95.50	.27	5.50	90.00	2.00	88.00
		42,000						
			13/16 x 1 1/2" No. 1 Maple Flooring					
Mar. 15	30	6,000	88.50	.27	5.50	83.00	....	83.00
13	4	12,000	85.00	.43	8.50	76.50	1.50	75.00
	7	1,500	89.00	.27	5.50	83.50	1.50	82.00
17		5,000	88.00	.25	5.00	83.00	....	83.00
12	34	2,000	88.50	.27	5.50	83.00	....	83.00
		26,500						

RECAPITULATION OF STATEMENT OF PRICES OBTAINED FOR WEEK ENDED MARCH 17, 1923, **COMPARED WITH** LAST PRECEDING STATEMENT OF AVERAGE COSTS F. O. B. FLOORING MILL BASIS, DATED MARCH 10, 1923, IN GOV. EX. No. 63-C, PAGES 497-499, IN VOLUME 4.

Average Costs F.O.B. Flooring Mill	Number of Sales	Quantity Feet	Net Price
	2	20,500	38.50
	3	9,000	40.00
	1	5,000	42.00
	6	285,000	43.00
	3	80,000	43.50
	2	37,000	43.75
	17	436,500 =	74% under $45.00
	8	87,000 =	15%@ 45.00 (Avge. Cost)
$45.00			
	1	4,700	45.25
	1	25,000	46.50
	3	31,024	48.00
	1	4,000	50.25
	6	64,724 =	11% over $45.00
	31	588,224 =	100%
	1	8,000 =	19% under $90.00
	1	15,000 =	36% @ 90.00 (Avge. Cost)
$90.00	3	19,000 =	45% over $90.00
	5	42,000 =	100%
	1	12,000 =	45% under $78.00
	4	14,500 =	55% over 78.00
$78.00			
	5	26,500 =	100%

STATEMENT OF PRICES OBTAINED FOR THE FOLLOWING SIZES AND GRADES OF MAPLE FLOORING REDUCED TO A COMMON NET F. O. B. MILL BASIS, COMPILED FROM RECORD OF COMPLETED TRANSACTIONS FOR WEEK ENDED MARCH 17, 1923, IN GOV. EX. 43-5I, PAGES 45 TO 48 IN "ADDITIONAL EXHIBITS."

Date 1923	Mill No.	Quantity Feet	Delivered Price	Average Freight Rate per 100 Lbs.	Average Freight per 1M Feet	Price Reduced to F. O. B. Mill Basis	Less Commission	Net Price F. O. B. Mill Basis
			13/16 x 1 1/2″ Factory Maple Flooring					
Mar. 13	7	8,000	40.50	.27	5.50	35.00	1.50	33.50
	23	20,000	31.00	.20	4.00	27.00	1.50	25.50
12	34	9,000	40.50	.27	5.50	35.00	....	35.00
		2,000	35.50	.27	5.50	30.00	....	30.00
17	44	2,000	43.25	.41	8.25	35.00	....	35.00
15	50	2,000	35.50	.27	5.50	30.00	....	30.00
		43,000						
			13/16 x 2″ Clear Maple Flooring					
Mar. 8	2	8,000	115.00	.21	4.25	110.75	....	110.75
14	24	2,000	100.00	@ Mill	....	100.00	....	100.00
12	49	23,000	101.50	.23	4.50	97.00	2.00	95.00
13		20,000	100.50	.18	3.50	97.00	2.00	95.00
17	3	10,000	98.00	.15	3.00	95.00	2.00	93.00
14		5,000	98.00	.15	3.00	95.00	2.00	93.00
13	26	10,000	94.00	.20	4.00	90.00	2.00	88.00
9		27,000	93.00	.15	3.00	90.00	2.00	88.00
		105,000						
			13/16 x 2″ No. 1 Maple Flooring					
Mar. 12	24	4,000	90.50	.18	3.50	87.00	2.00	85.00
13	26	10,000	84.00	.20	4.00	80.00	2.00	78.00
9		10,000	84.00	.20	4.00	80.00	2.00	78.00
15	30	17,000	90.00	.25	5.00	85.00	....	85.00
16		17,000	88.50	.18	3.50	85.00	2.00	83.00
		3,000	94.00	@ Mill	....	94.00	....	94.00
		61,000						
			13/16 x 2″ Factory Maple Flooring					
Mar. 17	49	17,000	50.50	.22	4.50	46.00	....	46.00
			13/16 x 3 1/4″ Clear Maple Flooring					
Mar. 10	26	25,000	85.00	.20	4.50	80.50	2.00	78.50
9		5,000	85.00	.20	4.50	80.50	2.00	78.50
8		20,000	87.00	.41	9.25	77.75	2.00	75.75
		50,000						
			13/16 x 3 1/4″ No. 1 Maple Flooring					
Mar. 9	2	18,040	80.50	.24	5.50	75.00	2.00	73.00
12	24	6,000	84.00	.18	4.00	80.00	2.00	78.00
16		10,000	86.00	.27	6.00	80.00	2.00	78.00
14	49	18,500	83.75	.33	7.50	76.25	2.00	74.25
9	26	5,000	75.00	.20	4.50	70.50	2.00	68.50
		57,540						
			13/16 x 3 1/4″ Factory Maple Flooring					
Mar. 12	24	22,000	59.00	.40	9.00	50.00	2.00	48.00
16		17,000	61.00	.50	11.25	49.75	2.00	47.75
17	42	36,000	55.50	.24	5.50	50.00	....	50.00
		75,000						

RECAPITULATION OF STATEMENT OF PRICES OBTAINED FOR WEEK ENDED MARCH 17, 1923, **COMPARED WITH** LAST PRECEDING STATEMENT OF AVERAGE COSTS F. O. B. FLOORING MILL BASIS, DATED MARCH 10, 1923, IN GOV. EX. No. 63-C, PAGES 497–499, IN VOLUME 4.

Average Costs F.O.B. Flooring Mill	Number of Sales	Quantity Feet	Net Price
	1	20,000 =	47% under $30.00
	2	4,000 =	9% @ 30.00 (Avge. Cost)
$30.00	3	19,000 =	44% over $30.00
	6	43,000 =	100%
	4	52,000 =	50% under $95.00
	2	43,000 =	41% @ 95.00 (Avge. Cost)
	2	10,000 =	9% over $95.00
$95.00	8	105,000 =	100%
	3	37,000 =	61% under $85.00
	2	21,000 =	34% @ 85.00 (Avge. Cost)
$85.00	1	3,000 =	5% over $85.00
	6	61,000 =	100%
$40.00	1 =	100% over Avge. Cost	
$85.00	3 =	100% under Avge. Cost	
$80.00	5 =	100% under Avge. Cost	
	2	39,000 =	52% under $50.00
$50.00	1	36,000 =	48% @ 50.00 (Avge. Cost)
	3	75,000 =	100%

STATEMENT OF PRICES OBTAINED FOR 13/16 x 2 1/4" CLEAR MAPLE FLOORING REDUCED TO A COMMON NET F. O. B. MILL BASIS, COMPILED FROM RECORD OF COMPLETED TRANSACTIONS FOR WEEK ENDING OCTOBER 1, 1921, IN GOV. EX. 43-KK, FOLIO 2401, BETWEEN PAGES 370-371, VOL. 3.

Date 1921	Mill No.	Quantity	Delivered Price	Average Freight Rate per 100 Lbs.	Average Freight per 1M Feet	Price Reduced to F.O.B. Mill Basis	Less Commission	Net Price F.O.B. Mill Basis
9-28	24	5,000	89.00	.20	4.00	85.00	1.00	84.00
27	49	20,000	89.75	.24	4.75	85.00	2.00	83.00
27		25,000	94.50	.47	9.50	85.00	2.50	82.50
29	3	15,000	93.50	.17	3.50	90.00	2.00	88.00
30		5,000	99.50	.47	9.50	90.00	2.00	88.00
26		15,000	93.50	.17	3.50	90.00	2.00	88.00
26		17,000	99.50	.47	9.50	90.00	2.00	88.00
26	5	3,000	94.75	.24	4.75	90.00	....	90.00
10- 1		20,000	107.50	1.13	22.50	85.00	1.50	83.50
9-26	14	6,000	89.75	.24	4.75	85.00	1.50	83.50
26		6,000	88.50	.17	3.50	85.00	1.50	83.50
26		8,000	94.50	.47	9.50	85.00	2.00	83.00
27	26	10,000	88.00	.24	4.75	83.25	2.00	81.25
10- 1	30	10,000	93.00	.47	9.50	83.50	....	83.50
9-20	47	18,000	94.00	.41	8.25	85.75	....	85.75
22		20,000	87.00	.31	6.25	80.75	....	80.75
22		5,000	90.00	.47	9.50	80.50	....	80.50
23		3,000	93.00	.31	6.25	86.75	....	86.75
23		17,000	88.00	.24	4.75	83.25	....	83.25
19		25,000	107.00	1.05	21.00	86.00	....	86.00
22		17,000	85.00	Mill	Mill	85.00	....	85.00
20		15,200	90.00	.33	6.50	83.50	....	83.50
21		11,000	93.00	.47	9.50	83.50	....	83.50
22		18,000	90.00	.47	9.50	80.50	....	80.50
23		6,000	88.00	.27	5.50	82.50	2.00	80.50
30		17,000	83.00	Mill	Mill	83.00	....	83.00
29		15,000	86.00	.24	4.75	81.25	....	81.25
29		12,000	83.00	Mill	Mill	83.00	....	83.00
10- 1		8,000	89.00	.29	5.75	83.25	....	83.25
1		10,000	83.00	Mill	Mill	83.00	....	83.00
1		50,000	93.00	.47	9.50	83.50	....	83.50
9-26	4	2,000	92.50	Mill	Mill	92.50	1.50	91.00
26		10,000	94.50	.22	4.50	90.00	....	90.00
27		5,000	94.75	.24	4.75	90.00	1.50	88.50
27		17,500	104.00	.70	14.00	90.00	1.50	88.50
28		2,000	91.50	.27	5.50	86.00	1.50	84.50
30	44	20,000	96.00	.30	6.00	90.00	2.00	88.00
30		10,000	98.50	.43	8.50	90.00	....	90.00
30		3,000	95.25	.26	5.25	90.00	....	90.00
26	45	7,000	96.00	.47	9.50	86.50	....	86.50
28		21,000	89.25	.56	11.25	78.00	2.00	76.00
30		8,500	88.25	.41	8.25	80.00	2.00	78.00
15	50	4,000	90.00	Mill	Mill	90.00	1.50	88.50
26		6,000	90.00	Mill	Mill	90.00	1.50	88.50
28		4,000	96.00	.30	Mill	90.00	2.00	88.00
		552,200						

RECAPITULATION OF STATEMENT OF PRICES OBTAINED FOR WEEK ENDED OCTOBER 1, 1921, **COMPARED WITH** LAST PRECEDING STATEMENT OF AVERAGE COSTS F. O. B. FLOORING MILL BASIS, DATED SEPTEMBER 22, 1921, IN GOV. EX. 28-N, PAGES 315-317, VOL. 3.

Average Costs F.O.B. Flooring Mill	Number of Sales	Quantity	Net Price
	1	21,000	76.00
	1	8,500	78.00
	3	29,000	80.50
	1	20,000	80.75
	2	25,000	81.25
	1	25,000	82.50
	5	67,000	83.00
	2	25,000	83.25
	7	118,200	83.50
	1	5,000	84.00
	1	2,000	84.50
	1	17,000	85.00
	1	18,000	85.75
$90.00	1	25,000	86.00
	1	7,000	86.50
	1	3,000	86.75
	6	76,000	88.00
	4	32,500	88.50
	40	524,200	= 95% under $90.00
	4	26,000	= 5%@ 90.00 (Avge. Cost)
	1	2,000	@ 91.00
	45	552,200	= 100%

STATEMENT OF PRICES OBTAINED FOR 15/16 X 2 1/4 E. No. 1 MAPLE FLOORING REDUCED TO A COMMON NET F. O. B. MILL BASIS, COMPILED FROM RECORD OF COMPLETED TRANSACTIONS FOR WEEK ENDING OCTOBER 1, 1921, IN GOV. EX. 43-KK, FOLIO 2401, BETWEEN PAGES 370-371, VOL. 3.

Date 1921	Mill No.	Quantity	Delivered Price	Average Freight Rate per 100 Lbs.	Average Freight per M feet	Price Reduced to F. O. B. Mill Basis	Less Commission	Net Price F. O. B. Mill Basis
9–23	24	25,000	62.00	.35	7.00	55.00	1.50	53.50
9–27	24	30,000	62.00	.17	3.50	58.50	1.00	57.50
28		10,000	62.00	.20	4.00	58.00	1.00	57.00
26	49	22,000	58.50	.17	3.50	55.00	2.00	53.00
27		8,000	59.75	.24	4.75	55.00	2.00	53.00
29		6,000	60.50	.27	5.50	55.00	2.00	53.00
29		22,000	60.50	.27	5.50	55.00	2.00	53.00
29	3	10,000	63.50	.17	3.50	60.00	2.00	58.00
26		10,000	63.50	.17	3.50	60.00	2.00	58.00
26	5	4,000	64.75	.24	4.75	60.00	.....	60.00
10– 1		10,000	77.50	1.13	22.50	55.00	1.50	53.50
9–26	14	17,000	64.00	.47	9.50	54.50	2.00	52.50
26		8,000	58.00	.17	3.50	54.50	1.50	53.00
26		9,000	64.00	.47	9.50	54.50	2.00	52.50
27	26	25,000	60.00	.24	4.75	55.25	2.00	53.25
27		10,000	63.00	.24	4.75	58.25	2.00	56.25
22	47	5,000	58.00	.31	6.25	51.75	.....	51.75
20		4,000	62.50	.41	8.25	54.25	.....	54.25
20		22,000	64.00	.33	6.50	57.50	.....	57.50
20		20,000	63.00	.41	8.25	54.75	.....	54.75
20		25,000	63.50	.41	8.25	55.25	2.00	53.25
17		9,000	66.00	.41	8.25	57.75	2.00	55.75
20		17,000	59.00	.29	5.75	53.25	.....	53.25
21		17,000	61.50	.41	8.25	53.25	.....	53.25
21		17,000	63.50	.41	8.25	55.25	2.00	53.25
24		18,000	58.00	.20	4.00	54.00	2.00	52.00
26		14,000	62.00	.41	8.25	53.75	2.00	51.75
19		20,000	61.00	.33	6.50	54.50	2.00	52.50
24		40,000	57.00	.42	8.50	48.50	.....	48.50
23		12,000	60.00	.27	5.50	54.50	2.00	52.50
30		4,000	61.00	.34	6.75	54.25	2.00	52.25
30		8,200	60.00	.20	4.00	56.00	.....	56.00
29		3,000	58.00	.41	8.25	49.75	1.00	48.75
29		5,000	56.00	.24	4.75	51.25	.....	51.25
29		7,700	57.00	.33	6.50	50.50	.....	50.50
10– 1		15,000	60.00	.29	5.75	54.25	.....	54.25
1'		10,000	35.00	Mill	Mill	55.00	.....	55.00
9–26	4	5,000	65.25	.26	5.25	60.00	2.00	58.00
27		3,000	60.00	.25	5.00	55.00	1.50	53.50
30		7,500	62.75	.29	5.75	57.00	1.50	55.50
30	44	15,000	66.00	.30	6.00	60.00	2.00	58.00
30		2,000	66.00	.30	6.00	60.00	.....	60.00
30		10,500	69.50	.48	9.50	60.00	.....	60.00
30		7,500	68.50	.43	8.50	60.00	.....	60.00
30		36,000	56.00	.25	5.00	51.00	1.50	49.50
30		1,000	65.25	.26	5.25	60.00	.....	60.00
30		13,000	60.00	.22	4.50	55.50	1.00	54.50
30		15,000	65.25	.26	5.25	60.00	.....	60.00
15	50	4,000	60.00	Mill	Mill	60.00	1.50	58.50
20		6,000	66.00	.30	6.00	60.00	.....	60.00
28		1,000	66.00	.30	6.00	60.00	.....	60.00
28		5,000	66.00	.30	6.00	60.00	2.00	58.00
28		3,000	66.00	.30	6.00	60.00	.....	60.00
28		30,000	66.00	.30	6.00	60.00	2.00	58.00
28		2,000	66.00	Mill	Mill	66.00	.....	66.00
		685,400						

FOR WEEK ENDED OCT. 8, 1921, COMPARED WITH LAST PRECEDING STATEMENT OF AVERAGE COSTS F. O. B. FLOORING MILL BASIS, DATED SEPT. 22, 1921, IN GOV. EX. 28-N, PGS. 315-317, VOL. 3.

Average Costs F. O. B. Flooring Mill	Number of Sales	Quantity	Net Price
	1	40,000	48.50
	1	3,000	48.75
	1	36,000	49.50
	1	7,700	50.50
	1	5,000	51.25
	2	19,000	51.75
	1	18,000	52.00
	1	4,000	52.25
	4	58,000	52.50
	5	66,000	53.00
	5	101,000	53.25
	3	38,000	53.50
$60.00	2	19,000	54.25
	1	13,000	54.50
	1	20,000	54.75
	1	10,000	55.00
	1	7,500	55.50
	1	9,000	55.75
	1	8,200	56.00
	1	10,000	56.25
	1	10,000	57.00
	2	52,000	57.50
	6	75,000	58.00
	1	4,000	58.50
	45	633,400	=93% under $60.00
	9	50,000	= 7% @ 60.00 (Avge Cost)
	1	2,000	@ 66.00
	55	685,400	=100%

FLOORING REDUCED TO A COMMON NET F. O. B. MILL BA
COMPLETED TRANSACTIONS FOR WEEK ENDING OCT. 1, 1921, IN GOV. EX. 43-KK, FOLIO 2401, BETWEEN PAGES 370-371, VOL. 3.

Date 1921	Mill No.	Quantity	Delivered Price	Average Freight Rate per 100 Lbs.	Average Freight per M Feet	Price Reduced to F.O.B. Mill Basis	Less Commission	Net Price F. O. B. Mill Basis
				13/16 x 2 1/4" Factory Maple Flooring				
9-28	24	5,000	26.50	.20	4.00	22.50	1.00	21.50
29	49	12,000	27.50	.27	5.50	22.00	2.00	20.00
26	5	15,000	24.75	.24	4.75	20.00	.....	20.00
26	14	6,000	25.50	.17	3.50	22.00	1.50	20.50
28		30,590	27.00	.18	3.50	23.50	2.00	21.50
27	26	41,000	27.50	.20	4.00	23.50	1.00	22.50
30	47	3,500	30.00	.34	6.75	23.25	2.00	21.25
29		14,000	26.50	.41	8.25	18.25	1.00	17.25
29		3,400	25.00	.33	6.50	18.50	.....	18.50
10- 1		17,400	25.00	.41	8.25	16.75	.....	16.75
9-30	44	11,500	30.00	.30	6.00	24.00	2.00	22.00
30		2,000	31.00	.30	6.00	25.00	.....	25.00
30		2,400	32.00	.43	8.50	23.50	.....	23.50
30		100,000	20.00	.24	4.75	15.25	1.50	13.75
30		25,000	21.00	.24	4.75	16.25	1.50	14.75
30		65,000	25.00	.24	4.75	20.25	1.50	18.75
28	50	1,700	20.00	Mill	Mill	20.00	.....	20.00
		345,490						
				13/16 x 3 1/4" Clear Maple Flooring				
9-20	24	30,000	78.00	.47	10.50	67.50	.....	67.50
27	30	3,500	88.50	.24	5.50	83.00	.....	83.00
29	47	17,000	80.00	.47	10.50	69.50	.....	69.50
10- 1		10,000	83.00	.47	10.50	72.50	.....	72.50
		60,500						
				13/16 x 3 1/4" No. 1 Maple Flooring				
9-26	30	1,600	76.00	Mill	Mill	76.00	.....	76.00
				13/16 x 3 1/4" Factory Maple Flooring				
9-30	47	10,000	30.00	.34	7.75	22.25	2.00	20.25

LAST PRECEDING STATEMENT OF AVERAGE COSTS, F. O. B. FLOORING MILL BASIS, DATED SEPT. 22, 1921, IN GOV. EX. 28-N, PGS. 315-317, VOL. 3.

Average Costs F.O.B. Flooring Mill	Number of Sales	Quantity	Net Price
	1	100,000	13.75
	1	25,000	14.75
	1	17,400	16.75
	1	14,000	17.25
	1	3,400	18.50
	1	65,000	18.75
	3	18,700	20.00
	1	6,000	20.50
$25.00	1	3,500	21.25
	2	35,590	21.50
	1	11,500	22.00
	1	41,000	22.50
	1	2,400	23.50
	16	343,490	= 99% under $25.00
	1	2,000	= 1% @ 25.00 (Avg Cost)
	17	345,490	=100%
	3	57,000	= 94% under $80.00
80.00	1	3,500	= 6% over $80.00
	4	60,500	=100%
60.00	1		=100% over $60.00 (Avge Cost)
27.00	1		=100% under $27.00 (Avge Cost)

FLOORING REDUCED TO A COMMON NET F. O. B. MILL BASIS, COMPILED FROM RECORD OF COMPLETED TRANSACTIONS FOR WEEK ENDING OCTOBER 1, 1921, IN GOV. EX. 43-KK, FOLIO 2401, BETWEEN PAGES 370-371, VOL. 3.

Date 1921	Mill No.	Quantity	Delivered Price	Average Freight Rate per 100 Lbs.	Average Freight per M Feet	Price Reduced to F.O.B. Mill Basis	Less Commission	Net Price F. O. B. Mill Basis
			13/16 x 1 1/2″ Clear Maple Flooring					
9–29	47	5,000	80.00	.33	6.50	73.50	.....	73.50
30	44	10,000	87.00	.30	6.00	81.00	.....	81.00
		15,000						
			13/16 x 1 1/2″ No. 1 Maple Flooring					
9–28	4	2,000	69.00	.30	6.00	63.00	1.50	61.50
30	44	9,000	57.00	.30	6.00	51.00	.....	51.00
28	50	1,000	59.00	.30	6.00	53.00	.....	53.00
28		3,000	59.00	.30	6.00	53.00	2.00	51.00
		15,000						
			13/16 x 1 1/2″ Factory Maple Flooring					
9–30	30	1,300	26.00	Mill	Mill	26.00	.....	26.00
22	50	2,680	25.00	.30	6.00	19.00	.....	19.00
30	44	13,000	21.00	.30	6.00	15.00	2.00	13.00
20	50	6,000	21.00	.30	6.00	15.00	.....	15.00
		22,980						
			13/16 x 2″ Clear Maple Flooring					
9–24	47	18,000	80.00	.33	6.50	73.50	.....	73.50
27	47	1,100	83.00	.20	4.00	79.00	2.00	77.00
10– 1	47	10,000	55.00	Mill	Mill	55.00	.....	55.00
		29,100						
			13/16 x 2″ No. 1 Maple Flooring					
9–26	5	23,000	62.50	.47	9.50	53.00	2.00	51.00
29		18,000	57.00	.20	4.00	53.00	1.50	51.50
26	14	13,500	52.75	.24	4.75	48.00	1.50	46.50
29	30	2,000	64.00	Mill	Mill	64.00	.....	64.00
27	47	27,500	55.00	.20	4.00	51.00	2.00	49.00
		84,000						
			13/16 x 2″ Factory Maple Flooring					
9–26	49	5,000	27.00	Mill	Mill	27.00	.....	27.00
29	30	1,300	34.00	Mill	Mill	34.00	.....	34.00
		6,300						

STATEMENT OF AVERAGE COSTS OF PURCHASES OF FLOORING MILLS OF PRICES OBTAINED FOR WEEK ENDED OCT. 1, 1921, **COMPARED WITH LAST PRECEDING STATEMENT OF AVERAGE COSTS, F. O. B. FLOORING MILL BASIS, DATED SEPT. 22, 1921, IN GOV. EX. 28-N, PGS. 315-317, VOL. 3.**

Average Costs F. O. B. Flooring Mill	Number of Sales	Quantity	Net Price
$85.00	2	=100%	under $85.00(Avge. Cost)
53.00	2	12,000 = 80%	under $53.00
	1	1,000 = 7%	@ 53.00(Avge. Cost)
	1	2,000 = 13%	over 53.00
	4	15,000 =100%	
15.00	1	13,000 = 57%	under $15.00
	1	6,000 = 26%	@ 15.00(Avge. Cost)
	2	3,980 = 17%	over 15.00
	4	22,980 = 100%	
83.00	3	= 100%	under $83.00(Avge. Cost)
53.00	4	82,000 = 98%	under $53.00
	1	2,000 = 2%	over 53.00
	5	84,000 = 100%	
23.00	2	= 100%	over $23.00 (Avge. Cost)

STATEMENT OF PRICES OBTAINED FOR THE FOLLOWING SIZES AND GRADES OF MAPLE FLOORING, REDUCED TO A COMMON NET F. O. B. MILL BASIS, COMPILED FROM RECORD OF COMPLETED TRANSACTIONS FOR WEEK ENDING JANUARY 14, 1922, IN GOV. EX. 40-VV, IN VOL. 3, PAGES 372-375.

Date 1922	Group	Quantity	Delivered Price	Average Freight Rate per 100 Lbs.	Average Freight per M Feet	Price Reduced to F.O.B. Mill Basis	Less Commissions	Net Price F. O. B. Mill Basis
			13/16 x 2 1/4" No. 1 Maple Flooring.					
1-14	1	22,000	69.00	.20	4.00	65.00	2.00	63.00
12-30-21		5,012	82.00	.60	12.00	70.00	....	70.00
1- 9-22		23,000	74.50	.33	6.50	68.00	2.00	66.00
1- 9	2	3,000	76.00	.30	6.00	70.00	1.50	68.50
1- 9		6,000	74.00	.45	9.00	65.00	2.00	63.00
1-14	3	5,000	71.00	.30	6.00	65.00	2.00	63.00
1-14		10,000	69.75	.24	4.75	65.00	1.50	63.50
1-14		20,000	70.50	.27	5.50	65.00	1.50	63.50
		94,012						
			13/16 x 2 1/4" Factory Maple Flooring.					
1-14	1	20,000	28.50	.42	8.50	20.00	1.00	19.00
1-11		15,000	33.50	.42	8.50	25.00	2.00	23.00
1- 9	2	12,000	34.00	.45	9.00	25.00	2.00	23.00
1-14	3	3,000	24.50	.30	6.00	18.50	1.50	17.00
1-14		3,000	26.00	.30	6.00	20.00	....	20.00
1-14		2,500	31.00	.30	6.00	25.00	2.00	23.00
1-14		3,000	29.75	.24	4.75	25.00	1.50	23.50
		58,500						
			13/16 x 1 1/2" Clear Maple Flooring.					
1- 9	2	5,000	86.00	.30	6.00	80.00	1.50	78.50
1-14	3	4,000	89.50	.30	6.00	83.50	1.50	82.00
		9,000						
			13/16 x 1 1/2" No. 1 Maple Flooring.					
1- 9	2	4,000	56.00	.30	6.00	50.00	1.50	48.50
1-14	3	5,000	62.50	.30	6.00	56.50	1.50	55.00
		9,000						
			13/16 x 2" No. 1 Maple Flooring (No Sales of Clear or Factory).					
1-12	2	7,000	63.00	.40	8.00	55.00	....	55.00
1- 9	2	14,000	80.50	1.12	22.50	58.00	2.00	56.00
1-14	2	20,000	62.75	.24	4.75	58.00	2.00	56.00
		41,000						

(No Sales of 13/16 x 3 1/4" Clear No. 1 or Factory; or 13/16 x 1 1/2" Factory Maple.)

TAINED FOR WEEK ENDED JANUARY 14, 1922, **COMPARED WITH** LAST PRECEDING TABLE OF VALUES, DATED NOVEMBER 17, 1921, IN GOV. EX. 15-W, PAGES 142, 143, VOL. 3.

Table of Values F.O.B. Flooring Mill	Number of Sales	Quantity	Net Price
	3	33,000	63.00
	2	30,000	63.50
	5	63,000	= 67% under $65.00
65.00			
	1	23,000	66.00
	1	3,000	68.50
	1	5,012	70.00
	3	31,012	= 33% over $65.00
	8	94,012	=100%
	1	3,000	17.00
	1	20,000	19.00
25.00	1	3,000	20.00
	3	29,500	23.00
	1	3,000	23.50
	7	58,500	=100% under $25.00
85.00	2	=100% under $85.00	
58.00	2	=100% under $58.00	
62.00	3	=100% under $62.00	

FLOORING REDUCED TO A COMMON NET F. O. B. MILL BASIS, COMPILED FROM RECORD OF COMPLETED TRANSACTIONS FOR WEEK ENDED APRIL 1, 1922, IN GOV. EX. 43-FFF, IN VOLUME III, PAGES 377-384.

Date 1922	Mill No.	Quantity	Delivered Price	Average Freight Rate per 100 Lbs.	Average Freight per 1M Feet	Price Reduced to F.O.B. Mill Basis	Less Commissions	Net Price F. O. B. Mill Basis
			13/16 x 2 1/4" No. 1 Maple Flooring					
Mar. 25	2	12,000	71.50	.47	9.50	62.00	2.00	60.00
" 25		5,132	67.75	.29	5.75	62.00	2.00	60.00
" 24		25,053	67.50	.27	5.50	62.00	2.00	60.00
" 25		2,828	73.50	.32	6.50	67.00	2.00	65.00
" 28		10,000	73.25	.56	11.25	62.00	2.00	60.00
" 24		40,000	68.50	.43	8.50	60.00	2.00	58.00
" 24		50,000	68.50	.43	8.50	60.00	2.00	58.00
" 27		50,000	68.50	.43	8.50	60.00	2.00	58.00
" 27		25,000	71.00	.45	9.00	62.00	2.00	60.00
" 25	24	5,000	68.00	.20	4.00	64.00	1.50	62.50
" 28	33	5,000	68.00	.18	3.50	64.50	....	64.50
" 30		20,000	70.50	.45	9.00	61.50	2.00	59.50
" 31		20,000	70.00	.47	9.50	60.50	2.00	58.50
" 28	3	20,000	76.00	.30	6.00	70.00	1.50	68.50
" 27	5	6,000	77.25	.36	7.25	70.00	1.50	68.50
" 31	14	35,000	67.00	.16	3.25	63.75	2.00	61.75
" 30	26	16,000	69.75	.24	4.75	65.00	2.00	63.00
" 27	30	35,000	80.00	.85	17.00	63.00	1.00	62.00
" 27		2,300	70.75	.29	5.75	65.00	....	65.00
" 29		6,000	69.00	.20	4.00	65.00	....	65.00
" 30		6,440	72.00	@ Mill	....	72.00	....	72.00
" 27	37	5,000	71.00	.45	9.00	62.00	2.00	60.00
" 29		22,000	71.00	.45	9.00	62.00	2.00	60.00
" 29		10,000	69.50	.38	7.50	62.00	2.00	60.00
" 30	7	50,000	65.00	.24	4.75	60.25	....	60.25
" 27	34	17,000	72.50	.38	7.50	65.00	....	65.00
Apr. 1	44	42,000	65.00	.24	4.75	60.25	1.50	58.75
		542,753						
			13/16 x 2 1/4" Factory Maple Flooring.					
Mar. 24	2	12,073	28.50	.42	8.50	20.00	2.00	18.00
		20,000	29.50	.43	8.50	21.00	2.00	19.00
		160,000	25.75	.29	5.75	20.00	2.00	18.00
	24	64,000	26.00	.43	8.50	17.50	2.00	15.50
" 28		20,000	24.00	.20	4.00	20.00	2.00	18.00
	3	50,000	39.00	.16	3.25	35.75	1.50	34.25
" 31		15,000	42.75	.24	4.75	38.00	1.50	36.50
" 27	26	35,000	37.00	.85	17.00	20.00	2.00	18.00
" 27		8,000	24.00	.20	4.00	20.00	2.00	18.00
" 30		16,000	26.75	.20	4.00	22.75	2.00	20.75
" 28	47	17,000	29.00	.40	8.00	21.00	2.00	19.00
		20,000	29.00	.45	9.00	20.00	2.00	18.00
" 24		68,100	23.50	.14	2.75	20.75	2.00	18.75
" 28		20,000	22.50	.25	5.00	17.50	....	17.50
" 30	7	5,000	26.00	.27	5.50	20.50	....	20.50
		6,000	22.00	.21	4.25	17.75	....	17.75
Mar. 31	7	6,000	23.50	.25	5.00	18.50	2.00	16.50
Apr. 1		25,000	23.50	.24	4.75	18.75	....	18.75
Mar. 29	34	2,500	26.00	.30	6.00	20.00	1.50	18.50
		569,673						

TABULATION OF STATEMENT OF PRICES OBTAINED FOR WEEK ENDED APRIL 1, 1922, **COMPARED WITH** LAST PRECEDING TABLE OF VALUES DATED NOVEMBER 17, 1921, IN GOV. EX. 15-W, PAGES 142-143, VOL. 3.

Table of Values F.O.B. Flooring Mill	Number of Sales	Quantity	Net Price	
	3	140,000	58.00	
	1	20,000	58.50	
	1	42,000	58.75	
	1	20,000	59.50	
	8	114,185	60.00	
	1	50,000	60.25	
	1	35,000	61.75	
	1	35,000	62.00	
	1	5,000	62.50	
	1	16,000	63.00	
$65.00	1	5,000	64.50	
	20	482,185	= 89% under $65.00	
	4	28,128	= 5% @ 65.00	
	2	26,000	68.50	
	1	6,440	72.00	
	3	32,440	= 6% over $65.00	
	27	542,753	=100%	
	1	64,000	15.50	
	1	6,000	16.50	
	1	20,000	17.50	
	1	6,000	17.75	
	6	255,073	18.00	
	1	2,500	18.50	
	2	93,100	18.75	
	2	37,000	19.00	
	1	5,000	20.50	
	1	16,000	20.75	
$25.00	17	504,673	= 89% under $25.00	
	1	50,000	34.25	
	1	15,000	36.50	
	2	65,000	= 11% over $25.00	
	19	569,673	=100%	

STATEMENT OF PRICES OBTAINED FOR THE FOLLOWING SIZES AND GRADES OF MAPLE FLOORING REDUCED TO A COMMON NET F. O. B. MILL BASIS, COMPILED FROM RECORD OF COMPLETED TRANSACTIONS FOR WEEK ENDED APRIL 1, 1922, IN GOV. EX. 43-FFF, IN VOLUME III, PAGES 377-384.

Date 1922	Mill No.	Quantity	Delivered Price	Average Freight Rate per 100 Lbs.	Average Freight per 1M Feet	Price Reduced to F.O.B. Mill Basis	Less Commissions	Net Price F. O. B. Mill Basis
			13/16 x 2″ Clear Maple Flooring.					
Mar. 28	5	39,000	99.75	.89	17.75	82.00	2.00	80.00
29		25,000	85.50	.17	3.50	82.00	1.50	80.50
	30	21,000	92.25	.26	5.25	87.00	2.00	85.00
		85,000						
			13/16 x 2″ No. 1 Maple Flooring.					
Mar. 31	33	25,000	64.00	.20	4.00	60.00	1.50	58.50
27	47	17,000	60.00	.17	3.50	56.50	....	56.50
Apr. 1	44	25,000	64.00	.20	4.00	60.00	2.00	58.00
		67,000						
			13/16 x 2″ Factory Maple Flooring.					
Mar. 28	14	7,000	42.00	.85	17.00	25.00	2.00	23.00
			13/16 x 1 1/2″ Clear Maple Flooring.					
Mar. 28	7	2,400	88.50	.30	6.00	82.50	....	82.50
			13/16 x 1 1/2″ No. 1 Maple Flooring.					
Mar. 27	30	8,000	67.00	.59	11.75	55.25	....	55.25
" 28	7	12,000	62.50	.30	6.00	56.50	....	56.50
		20,000						
			13/16 x 1 1/2″ Factory Maple Flooring.					
Mar. 30	24	10,000	17.50	.17	3.50	14.00	1.00	13.00
29	5	2,000	18.00	.30	6.00	12.00	1.50	10.50
27	7	10,000	23.50	.41	8.25	15.25	....	15.25
27	7	2,000	22.50	@ Mill	....	22.50	....	22.50
		24,000						
			13/16 x 3 1/4″ Clear Maple Flooring.					
Mar. 25	2	3,250	110.00	.66	14.75	95.25	....	95.25
			13/16 x 3 1/4″ No. 1 Maple Flooring.					
Apr. 1	3	3,000	80.50	.47	10.50	70.00	2.00	68.00
Mar. 31	14	35,000	71.50	.47	10.50	61.00	2.00	59.00
" 29	30	6,000	69.50	.20	4.50	65.00	....	65.00
		44,000						
			13/16 x 3 1/4″ Factory Maple Flooring.					
Mar. 30	24	15,000	31.75	.43	9.75	22.00	2.00	20.00
" 30	26	50,000	29.00	.20	4.50	24.50	2.00	22.50
" 28	30	2,500	35.00	@ Mill	....	35.00	....	35.00
" 27	37	10,000	32.25	.45	10.25	22.00	2.00	20.00
		77,500						

TAINED FOR WEEK ENDED APRIL 1, 1922, COMPARED WITH LAST PRECEDING TABLE OF VALUES DATED NOVEMBER 17, 1921, IN GOV. EX. 15-W, PAGES 142-143, VOL. 3.

Table of Values F.O.B. Flooring Mill	Number of Sales	Quantity	Net Price
87.00	3	=100%	under $87.00
62.00	3	=100%	under $62.00
23.00	1	=100%	@ 23.00
85.00	1	=100%	under $85.00
58.00	2	=100%	under $58.00
15.00	2	12,000 = 50%	under $15.00
	2	12,000 = 50%	over $15.00
	4	24,000 =100%	
85.00	1	=100%	over $85.00
65.00	1	35,000 = 80%	59.00
	1	6,000 = 13%	65.00
	1	3,000 = 7%	68.00
	3	44,000 =100%	
30.00	3	75,000 = 97%	under $30.00
	1	2,500 = 3%	over 30.00
	4	77,500 =100%	

OF COMPLETED TRANSACTIONS FOR WEEK ENDED JULY 7, 1923, IN DEF. EX. G, IN VOLUME IV, FOLIO 5337, BETWEEN PAGES 816-817.

Date 1923	Mill No.	Quantity	Delivered Price	Average Freight Rate per 100 Lbs.	Average Freight per 1M Feet	Price Reduced to F.O.B. Mill Basis	Less Commissions	Net Price F. O. B. Mill Basis
			13/16 x 2 1/4" Clear Maple Flooring					
July 5	2	18,036	109.50	.23	4.50	105.00	2.00	103.00
2	24	9,000	114.50	.22	4.50	110.00	....	110.00
7	5	23,000	113.50	.43	8.50	105.00	2.00	103.00
		3,000	111.50	.32	6.50	105.00	1.50	103.50
2		4,000	126.50	1.08	21.50	105.00	2.00	103.00
6	14	15,000	113.50	.43	8.50	105.00	2.00	103.00
2	30	5,000	122.00	.85	17.00	105.00	2.00	103.00
		5,685	127.00	.85	17.00	110.00	2.00	108.00
3		20,500	109.00	.21	4.25	104.75	....	104.75
		5,000	111.00	@ Mill	.....	111.00	....	111.00
		15,000	109.50	.22	4.50	105.00	2.00	103.00
5	7	7,000	117.00	.46	9.25	107.75	1.50	106.25
6		8,000	114.50	.22	4.50	110.00	1.50	108.50
2	23	11,000	108.50	.43	8.50	100.00	2.00	98.00
		5,000	104.00	.15	3.00	101.00	2.00	99.00
		154,221						
			13/16 x 2 1/4" No. 1 Maple Flooring.					
June 30	24	9,000	110.00	.38	7.50	102.50	....	102.50
July 3	30	3,500	104.00	@ Mill	....	104.00	....	104.00
	47	20,000	60.00	@ Mill	....	60.00	....	60.00
5	7	6,000	107.00	.46	9.25	97.75	1.50	96.25
6		10,000	99.50	.22	4.50	95.00	1.50	93.50
2	23	25,000	95.00	.25	5.00	90.00	2.00	88.00
		10,000	90.00	.15	3.00	87.00	2.00	85.00
		5,000	90.00	.15	3.00	87.00	2.00	85.00
		5,000	90.00	@ Mill	.....	90.00	2.00	88.00
	42	10,000	98.00	.15	3.00	95.00	2.00	93.00
		103,500						
			13/16 x 2 1/4" Factory Maple Flooring.					
July 7	5	12,000	56.50	.32	6.50	50.00	1.50	48.50
2	5	13,000	71.50	1.08	21.50	50.00	2.00	48.00
5	47	32,000	54.00	.38	7.50	46.50	2.00	44.50
2	23	5,000	54.00	.15	3.00	51.00	2.00	49.00
	42	3,000	53.00	.15	3.00	50.00	2.00	48.00
		3,000	50.00	@ Mill	.....	50.00	....	50.00
		68,000						
			13/16 x 3 1/4" Clear Maple Flooring.					
July 2	23	5,000	98.50	.43	9.75	88.75	2.00	86.75
			13/16 x 3 1/4" No. 1 Maple Flooring.					
July 2	30	2,500	104.00	@ Mill	.....	104.00	....	104.00
5	47	110,000	92.00	.55	12.50	79.50	2.00	77.50
		112,500						
			13/16 x 3 1/4" Factory Maple Flooring.					
July 2	23	10,000	66.50	.43	9.75	56.75	....	56.75
			13/16 x 2" Clear Maple Flooring.					
July 2	3	5,500	103.50	.43	8.50	95.00	2.00	93.00
3	30	1,000	99.00	@ Mill	.....	99.00	....	99.00
		6,500						
			13/16 x 1 1/2" Clear Maple.					
July 3	47	5,000	60.00	Mill	.....	60.00	....	60.00
5	7	3,000	110.00	.46	9.25	100.75	1.50	99.25
		8,000						

PARED WITH LAST PRECEDING STATEMENT OF AVERAGE COSTS F. O. B. FLOORING MILL BASIS, DATED MARCH 24, 1923, IN GOV. EX. 63-D, PAGES 499-501, VOL. 4.

Average Costs F.O.B. Flooring Mill	Number of Sales	Quantity	Net Price
	1	11,000	98.00
	1	5,000	99.00
	6	80,036	103.00
	1	3,000	103.50
	1	20,500	104.75
	10	119,536	= 77.5% under $105.00
105.00	1	7,000	106.25
	1	5,685	108.00
	1	8,000	108.50
	1	9,000	110.00
	1	5,000	111.00
	5	34,685	= 22.5% over $105.00
	15	154,221	=100%
	1	20,000	60.00
	2	15,000	85.00
	2	30,000	88.00
	1	10,000	93.00
	1	10,000	93.50
	7	85,000	= 82% under $95.00
95.00	1	6,000	96.25
	1	9,000	102.50
	1	3,500	104.00
	3	18,500	= 18% over $95.00
	10	103,500	=100%
	1	32,000	44.50
	2	16,000	48.00
	1	12,000	48.50
	1	5,000	49.00
50.00	5	65,000	=95.5% under $50.00
	1	3,000	= 4.5% @ 50.00(Avge. Cost)
	6	68,000	=100%
90.00	1		=100% under $90.00 (Avge. Cost)
85.00	1		= 98% under $85.00 " "
	1		= 2% over 85.00 " "
55.00	1		=100% over 55.00 " "
100.00	2		=100% under $100.00 " "
$100.00	2		=100% under $100.00 " "

				per 100 Lbs.					Costs F.O.B. Flooring Mill	Number of Sales	Quantity	Net Price
					13/16 x 2 1/4" Clear Maple Flooring							
July	5	2	18,036	109.50	.23	4.50	105.00	2.00	103.00			
	3	24	9,000	114.50	.22	4.50	110.00	....	110.00			
	7	5	23,000	113.50	.43	8.50	105.00	2.00	103.00			
			3,000	111.50	.32	6.50	105.00	1.50	103.50			
	2		4,000	126.50	1.08	21.50	105.00	2.00	103.00			
											1	11,000 @ 98.00
											1	5,000 @ 99.00
	6	14	15,000	113.50	.43	8.50	105.00	2.00	103.00		6	80,036 @ 103.00
	2	30	5,000	122.00	.85	17.00	105.00	2.00	103.00		1	3,000 @ 103.50
			5,685	127.00	.85	17.00	110.00	2.00	108.00	105.00	1	20,500 @ 104.75
	3		20,500	109.00	.21	4.25	104.75	....	104.75			
			5,000	111.00	@ Mill	.....	111.00	....	111.00			
											10	119,536 = 77.5% under $105.00
			15,000	109.50	.22	4.50	105.00	2.00	103.00			
	5	7	7,000	117.00	.46	9.25	107.75	1.50	106.25			
	6		8,000	114.50	.22	4.50	110.00	1.50	108.50			
	2	23	11,000	108.50	.43	8.50	100.00	2.00	98.00			
			5,000	104.00	.15	3.00	101.00	2.00	99.00			
			154,221									
											1	7,000 @ 106.25
											1	5,685 @ 108.00
											1	8,000 @ 108.50
											1	9,000 @ 110.00
											1	5,000 @ 111.00
											5	34,685 = 22.5% over $105.00
											15	154,221 =100%
					13/16 x 2 1/4" No. 1 Maple Flooring.							
June	30	24	9,000	110.00	.38	7.50	102.50	....	102.50			
July	3	30	3,500	104.00	@ Mill	....	104.00	....	104.00			
		47	20,000	60.00	@ Mill	....	60.00	....	60.00			
	5	7	6,000	107.00	.46	9.25	97.75	1.50	96.25			
	6		10,000	99.50	.22	4.50	95.00	1.50	93.50			
											1	20,000 @ 60.00
											2	15,000 @ 85.00
											2	30,000 @ 88.00
											1	10,000 @ 93.00
											1	10,000 @ 93.50
											7	85,000 = 82% under $95.00
	2	23	25,000	95.00	.25	5.00	90.00	2.00	88.00	95.00		
			10,000	90.00	.15	3.00	87.00	2.00	85.00			
			5,000	90.00	.15	3.00	87.00	2.00	85.00			
			5,000	90.00	@ Mill	.....	90.00	2.00	88.00			
		42	10,000	98.00	.15	3.00	95.00	2.00	93.00			
											1	6,000 @ 96.25
											1	9,000 @ 102.50
											1	3,500 @ 104.00
											3	18,500 = 18% over $95.00
			103,500								10	103,500 =100%
					13/16 x 2 1/4" Factory Maple Flooring.							
July	7	5	12,000	56.50	.32	6.50	50.00	1.50	48.50			
	2	5	13,000	71.50	1.08	21.50	50.00	2.00	48.00			
	5	47	32,000	54.00	.38	7.50	46.50	2.00	44.50			
	2	23	5,000	54.00	.15	3.00	51.00	2.00	49.00	50.00		
		42	3,000	53.00	.15	3.00	50.00	2.00	48.00			
			3,000	50.00	@ Mill	.....	50.00	....	50.00			
											1	32,000 @ 44.50
											2	16,000 @ 48.00
											1	12,000 @ 48.50
											1	5,000 @ 49.00
											5	65,000 =95.5% under $50.00
											1	3,000 = 4.5% @ 50.00(Avge. Cost)
			68,000								6	68,000 =100%
					13/16 x 3 1/4" Clear Maple Flooring.							
July	2	23	5,000	98.50	.43	9.75	88.75	2.00	86.75	90.00	1	=100% under $90.00 (Avge. Cost)
					13/16 x 3 1/4" No. 1 Maple Flooring.							
July	2	30	2,500	104.00	@ Mill	.....	104.00	....	104.00	85.00	1	= 98% under $85.00 " "
	5	47	110,000	92.00	.55	12.50	79.50	2.00	77.50		1	= 2% over 85.00 " "
			112,500									
					13/16 x 3 1/4" Factory Maple Flooring.							
July	2	23	10,000	66.50	.43	9.75	56.75	....	56.75	55.00	1	=100% over 55.00 " "
					13/16 x 2" Clear Maple Flooring.							
July	2	3	5,500	103.50	.43	8.50	95.00	2.00	93.00	100.00	2	=100% under $100.00 " "
	3	30	1,000	99.00	@ Mill	.....	99.00	....	99.00			
			6,500									
					13/16 x 1 1/2" Clear Maple.							
July	3	47	5,000	60.00	Mill	.....	60.00	....	60.00	$100.00	2	=100% under $100.00 " "
	5	7	3,000	110.00	.46	9.25	100.75	1.50	99.25			
			8,000									
					13/16 x 1 1/2" Factory Maple.							
June	25	47	6,500	36.00	Mill	....	36.00	2.00	34.00	$35.00	1	=100% under $35.00 " "
					13/16 x 2" Factory Maple.							
June	25	47	9,000	47.00	Mill	....	47.00	2.00	45.00	$45.00	1	=100% @ Avge. Cost.

STATEMENT OF PRICES OBTAINED FOR THE FOLLOWING SIZES AND GRADES OF MAPLE FLOORING, REDUCED TO A COMMON NET F. O. B. MILL BASIS, COMPILED FROM RECORD OF COMPLETED TRANSACTIONS FOR WEEK ENDED JULY 14, 1923, IN GOV. EX. 43-ZZZZZ, PAGES 390-397, IN VOL. 3.

Date 1923	Mill No.	Quantity Feet	Delivered Price	Average Freight Rate per 100 Lbs.	Average Freight per 1M Feet	Price Reduced to F.O.B. Mill Basis	Less Commissions	Net Price F. O. B. Mill Basis
			13/16 x 2 1/4" Clear Maple Flooring.					
July 9	49	15,000	108.25	.41	8.25	100.00	2.00	98.00
	5	8,000	113.50	.43	8.50	105.00	2.00	103.00
	30	2,000	114.00	@ Mill	....	114.00	....	114.00
		17,000	107.75	.39	7.75	100.00	....	100.00
11		17,000	105.00	.25	5.00	100.00	2.00	98.00
13		5,000	110.50	.27	5.50	105.00	2.00	103.00
		30,000	107.00	.22	4.50	102.50	2.00	100.50
		15,000	122.00	.85	17.00	105.00	2.00	103.00
		16,000	105.50	.27	5.50	100.00	2.00	98.00
11	37	15,000	112.50	.43	8.50	104.00	2.00	102.00
9	7	5,000	112.50	.24	4.75	107.75	....	107.75
13		2,000	114.50	.23	4.50	110.00	1.50	108.50
14		10,000	109.00	.27	5.50	103.50	....	103.50
10	23	2,000	110.50	.27	5.50	105.00	2.00	103.00
12	42	20,000	122.00	.85	17.00	105.00	2.00	103.00
9	44	6,000	121.25	.60	12.00	109.25	....	109.25
13		3,000	110.50	.27	5.50	105.00	....	105.00
		188,000						
			13/16 x 2 1/4" No. 1 Maple Flooring.					
July 6	2	3,011	103.50	.17	3.50	100.00	....	100.00
10		60,000	98.25	.41	8.25	90.00	....	90.00
12	33	10,000	98.50	.18	3.50	95.00	2.00	93.00
10	5	80,000	99.00	.20	4.00	95.00	2.00	93.00
12		3,700	112.00	.85	17.00	95.00	1.50	93.50
9		5,000	103.50	.43	8.50	95.00	2.00	93.00
13	30	5,000	100.50	.27	5.50	95.00	2.00	93.00
		10,000	112.00	.85	17.00	95.00	2.00	93.00
	7	3,000	99.50	.23	4.50	95.00	1.50	93.50
14		8,000	100.50	.27	5.50	95.00	....	95.00
10	23	2,000	100.50	.27	5.50	95.00	2.00	93.00
12	42	25,000	112.00	.85	17.00	95.00	2.00	93.00
9	44	6,000	111.25	.60	12.00	99.25	....	99.25
		50,000	99.00	.20	4.00	95.00	....	95.00
		50,000	109.00	.20	4.00	105.00	....	105.00
		320,711						
			13/16 x 2 1/4" Factory Maple Flooring.					
July 9	49	17,100	58.00	.39	7.75	50.25	2.00	48.25
11	14	1,000	60.00	...	....	60.00	2.00	58.00
	26	1,500	50.00	.18	3.50	46.50	....	46.50
13	30	10,000	72.00	.85	17.00	55.00	2.00	53.00
14	7	6,000	60.50	.27	5.50	55.00	....	55.00
6	47	25,000	54.50	.23	4.50	50.00	2.00	48.00
12	44	1,200	56.00	.15	3.00	53.00	....	53.00
11	42	15,000	57.25	.36	7.25	50.00	2.00	48.00
12		15,000	67.00	.85	17.00	50.00	2.00	48.00
		91,800						

RECAPITULATION OF STATEMENT OF PRICES OBTAINED FOR WEEK ENDED JULY 14, 1923—**COMPARED WITH** LAST PRECEDING STATEMENT OF AVERAGE COSTS F. O. B. FLOORING MILL BASIS, DATED MARCH 24, 1923, IN GOV. EX. 63-D, PAGES 499-501, VOLUME 4.

Average Costs F.O.B. Flooring Mill	Number of Sales	Quantity Feet	Net Price
	3	48,000	98.00
	1	17,000	100.00
	1	30,000	100.50
	1	15,000	102.00
	5	50,000	103.00
	1	10,000	103.50
	12	170,000 =	90% under $105.00
	1	3,000 =	2% @ 105.00 (Avge. Cost)
105.00			
	1	5,000	107.75
	1	2,000	108.50
	1	6,000	109.25
	1	2,000	114.00
	4	15,000 =	8% over $105.00
	17	188,000 =	100%
	1	60,000	90.00
	7	137,000	93.00
	2	6,700	93.50
	10	203,700 =	64% under $95.00
	2	58,000 =	18% @ 95.00 (Avge. Cost)
95.00			
	1	6,000	99.25
	1	3,011	100.00
	1	50,000	105.00
	3	59,011 =	18% over $95.00
	15	320,711 =	100%
	1	1,500	46.50
	3	55,000	48.00
	1	17,100	48.25
	5	73,600 =	80% under $50.00
50.00			
	2	11,200	53.00
	1	6,000	55.00
	1	1,000	58.00
	4	18,200 =	20% over $50.00
	9	91,800 =	100%

STATEMENT OF PRICES OBTAINED FOR THE FOLLOWING SIZES AND GRADES OF MAPLE FLOORING REDUCED TO A COMMON NET F. O. B. MILL BASIS, COMPILED FROM RECORD OF COMPLETED TRANSACTIONS FOR WEEK ENDED JULY 14, 1923, IN GOV. EX. 43-ZZZZZ, PAGES 390–397, IN VOLUME 3.

Date 1923	Mill No.	Quantity Feet	Delivered Price	Average Freight Rate per 100 Lbs.	Average Freight per 1M Feet	Price Reduced to F.O.B. Mill Basis	Less Commissions	Net Price F. O. B. Mill Basis
			13/16 x 1 1/2″ Clear Maple Flooring.					
July 10	5	10,000	104.00	.20	4.00	100.00	2.00	98.00
13	30	4,000	100.50	.27	5.50	95.00	2.00	93.00
14	7	15,000	107.50	.52	10.50	97.00	1.50	95.50
10	23	1,000	105.50	.27	5.50	100.00	2.00	98.00
9	44	8,000	100.50	.27	5.50	95.00	....	95.00
		7,000	98.50	.27	5.50	93.00	....	93.00
13		1,100	100.50	.27	5.50	95.00	....	95.00
		46,100						
			13/16 x 1 1/2″ No. 1 Maple Flooring.					
July 13	30	3,000	88.50	.27	5.50	83.00	2.00	81.00
14	7	2,000	89.00	.27	5.50	83.50	....	83.50
		3,000	91.00	.52	10.50	80.50	1.50	79.00
		8,000						
			13/16 x 1 1/2″ Factory Maple Flooring.					
July 9	44	6,000	56.75	.60	12.00	44.25	....	44.25
			13/16 x 2″ Clear Maple Flooring.					
July 9	49	3,000	105.75	.39	7.75	98.00	2.00	96.00
12	5	5,000	117.00	.85	17.00	100.00	1.50	98.50
9	30	22,000	100.50	.27	5.50	95.00	2.00	93.00
10		7,000	109.75	.49	9.75	100.00	2.00	98.00
9	47	3,000	108.00	.64	12.75	95.25	2.00	93.25
		40,000						
			13/16 x 2″ No. 1 Maple Flooring.					
July 12	33	10,000	93.50	.18	3.50	90.00	2.00	88.00
9	49	15,000	92.75	.39	7.75	85.00	2.00	83.00
12	5	10,000	107.00	.85	17.00	90.00	1.50	88.50
10	30	7,000	99.75	.49	9.75	90.00	2.00	88.00
		42,000						
			13/16 x 2″ Factory Maple Flooring.					
July 10	30	5,000	59.75	.49	9.75	50.00	2.00	48.00
			13/16 x 3 1/4″ Clear Maple Flooring.					
July 6	47	21,000	95.00	.44	10.00	85.00	2.00	83.00
			13/16 x 3 1/4″ Factory Maple Flooring.					
July 11	14	4,000	64.75	.43	9.75	55.00	2.00	53.00

RECAPITULATION OF STATEMENT OF PRICES OBTAINED FOR WEEK ENDED JULY 14, 1923, **COMPARED WITH** LAST PRECEDING STATEMENT OF AVERAGE COSTS F. O. B. FLOORING MILL BASIS, DATED MARCH 24, 1923, IN GOV. EX. 63-D, PAGES 499–501, VOLUME 4.

Average Costs F.O.B. Flooring Mill	Number of Sales	Quantity Feet	Net Price
$100.00	7 = 100%	under Avge. Cost.	
85.00	3 = 100%	under Avge. Cost.	
35.00	1 = 100%	over Avge. Cost.	
100.00	5 = 100%	under Avge. Cost.	
90.00	4 = 100%	under Avge. Cost.	
45.00	1 = 100%	over Avge. Cost.	
90.00	1 = 100%	under Avge. Cost.	
55.00	1 = 100%	under Avge. Cost.	

STATEMENT OF PRICES OBTAINED FOR THE FOLLOWING SIZES AND GRADES OF MAPLE FLOORING REDUCED TO A COMMON NET F. O. B. MILL BASIS, COMPILED FROM RECORD OF COMPLETED TRANSACTIONS FOR WEEK ENDING JULY 21, 1923 (GOV. EX. No. 43-AAAAAA, VOL. 3, PAGES 398-402.)

Date 1923	Group	Quantity	Delivered Price	Average Freight Rate per 100 Lbs.	Average Freight per 1M Feet	Prices Reduced to F.O.B. Mill Basis	Less Commissions	Net Price F. O. B. Mill Basis
			13/16 x 2 1/4" Clear Maple Flooring					
7-13	Eastern Lower	10,000	107.75	.15	3.00	104.75	2.00	102.75
9	Michigan Mills....	3,000	118.00	.43	8.50	109.50	2.00	107.50
16		3,000	109.75	.24	4.75	105.00	....	105.00
18		25,000	101.00	.20	4.00	97.00	2.00	95.00
18	Western Lower	5,000	109.50	.16	3.25	106.25	2.00	104.25
14	Michigan Mills....	15,000	102.00	.20	4.00	98.00	2.00	96.00
16		5,000	105.50	.27	5.50	100.00	2.00	98.00
19		5,000	122.75	.39	7.75	115.00	....	115.00
20		5,000	122.75	.39	7.75	115.00	....	115.00
17		1,000	110.50	.27	5.50	105.00	....	105.00
17		9,000	110.50	.27	5.50	105.00	....	105.00
20	Upper Michigan	8,000	110.00	.25	5.00	105.00	2.00	103.00
16	and	25,000	108.00	.15	3.00	105.00	....	105.00
18	Wisconsin Mills...	10,000	110.00	.27	5.50	104.50	....	104.50
18		12,000	110.50	.22	4.50	106.00	....	106.00
	(No individual number or mill designation)	141,000						
			13/16 x 2 1/4" No. 1 Maple Flooring.					
7-16		7,500	97.75	.39	7.75	90.00	2.00	88.00
18		20,000	98.25	.16	3.25	95.00	2.00	93.00
19	Eastern Lower	2,000	100.00	.25	5.00	95.00	....	95.00
19	Michigan Mills....	4,000	107.50	.38	7.50	100.00	2.00	98.00
17		23,000	110.50	.77	15.50	95.00	2.00	93.00
17		25,000	93.50	.18	3.50	90.00	....	90.00
18		60,000	103.00	.41	8.25	94.75	2.00	92.75
20		12,000	99.25	.21	4.25	95.00	1.50	93.50
16		17,000	99.75	.24	4.75	95.00	....	95.00
14		10,000	90.00	.20	4.00	86.00	2.00	84.00
16		20,000	94.00	.20	4.00	90.00	2.00	88.00
16	Western Lower	7,000	102.50	.32	6.50	96.00	....	96.00
16	Michigan Mills....	4,000	101.00	Mill	Mill	101.00	....	101.00
16		1,000	102.00	Mill	Mill	102.00	....	102.00
19		15,000	96.75	.34	6.75	90.00	2.00	88.00
19		5,000	100.50	.27	5.50	95.00	2.00	93.00
17		25,000	92.00	.15	3.00	89.00	2.00	87.00
17		2,000	100.50	.27	5.50	95.00	....	95.00
17	Upper Michigan	3,000	100.50	.27	5.50	95.00	....	95.00
20	and	8,000	100.00	.25	5.00	95.00	2.00	93.00
16	Wisconsin Mills...	2,600	97.75	.14	2.75	95.00	....	95.00
18		5,000	100.00	.27	5.50	94.50	....	94.50
	(No individual number or mill designation)	278,100						

RECAPITULATION OF STATEMENT OF PRICES OBTAINED FOR WEEK ENDED JULY 21, 1923, **COMPARED WITH** LAST PRECEDING STATEMENT OF AVERAGE COSTS F. O. B. FLOORING MILL BASIS, DATED MARCH 24, 1923, IN GOV. EX. 63-D, PAGES 499-501, VOL. 4.

Average Costs F. O. B. Flooring Mill	Number of Sales	Quantity	Net Price
	1	25,000	95.00
	1	15,000	96.00
	1	5,000	98.00
	1	10,000	102.75
	1	8,000	103.00
	1	5,000	104.25
	1	10,000	104.50
105.00	7	78,000 = 55% under $105.00	
	4	38,000 = 27% @ 105.00 (Avge Cost)	
	1	12,000	106.00
	1	3,000	107.50
	2	10,000	115.00
	4	25,000 = 18% over $105.00	
	15	141,000 = 100%	
	1	10,000	84.00
	1	25,000	87.00
	3	42,500	88.00
	1	25,000	90.00
	1	60,000	92.75
	4	56,000	93.00
	1	12,000	93.50
	1	5,000	94.50
	13	235,500 = 85% under $95.00	
95.00	5	26,600 = 9% @ 95.00 (Avge Cost)	
	1	7,000	96.00
	1	4,000	98.00
	1	4,000	101.00
	1	1,000	102.00
	4	16,000 = 6% over $95.00	
	22	278,100 = 100%	

STATEMENT OF PRICES OBTAINED FOR THE FOLLOWING SIZES AND GRADES OF MAPLE FLOORING REDUCED TO A COMMON NET F. O. B. MILL BASIS, COMPILED FROM RECORD OF COMPLETED TRANSACTIONS FOR WEEK ENDING JULY 21, 1923, IN GOV. EX. No. 43-AAAAAA, VOL. 3, PAGES 398-402.

Date 1923	Group	Quantity	Delivered Price	Average Freight Rate per 100 Lbs.	Average Freight per 1M Feet	Price Reduced to F.O.B. Mill Basis	Less Commissions	Net Price F. O. B. Mill Basis
			13/16 x 2 1/4″ Factory Maple Flooring.					
7–16	Eastern Lower	3,000	57.75	.39	7.75	50.00	2.00	48.00
17	Michigan Mills....	19,000	48.50	.18	3.50	45.00	2.00	43.00
18		15,000	54.50	.12	2.50	52.00	1.50	50.50
18	Western Lower	6,500	68.00	.85	17.00	51.00	2.00	49.00
18	Michigan Mills....	13,000	57.50	.16	3.25	54.25	2.00	52.25
19		6,300	52.75	Mill	Mill	52.75	.....	52.75
17	Upper Michigan	20,000	57.00	.25	5.00	52.00	2.00	50.00
17	and	4,000	55.50	.27	5.50	50.00	.....	50.00
17	Wisconsin Mills...	3,000	55.50	.27	5.50	50.00	.....	50.00
20		2,000	55.00	.25	5.00	50.00	2.00	48.00
20	Other Mills.....	8,200	65.00	Mill	Mill	65.00	.....	65.00
		100,000						
			13/16″ x 1 1/2″ Clear Maple					
July 16	W.L.M. Mills.....	6,000	95.50	.27	5.50	90.00	2.00	88.00
July 19	W.L.M. Mills.....	5,000	95.50	.27	5.50	90.00	2.00	88.00
		11,000						
			13/16 x 1 1/2″ No. 1 Maple					
July 16	W.L.M. Mills.....	6,000	83.50	.27	5.50	78.00	2.00	76.00
July 17	U.M.& W. Mills...	18,000	65.50	.27	5.50	60.00	2.00	58.00
		24,000						
			13/16 x 1 1/2″ Factory Maple					
July 16	W.L.M. Mils.....	3,400	47.00	@Mill	.....	47.00	.....	47.00
			13/16 x 2″ Clear Maple					
July 16	E.L.M. Mills.....	7,500	102.75	.39	7.75	95.00	2.00	93.00
			13/16 x 2″ No. 1 Maple (No Sale of Factory Grade)					
July 20	W.L.M. Mills.....	15,000	86.50	.18	3.50	83.00	2.00	81.00
			13/16 x 3 1/4″ Clear Maple					
July 20	Other Mills.....	22,000	99.75	.43	9.75	90.00	2.00	88.00
			13/16 x 3 1/4″ Factory Maple (No. Sale of No. 1 Grade)					
July 17	U.M.& W. Mills...	17,000	53.50	.15	3.50	50.00	2.00	48.00
July 16	U.M.& W. Mills...	25,000	55.00	.24	5.50	49.50	2.00	47.50
		42,000						

RECAPITULATION OF STATEMENT OF PRICES OBTAINED FOR WEEK ENDED JULY 21, 1923, **COMPARED WITH** LAST PRECEDING STATEMENT OF AVERAGE COSTS F. O. B. FLOORING MILL BASIS, DATED MARCH 24, 1923, IN GOV. EX. 63-D, PAGES 499–501, VOL. 4.

Average Costs F. O. B. Flooring Mill	Number of Sales	Quantity	Net Price	
	1	19,000	43.00	
	2	5,000	48.00	
	1	6,500	49.00	
	4	30,500	=31% under $50.00	
50.00				
	3	27,000	=27% @ $50.00 (Avge Cost)	
	1	15,000	50.00	
	1	13,000	52.25	
	1	6,300	52.75	
	1	8,200	65.00	
	4	42,500	=42% over $50.00	
	11	100,000	=100%	
100.00	2	=100% under Avge Cost		
85.00	2	=100% under Avge Cost		
35.00	1	=100% over Avge Cost		
100.00	1	=100% under Avge Cost		
90.00	1	=100% under Avge Cost		
90.00	1	=100% under Avge Cost		
55.00	2	=100% under Avge Cost		

STATEMENT OF PRICES OBTAINED FOR 13/16 x 2 1/4" CLEAR MAPLE FLOORING REDUCED TO A COMMON NET F. O. B. MILL BASIS, COMPILED FROM RECORD OF COMPLETED TRANSACTIONS FOR WEEK ENDED NOVEMBER 3, 1923, DEFENDANT EX. G-I., IN VOLUME IV, FOLIO 5340, BETWEEN PAGES 816-817.

Date 1923	Mill No.	Quantity	Delivered Price	Average Freight Rate per 100 Lbs.	Average Freight per 1M Feet	Price Reduced to F.O.B. Mill Basis	Less Commissions	Net Price F. O. B. Mill Basis
Oct. 16	Eastern Lower Michigan Mills Group 1.....	5,063	103.25	.41	8.25	95.00	2.00	93.00
25		10,092	102.75	.39	7.75	95.00	2.00	93.00
30		25,000	102.00	.39	7.75	94.25	2.00	92.25
		20,000	103.25	.41	8.25	95.00	2.00	93.00
		30,000	100.00	.25	5.00	95.00	2.00	93.00
29		21,183	103.50	.43	8.50	95.00	2.00	93.00
31		3,000	98.50	.18	3.50	95.00	....	95.00
29	Western Lower Michigan Mills Group 2.....	20,000	96.00	.15	3.00	93.00	2.00	91.00
Nov. 1		9,500	102.75	.25	5.00	97.75	1.50	96.25
		2,000	101.50	.43	8.50	93.00	2.00	91.00
3		17,000	101.25	.41	8.25	93.00	1.50	91.50
1		12,000	100.50	.38	7.50	93.00	1.50	91.50
Oct. 29		7,000	101.50	.43	8.50	93.00	2.00	91.00
31		40,000	100.00	.43	8.50	91.50	2.00	89.50
Nov. 1		53,500	100.00	.22	4.50	95.50	2.00	93.50
		5,000	95.25	.16	3.25	92.00	1.50	90.50
		20,000	95.00	.15	3.00	92.00	1.50	90.50
		25,000	94.00	.15	3.00	91.00	1.50	89.50
Oct. 29		4,000	101.50	.43	8.50	93.00	2.00	91.00
Nov. 2		5,000	103.50	.43	8.50	95.00	2.00	93.00
1	(No individual number or mill designation.)	12,500	98.50	.20	4.00	94.50	2.00	92.50
Oct. 29		12,000	98.00	.15	3.00	95.00	2.00	93.00
Nov. 1		7,000	95.00	.20	4.00	91.00	....	91.00
3		20,000	95.00	.20	4.00	91.00	....	91.00
		20,000	95.00	.20	4.00	91.00	....	91.00
		20,000	95.00	.20	4.00	91.00	....	91.00
		13,000	95.00	.20	4.00	91.00	....	91.00
Oct. 26	Upper Michigan Mills, Group 3.....	20,000	99.50	.27	5.50	94.00	2.00	92.00
		17,000	95.50	.27	5.50	90.00	2.00	88.00
		8,000	94.00	.20	4.00	90.00	2.00	88.00
27		12,000	97.50	.27	5.50	92.00	....	92.00
27		18,000	99.50	.37	7.50	92.00	2.00	90.00
31		20,000	98.25	.41	8.25	90.00	2.00	88.00
Nov. 1		25,000	95.00	.20	4.00	91.00	2.00	89.00
		12,000	95.00	.24	4.75	90.25	....	90.25
Oct. 30	(Group 5).....	14,000	99.00	Mill	....	99.00	2.00	97.00
		584,838						

RECAPITULATION OF STATEMENT OF PRICES OBTAINED FOR WEEK ENDED NOVEMBER 3, 1923 COMPARED WITH LAST PRECEDING STATEMENT OF AVERAGE COSTS F. O. B. FLOORING MILL BASIS DATED JULY 19, 1923, IN GOV. EX. 63-G, PAGES 504-506, VOL. 4.

Average Costs F.O.B. Flooring Mill	Number of Sales	Quantity	Net Price
	3	45,000	88.00
	1	25,000	89.00
	2	65,000	89.50
	1	18,000	90.00
	1	12,000	90.25
	2	25,000	90.50
	9	115,900	91.00
	2	29,000	91.50
	2	32,000	92.00
	1	25,000	92.25
	1	12,500	92.50
	7	103,338	93.00
	1	53,500	93.50
	1	3,000	95.00
	1	9,500	96.25
	1	14,000	97.00
	36	584,838	= 100% under $102.00 (Avge. Cost)
$102.00			

STATEMENT OF PRICES OBTAINED FOR 13/16 x 2 1/4" No. 1 MAPLE FLOORING REDUCED TO A COMMON NET F. O. B. MILL BASIS, COMPILED FROM RECORD OF COMPLETED TRANSACTIONS FOR WEEK ENDED NOVEMBER 3, 1923. (DEF. EX. G-I, IN VOLUME 4, FOLIO 5340, BETWEEN PAGES 816-17.)

Date 1923	Group	Quantity	Delivered Price	Average Freight Rate per 100 Lbs.	Average Freight per 1M Feet	Price Reduced to F.O.B. Mill Basis	Less Commissions	Net Price F. O. B. Mill Basis
Oct. 16		7,089	93.25	.41	8.25	85.00	2.00	83.00
25		30,000	92.75	.39	7.75	85.00	2.00	83.00
29		20,000	89.00	.34	6.75	82.25	2.00	80.25
30	Eastern Lower	10,800	90.00	.25	5.00	85.00	2.00	83.00
	Michigan Mills	25,000	92.00	.39	7.75	84.25	2.00	82.25
29	Group 1.....	17,000	88.75	.19	3.75	85.00	2.00	83.00
30		20,000	85.00	.18	3.50	81.50	....	81.50
31		20,000	85.00	.18	3.50	81.50	....	81.50
Nov. 2		10,000	88.75	.19	3.75	85.00	2.00	83.00
Oct. 30	Western Lower	15,000	91.50	.32	6.50	85.00	2.00	83.00
Nov. 1	Michigan Mills	5,000	85.25	.16	3.25	82.00	1.50	80.50
	Group 2.....	5,000	85.00	.15	3.00	82.00	1.50	80.50
Oct. 29		8,000	93.50	.43	8.50	85.00	2.00	83.00
30		6,000	90.00	.26	5.25	84.75	....	84.75
29		1,500	89.00	.24	4.75	84 25	1.50	82.75
Nov. 1		12,500	85.00	.20	4.00	81.00	2.00	79.00
Oct. 25		2,000	88.00	.15	3.00	85.00	2.00	83.00
Nov. 1		4,000	85.00	.20	4.00	81.00	....	81.00
3	Upper Michigan	5,000	85.00	.20	4.00	81.00	....	81.00
3	Mills, Group 3....	5,000	85.00	.20	4.00	81.00	....	81.00
3		20,000	85.00	.20	4.00	81.00	....	81.00
3		12,000	85.00	.20	4.00	81.00	....	81.00
Oct. 29		17,000	85.00	.24	4.75	80.25	3.00	77.25
26		12,000	84.00	.20	4.00	80.00	2.00	78.00
31		18,500	88.00	.41	8.25	79.75	2.00	77.75
Nov. 1		2,000	85.00	.24	4.75	80.25	....	80.25
Oct. 29	Wis. Mills, ⊙.....	10,000	85.00	.27	5.50	79.50	....	79.50
23	Other Mills	18,000	87.00	.43	8.50	78.50	2.00	76.50
30	Group 5.....	30,000	87.00	.41	8.25	78.75	2.00	76.75
30		15,000	87.00	.41	8.25	78.75	2.00	76.75
		383,389						

RECAPITULATION OF STATEMENT OF PRICES OBTAINED FOR WEEK ENDED NOVEMBER 3, 1923, **COMPARED WITH** LAST PRECEDING STATEMENT OF AVERAGE COSTS F. O. B. FLOORING MILL BASIS, DATED JULY 19, 1923, IN GOV. EX. 63-G, PAGES 504-506, VOL. 4.

Average Costs F.O.B. Flooring Mill	Number of Sales	Quantity	Net Price
	1	18,000	76.50
	2	45,000	76.75
	1	17,000	77.25
	1	18,500	77.75
	1	12,000	78.00
	1	12,500	79.00
	1	10,000	79.50
	2	22,000	80.25
	2	10,000	80.50
	5	46,000	81.00
	2	40,000	81.50
	1	25,000	82.25
	1	1,500	82.75
	8	99,889	83.00
$92.00	1	6,000	84.75
	30	383,389 =	100% under $92.00 (Avge. Cost)

STATEMENT OF PRICES OBTAINED FOR THE FOLLOWING SIZES AND GRADES OF MAPLE FLOORING REDUCED TO A COMMON NET F. O. B. MILL BASIS, COMPILED FROM RECORD OF COMPLETED TRANSACTIONS FOR WEEK ENDED NOVEMBER 3, 1923, DEF. EX. G-I, IN VOLUME 4, FOLIO 5340, BETWEEN PAGES 816–17.

COMPARED WITH LAST PRECEDING STATEMENT OF AVERAGE COSTS F. O. B. FLOORING MILL BASIS, DATED JULY 19, 1923, IN GOV. EX. 63-G, PAGES 504–506, VOL. 4.

Date 1923	Group	Quantity	Delivered Price	Average Freight Rate per 100 Lbs.	Average Freight per 1M Feet	Price Reduced to F.O.B. Mill Basis	Less Commissions	Net Price F. O. B. Mill Basis	Average Costs F.O.B. Flooring Mill	Number of Sales	Quantity	Net Price
			13/16 x 2 1/4″ Factory Maple Flooring.									
Oct. 25	Eastern Lower	50,000	52.75	.39	7.75	45.00	2.00	43.00		3	65,000	43.00
" 30	Mich. Mills, ①	25,000	55.00	.39	7.75	47.25	2.00	45.25		1	20,000	43.25
Nov. 2		10,000	48.75	.19	3.75	45.00	2.00	43.00		1	20,000	44.00
Oct. 30	Western Lower	5,000	56.50	.32	6.50	50.00	2.00	48.00		3	55,000	44.50
" 31	Mich. Mills, ②	4,000	55.50	.27	5.50	50.00	2.00	48.00		2	36,000	45.00
										1	25,000	45.25
30		5,000	48.50	.20	4.00	44.50	1.50	43.00		1	20,000	46.00
Nov. 1	Upper Michigan	33,000	62.00	.85	17.00	45.00	....	45.00	$47.00	12	241,000 =	96% under $47.00
	Mills, ③	17,000	50.00	.27	5.50	44.50	....	44.50				
		3,000	49.00	.20	4.00	45.00	....	45.00		2	9,000	48.00
Oct. 27		8,000	52.00	.27	5.50	46.50	2.00	44.50		1	2,000	55.00
Nov. 1		2,000	55.00	@ Mill	....	55.00	....	55.00		3	11,000 =	4% over $47.00
	Wisconsin Mills, ④	20,000	51.00	.20	4.00	47.00	1.00	46.00				
		20,000	45.00	@ Mill	....	45.00	1.00	44.00		15	252,000 =	100%
Oct. 29		30,000	50.00	.27	5.50	44.50	....	44.50				
" 30	Other Mills, ⑤	20,000	53.00	.39	7.75	45.25	2.00	43.25				
		252,000										
			13/16 x 1 1/2″ Clear Maple Flooring.									
Nov. 1	W. L. M., ③	3,000	92.50	.38	7.50	85.00	1.50	83.50	97.00	1 = 100% under $97.00 (Avge. Cost)		
			13/16 x 1 1/2″ No. 1 Maple Flooring.									
Oct. 30	U. M. M., ③	5,500	80.00	.20	4.00	76.00	1.50	74.50	82.00	2 = 100% under 82.00 (Avge. Cost)		
" 29	U. M. M., ③	15,000	72.50	.27	5.50	67.00	2.00	65.00				
		20,500										
			13/16 x 1 1/2″ Factory Maple Flooring.									
Oct. 30	E. L. M., ①	25,000	25.00	.22	4.50	20.50	2.00	18.50				
" 30	E. L. M., ①	20,000	25.00	.22	4.50	20.50	2.00	18.50	32.00	2	45,000 =	90% under $32.00
Nov. 1	U. M. M., ③	5,000	40.00	.27	5.50	34.50	....	34.50		1	5,000 =	10% over 32.00
		50,000								3	50,000 =	100%
			13/16 x 2″ Clear Maple Flooring.									
Oct. 27	E. L. M., ①	8,000	95.00	.15	3.00	92.00	....	92.00	97.00	2 = 100% under $97.00 (Avge. Cost)		
Nov. 1	U. M. M., ②	3,000	90.00	.24	4.75	85.25	....	85.25				
		11,000										
			13/16 x 2″ No. 1 Maple Flooring (No Sale of Factory Grade.)									
Oct. 27	E. L. M., ①	2,000	107.00	.20	4.00	103.00	2.00	101.00	87.00	1 = 100% over $87.00 (Avge. Cost)		
			13/16 x 3 1/4″ Clear Maple Flooring.									
Nov. 1	W. L. M., ③	5,000	96.75	.43	9.75	87.00	2.00	85.00				
Oct. 30	Other Mills, ④	3,000	92.00	.41	9.25	82.75	2.00	80.75	87.00	3 = 100% under $87.00 (Avge. Cost)		
" 30	Other Mills, ⑤	17,000	94.75	.41	9.25	85.50	2.00	83.50				
		25,000										
			13/16 x 3 1/4″ No. 1 Maple Flooring.									
Oct. 16	E. L. M., ①	5,083	89.25	.41	9.25	80.00	2.00	78.00				
" 27	E. L. M., ①	25,000	87.00	.41	9.25	77.75	2.00	75.75	82.00	4 = 100% under $82.00 (Avge. Cost)		
Nov. 1	W. L. M., ②	5,000	88.75	.43	9.75	79.00	2.00	77.00				
Oct. 27	U. M. M., ③	23,000	84.00	.41	9.25	74.75	2.00	72.75				
		58,083										
			13/16 x 3 1/4″ Factory Maple Flooring.									
Oct. 31	E. L. M., ①	22,000	58.50	.38	8.50	50.00	2.00	48.00		2	39,000 =	82% under $52.00
Nov. 1	E. L. M., ①	17,000	59.75	.43	9.75	50.00	2.00	48.00	52.00	1	8,400 =	18% over 52.00
Oct. 29	W. L. M., ②	8,400	61.00	.36	8.00	53.00	....	53.00				
										3	47,400 =	100%

Recapitulation Statements of Sales Data			Sales Below Average Cost			Sales At Average Cost			Sales Above Average Cost		
Sales of	For Week Ended	As taken from Appendix	Sales	Feet	% of Feet	Sales	Feet	% of Feet	Sales	Feet	% of Feet
								Clear Grade Maple Flooring.			
13/16 x 1½" face Clear Maple Flooring	Mar. 4, 1922	U page 1, folio page 25	10	145,500	92%	2	3,000	2%	1	10,000	6%
	May 20, "	" " 4, " " 28	7	61,000	95%	1	3,000	5%			
	June 3, "	" " 6, " " 30	8	59,400	94%	2	3,625	6%			
	June 17, "	" " 8, " " 32	6	126,000	86%	3	9,000	6%	2	12,000	8%
	Aug. 19, "	" " 10, " " 34	1	3,000	13%	1	11,000	47%	3	9,200	40%
	Sept. 30, "	" " 11 " " 35	5	38,500	85%	1	7,000	15%			
	Oct. 21, "	" " 13 " " 37	6	110,300	86%	2	13,000	10%	1	5,000	4%
	Nov. 4, "	" " 14, " " 38	1	15,000	57%				2	11,300	43%
	Dec. 2, "	" " 16, " " 40	4	12,000	41%				2	17,500	59%
	Feb. 3, 1923	" " 18, " " 42	11	118,000	87%	3	11,000	8%	1	7,000	5%
	Feb. 24, "	" " 19, " " 43	3	60,000	86%				2	10,000	14%
	Mar. 17, "	" " 21, " " 45	1	8,000	19%	1	15,000	36%	3	19,000	45%
	Oct. 1, 1921	V page 4, folio page 50	2	15,000	100%						
	Jan. 14, 1922	" " 5, " " 51	2	9,000	100%						
	April 1, "	" " 7, " " 53	1	2,400	100%						
	July 7, 1923	" " 8, " " 54	2	8,000	100%						
	July 14, "	" " 10, " " 56	7	46,100	100%						
	July 21, "	" " 12, " " 58	2	11,000	100%						
	Nov. 3, "	" " 15, " " 61	1	3,000	100%						
	(Total sales 1,027,825 ft. = 100%)		80	851,200	82.8%	16	75,625	7.4%	17	101,000	9.8%
13/16 x 2" face Clear Maple Flooring	Mar. 4, 1922	U page 2, folio page 26	5	58,500	96%				2	2,600	4%
	May 20, "	" " 4, " " 28	2	31,000	97%				1	850	3%
	June 3, "	" " 6, " " 30	3	25,000	92%				1	2,100	8%
	June 17, "	" " 8, " " 32	8	137,300	96%	1	5,048	4%			
	Aug. 19, "	" " 10, " " 34				1	40,000	62%	4	24,600	38%
	Sep. 30, "	" " 11, " " 35	6	105,000	92%				2	9,000	8%
	Nov. 4, "	" " 14, " " 38	1	23,000	100%						
	Dec. 2, "	" " 16, " " 40	5	61,500	100%						
	Feb. 3, 1923	" " 18, " " 42	4	32,000	65%				1	17,000	35%
	Feb. 24, "	" " 20, " " 44	3	41,000	68%	1	12,000	20%	1	7,066	12%
	Mar. 17, "	" " 22, " " 46	4	52,000	50%	2	43,000	41%	2	10,000	9%
	Oct. 1, 1921	V page 4, folio page 50	3	29,100	100%						
	April 1, 1922	" " 7, " " 53	3	85,000	100%						
	July 7, 1923	" " 8, " " 54	2	6,500	100%						
	July 14, "	" " 10, " " 56	5	40,000	100%						
	July 21, "	" " 12, " " 58	1	7,500	100%						
	Nov. 3, "	" " 15, " " 61	2	11,000	100%						
	(Total sales 918,664 ft. = 100%)		57	745,400	81.1%	5	100,048	10.9%	14	73,216	8%
13/16 x 2¼" face Clear Maple Flooring	Oct. 1, 1921	V page 1, folio page 47	40	524,200	95%	4	26,000	5%	1	2,000	
	July 7, 1923	" " 8, " " 54	10	119,536	78%				5	34,685	22%
	July 14, "	" " 9, " " 55	12	170,000	90%	1	3,000	2%	4	15,000	8%
	July 21, "	" " 11, " " 57	7	78,000	55%	4	38,000	27%	4	25,000	18%
	Nov. 3, "	" " 13, " " 59	36	584,838	100%						
	(Total sales 1,620,259 ft. = 100%)		105	1,476,574	91.1%	9	67,000	4.2%	14	76,685	4.7%
13/16 x 3¼" face Clear Maple Flooring	May 20, 1922	U page 4, folio page 28	1	4,000	100%						
	June 3, "	" " 5, " " 29	2	28,000	100%						
	June 17, "	" " 7, " " 31	3	23,000	100%						
	Aug. 19, "	" " 9, " " 33	2	58,000	99%				1	623	1%
	Sep. 30, "	" " 12, " " 36	2	36,000	86%	1	4,500	11%	1	1,100	3%
	Oct. 21, "	" " 13, " " 37	1	25,000	43%				2	33,200	57%
	Dec. 2, "	" " 16, " " 40	3	32,000	97%				1	1,000	3%
	Feb. 3, 1923	" " 18, " " 42	6	120,000	80%				3	29,580	20%
	Feb. 24, "	" " 20, " " 44	3	39,000	100%						
	Mar. 17, "	" " 22, " " 46	3	50,000	100%						
	Oct. 1, 1921	V page 3, folio page 49	3	57,000	94%				1	3,500	6%
	April 1, 1922	" " 7, " " 53							1	3,250	100%
	July 7, 1923	" " 8, " " 54	1	5,000	100%						
	July 14, "	" " 10, " " 56	1	21,000	100%						
	July 21, "	" " 12, " " 58	1	22,000	100%						
	Nov. 3, "	" " 15, " " 61	3	25,000	100%						
	(Total sales 621,753 ft. = 100%)		35	545,000	87.7%	1	4,500	0.7%	10	72,253	11.6%
Clear Grade Sales Totals			277	3,618,174	86.4%	21	247,173	5.9%	55	323,154	7.7%

Recapitulation Statements of Sales Data			Sales Below Average Cost			Sales At Average Cost			Sales Above Average Cost		
Sales of	For Week Ended	As taken from Appendix	Sales	Feet	% of Feet	Sales	Feet	% of Feet	Sales	Feet	% of Feet
			No. 1 Grade Maple Flooring.								
13/16 x 1½" face No. 1 Maple Flooring	Mar. 4, 1922	U page 2, folio page 26	4	55,000	74%	2	9,000	12%	1	10,000	14%
	May 20, "	" " 4, " " 28	5	63,000	48%	1	27,000	21%	4	41,000	31%
	June 3, "	" " 6, " " 30	3	27,000	100%						
	June 17, "	" " 8, " " 32	7	164,000	96%	2	7,000	4%			
	Aug. 19, "	" " 10, " " 34	1	24,500	86%				1	4,000	14%
	Sept. 30, "	" " 11, " " 35				2	13,000	100%			
	Oct. 21, "	" " 13, " " 37	2	43,000	96%				1	2,000	4%
	Nov. 4, "	" " 14, " " 38	1	20,000	100%						
	Dec. 2, "	" " 16, " " 40	1	1,700	100%						
	Feb. 3, 1923	" " 18, " " 42	9	102,500	93%	2	8,000	7%			
	Feb. 24, "	" " 19, " " 43	1	21,000	34%				4	40,000	66%
	Mar. 17, "	" " 21, " " 45	1	12,000	45%				4	14,500	55%
	Oct. 1, 1921	V page 4, folio page 50	2	12,000	80%	1	1,000	7%	1	2,000	13%
	Jan. 14, 1922	" " 5, " " 51	2	9,000	100%						
	Apr. 1, "	" " 7, " " 53	2	20,000	100%						
	July 14, 1923	" " 10, " " 56	3	8,000	100%						
	July 21, "	" " 12, " " 58	2	24,000	100%						
	Nov. 3, "	" " 15, " " 61	2	20,500	100%						
	(Total Sales, 805,700 ft. = 100%)		48	627,200	77.8%	10	65,000	8.1%	16	113,500	14.1%
13/16 x 2 face No. 1 Maple Flooring	Mar. 4, 1922	U page 2, folio page 26	5	54,000	100%						
	May 20, "	" " 4, " " 28	3	26,106	95%				1	1,455	5%
	June 3, "	" " 6, " " 30	2	19,000	86%				1	3,000	14%
	June 17, "	" " 8, " " 32	5	128,300	91%	1	7,162	5%	1	5,600	4%
	Aug. 19, "	" " 10, " " 34							2	12,800	100%
	Sept. 30, "	" " 12, " " 36	2	13,000	23%				3	44,000	77%
	Oct. 21, "	" " 13, " " 37				1	4,000	100%			
	Nov. 4, "	" " 14, " " 38	2	7,000	100%						
	Dec. 2, "	" " 16, " " 40	4	49,000	100%						
	Feb. 3, 1923	" " 18, " " 42	4	54,000	93%				2	4,000	7%
	Feb. 24, "	" " 20, " " 44	4	34,000	43%	4	42,500	54%	1	2,000	3%
	Mar. 17, "	" " 22, " " 46	3	37,000	61%	2	21,000	34%	1	3,000	5%
	Oct. 1, 1921	V page 4, folio page 50	4	82,000	98%				1	2,000	2%
	Jan. 14, 1922	" " 5, " " 51	3	41,000	100%						
	Apr. 1, "	" " 7, " " 53	3	67,000	100%						
	July 14, 1923	" " 10, " " 56	4	42,000	100%						
	July 21, "	" " 12, " " 58	1	15,000	100%						
	Nov. 3, "	" " 15, " " 61							1	2,000	100%
	(Total Sales, 822,923 ft. = 100%.)		49	668,406	81.2%	8	74,662	9.1%	11	79,855	9.7%
13/16 x 2¼" face No. 1 Maple Flooring	Oct. 1, 1921	V page 2, folio page 48	45	633,400	93%	9	50,000	7%	1	2,000	
	Jan. 14, 1922	" " 5, " " 51	5	63,000	67%				3	31,012	33%
	Apr. 1, "	" " 6, " " 52	20	482,185	89%	4	28,128	5%	3	32,440	6%
	July 7, 1923	" " 8, " " 54	7	85,000	82%				3	18,500	18%
	July 14, "	" " 9, " " 55	10	203,700	64%	2	58,000	18%	3	59,011	18%
	July 21, "	" " 11, " " 57	13	235,500	85%	5	26,600	9%	4	16,000	6%
	Nov. 3, "	" " 14, " " 60	30	383,389	100%						
	(Total Sales, 2,407,865 ft. = 100%.)		130	2,086,174	86.6%	20	162,728	6.8%	17	158,963	6.6%
13/16 x 3½" face No. 1 Maple Flooring	Mar. 4, 1922	U page 2, folio page 26	3	28,000	100%						
	May 20, "	" " 4, " " 28	4	45,600	100%						
	June 3, "	" " 5, " " 29	3	47,000	100%						
	June 17, "	" " 7, " " 31	6	118,650	99%				1	1,500	1%
	Aug. 19, "	" " 9, " " 33	1	8,000	89%				1	1,000	11%
	Sept. 30, "	" " 12, " " 36	4	147,000	100%						
	Oct. 21, "	" " 13, " " 37	2	66,500	92%	1	2,000	3%	1	3,500	5%
	Nov. 4, "	" " 14, " " 38	2	24,000	60%	1	2,000	5%	2	14,000	35%
	Dec. 2, "	" " 16, " " 40	2	42,000	95%	1	2,213	5%			
	Feb. 3, 1923	" " 18, " " 42	9	234,000	85%	1	40,000	14%	1	2,500	1%
	Feb. 24, "	" " 20, " " 44	4	62,000	100%						
	Mar. 17, "	" " 22, " " 46	5	57,540	100%						
	Oct. 1, 1921	V page 3, folio page 49							1	1,600	100%
	Apr. 1, 1922	" " 7, " " 53	1	35,000	80%	1	6,000	13%	1	3,000	7%
	July 7, 1923	" " 8, " " 54	1	110,000	98%				1	2,500	2%
	Nov. 3, "	" " 15, " " 61	4	58,083	100%						
	(Total Sales, 1,165,186 ft. = 100%.)		51	1,083,373	93%	5	52,213	4.5%	9	29,600	2.5%

CHART

TOO

LARGE

FOR

FILMING

MAPLE FLOORING MANUFACTURERS ASSN. ET AL. *v.* UNITED STATES.

APPEAL FROM THE DISTRICT COURT OF THE UNITED STATES FOR THE WESTERN DISTRICT OF MICHIGAN.

No. 342. Argued December 1, 2, 1924; reargued March 3, 1925.—Decided June 1, 1925.

1. In a suit to enjoin a trade association under the Anti-Trust Act in which the Government adduced, as evidence of guilty purpose, the history of earlier combinations which this one had superseded, *held* that there was no evidence of any present agreement or purpose to produce any effect on commerce other than that which necessarily would flow from the activities of the present association, and that the only question was whether that association, as actually conducted, had a necessary tendency to cause direct and undue restraint of competition condemned by the Act. P. 577.
2. Each case arising under the Sherman Act must be determined upon the particular facts disclosed by the record; and opinions of the Court in those cases must be read and applied in the light of their facts, with clear recognition of essential differences in that regard. P. 579.
3. Trade associations or combinations of individuals or corporations, which, as in this case, openly and fairly gather and disseminate information as to the cost of their product, the actual prices it has brought in past transactions, stocks on hand and approximate cost of transportation from the principal point of shipment to points of consumption, and meet and discuss such statistics without reaching or attempting to reach any agreement or concerted action respecting prices, production or the restraining of competition, do not thereby engage in an unlawful restraint of commerce. P. 582.
4. In a suit under the Anti-Trust Act to dissolve a trade association formed by numerous manufacturers of hard-wood flooring, the following activities were complained of: (1) Computation and distribution among the members of information as to the average cost of their products, based (a) on cost of raw material as ascertained and averaged by the association's secretary from reports of actual sales of rough lumber by members in open market, (b) on manufacturing costs ascertained through questionnaires sent the members, and (c) on percentage of waste in milling, ascertained through test runs made by selected members under direction of

the secretary; (2) compilation and distribution among them of booklets showing freight rates from a basing point to numerous points to which their products were shipped, enabling members to quote delivered prices promptly; (3) gathering by periodical reports from members of information as to the quantity and kind of flooring sold by them, dates of sales and prices received, average freight rates, commissions paid, amount and kinds of stock on hand, and of unfilled orders, monthly production and new orders booked; which information, embracing only past and closed transactions and omitting names of purchasers, current prices and many other details, was transmitted in summarized form to the members by the secretary of the association, without, however, revealing the identity of members in connection with specific information transmitted, and was given wide publicity through publication in trade journals, communication to the Department of Commerce, etc.; (4) monthly meetings at which problems of the industry were discussed, without discussion or agreement upon prices. *Held* that such activities did not constitute an unlawful restraint on commerce. *Am. Column Lumber Co.* v. *United States*, 257 U. S. 377; *United States* v. *Am. Linseed Oil Co.*, 262 U. S. 371, distinguished. P. 568.

Reversed.

APPEAL from a decree of the District Court awarding an injunction, in a suit brought by the Government under the Anti-Trust Act against a combination, in the form of a trade association, of manufacturers of hardwood flooring lumber.

Mr. Edward R. Johnston, with whom *Messrs. Jacob Newman, Conrad H. Poppenhausen, Henry L. Stern*, and *Henry Jackson Darby* were on the brief, for appellants.

Mr. J. A. Fowler, Special Assistant to the Attorney General, with whom the *Solicitor General* and *Mr. C. S. Thompson*, Special Assistant to the Attorney General, were on the brief, for the United States.

Mr. Herbert Pope filed a brief as *amicus curiae* for the National Malleable & Steel Castings Company, by special leave of Court.

MR. JUSTICE STONE delivered the opinion of the Court.

By bill in equity filed March 5, 1923, the United States asked an injunction restraining the defendants, who are appellants here, from violating § 1 of the Act of Congress of July 2, 1890, entitled, "An Act to Protect Trade and Commerce Against Unlawful Restraints and Monopolies" (c. 647, 26 Stat. 209), commonly known as the Sherman Act.

The defendants are the Maple Flooring Manufacturers Association, an unincorporated "trade association"; twenty-two corporate defendants, members of the Association, engaged in the business of selling and shipping maple, beech and birch flooring in interstate commerce, all but two of them having their principal places of business in Michigan, Minnesota or Wisconsin (one defendant being located in Illinois and one in New York); the several individual representatives of the corporate members of the Association; and George W. Keehn, Secretary of the Association. Of the corporate defendants, approximately one-half own timber lands and saw mills and are producers of the rough lumber from which they manufacture finished flooring, sold and shipped in interstate commerce. The other defendants purchase rough flooring lumber in the open market and manufacture it into finished flooring which is sold and shipped in interstate commerce. In 1922 there were in the States of Illinois, Michigan, Minnesota and Wisconsin seventeen non-member manufacturers of maple, beech and birch flooring and there were fifty-eight non-member manufacturers of maple, beech and birch flooring in the United States who reported to the Government. In that year thirty-eight non-member manufacturers reported a manufacturing capacity of 238,610,000 feet of flooring of the types mentioned and during the same year the manufacturing capacity of the defendants was 158,400,000 feet. Estimates

submitted in behalf of the Government indicate that in the year 1922 the defendants produced 70% of the total production of these types of flooring, the percentage having been gradually diminished during the five years preceding, the average for the five years being 74.2%. It is also in evidence that aside from non-member manufacturers who reported to the Government, there are numerous other non-member manufacturers of such flooring in the United States and Canada. The defendants own only a small proportion of the total stand, in the United States, of maple, beech and birch timber from which the various types of flooring produced and sold by defendants are manufactured.

In March, 1922, the corporate defendants organized the defendant Maple Flooring Manufacturers Association, but for many years prior to that time and certainly since 1913 a substantial number of the corporate defendants have participated actively in maintaining numerous successive trade associations of the same name, which were predecessors of the present association. The oral testimony and documentary evidence have covered a wide range and have reached a great volume which it will be impossible, within the limits of an opinion, to review in detail. The defendants have engaged in many activities to which no exception is taken by the Government and which are admittedly beneficial to the industry and to consumers; such as co-operative advertising and the standardization and improvement of the product. The activities, however, of the present Association of which the Government complains may be summarized as follows:

(1) The computation and distribution among the members of the association of the average cost to association members of all dimensions and grades of flooring.

(2) The compilation and distribution among members of a booklet showing freight rates on flooring from Cadil-

lac, Michigan, to between five and six thousand points of shipment in the United States.

(3) The gathering of statistics which at frequent intervals are supplied by each member of the Association to the Secretary of the Association giving complete information as to the quantity and kind of flooring sold and prices received by the reporting members, and the amount of stock on hand, which information is summarized by the Secretary and transmitted to members without, however, revealing the identity of the members in connection with any specific information thus transmitted.

(4) Meetings at which the representatives of members congregate and discuss the industry and exchange views as to its problems.

Before considering these phases of the activities of the Association, it should be pointed out that it is neither alleged nor proved that there was any agreement among the members of the Association either affecting production, fixing prices or for price maintenance. Both by the articles of association and in actual practice, members have been left free to sell their product at any price they choose and to conduct their business as they please. Although the bill alleges that the activities of the defendants hereinbefore referred to resulted in the maintenance of practical uniformity of net delivered prices as between the several corporate defendants, the evidence fails to establish such uniformity and it was not seriously urged before this Court that any substantial uniformity in price had in fact resulted from the activities of the Association, although it was conceded by defendants that the dissemination of information as to cost of the product and as to production and prices would tend to bring about uniformity in prices through the operation of economic law. Nor was there any direct proof that the activities of the Association had affected prices adversely to consumers. On the contrary, the defendants offered a great volume of evidence tending to show that the trend of

prices of the product of the defendants corresponded to the law of supply and demand and that it evidenced no abnormality when compared with the price of commodities generally. There is undisputed evidence that the prices of members were fair and reasonable and that they were usually lower than the prices of non-members and there is no claim that defendants were guilty of unfair or arbitrary trade practices.

The contention of the Government is that there is a combination among the defendants, which is admitted; that the effect of the activities of the defendants carried on under the plan of the Association must necessarily be to bring about a concerted effort on the part of members of the Association to maintain prices at levels having a close relation to the average cost of flooring reported to members and that consequently there is a necessary and inevitable restraint of interstate commerce and that therefore the plan of the Association itself is a violation of § 1 of the Sherman Act which should be enjoined regardless of its actual operation and effect so far as price maintenance is concerned. The case must turn therefore, on the effect of the activity of the defendants in the gathering and dissemination of information as to the cost of flooring, since, without that, the other activities complained of could have no material bearing on price levels in the industry; and it was to this phase of the case that the oral argument was mainly directed.

Having outlined the substantial issues in the case, it will now be convenient to examine more in detail the several activities of the defendants of which the Government complains.

Computation and distribution, among the members, of information as to the average cost of their product.

There are three principal elements which enter into the computation of the cost of finished flooring. They are

the cost of raw material, manufacturing cost and the percentage of waste in converting rough lumber into flooring. The information as to the cost of rough lumber was procured by the Secretary from reports of actual sales of lumber by members in the open market. From five to ten ascertained sales were taken as standard and the average was taken as the estimated cost of raw material. Manufacturing costs were ascertained by questionaires sent out to members by which members were requested to give information as to labor costs, cost of warehousing, insurance and taxes, interest at 6% on the value of the plant, selling expense, including commissions and cost of advertising, and depreciation of plant. From the total thus ascertained there was deducted the net profit from wood and other by-products. The net total cost thus ascertained of all members reporting was then averaged.

The percentage of waste in converting the rough lumber into flooring was ascertained by test runs made by selected members of the Association under the direction of the Secretary of the Association, in the course of which a given amount of rough lumber was converted into flooring of different sizes and the actual waste in the process ascertained and stated in terms of percentage. By combining the three elements of cost thus arrived at, the total cost per thousand feet of the aggregate of the different types and grades of flooring produced from a given amount of rough lumber was estimated. To this cost there was at one time added an estimated 5% for contingencies, which practice, however, was discontinued by resolution of the Association of July 19, 1923. For the element of manufacturing and marketing cost, the first of these estimates prepared in the manner described was based upon an average of such cost for the first half of 1921. Other successive estimates were prepared on a like basis during the first, third and fourth quarter of the year 1922.

In order to determine the cost of a given type or grade of flooring, it was necessary to distribute the total cost of the aggregate of the different types and grades of finished flooring produced from a given amount of rough lumber among the several types and grades thus produced. This distribution was made by the officials of the Association and the estimated cost thus determined was tabulated and distributed among the members of the Association. There is no substantial claim made on the part of the Government that the preparation of these estimates of cost was not made with all practicable accuracy or that they were in any respect not what they purported to be, an estimate of the actual cost of commercial grades of finished flooring fairly ascertained from the actual experience of members of the Association, except that the point is made by the Government that the distribution of cost among the several types and grades of finished flooring produced from a given amount of rough lumber was necessarily arbitrary and that it might be or become a cover for price fixing. Suffice it to say that neither the Government nor the defendants seem to have found it necessary to prove upon what principle of cost accounting this distribution of cost was made and there are no data from which any inference can be drawn as to whether or not it conformed to accepted practices of cost accounting applied to the manufacture of a diversified product from a single type of raw material.

The compilation and distribution among members of information as to freight rates.

Through the agency of the Secretary of the Association a booklet was compiled and distributed to members of the Association showing freight rates from Cadillac, Michigan, to numerous points throughout the United States to which the finished flooring is shipped by members of the

Association. It appears from the evidence to have been the usual practice in the maple flooring trade, to quote flooring at a delivered price and that purchasers of flooring usually will not buy on any other basis. The evidence, however, is undisputed that the defendants quote and sell on an f. o. b. mill basis whenever a purchaser so requests. It also appears that the mills of most of the members of the Association are located in small towns in Michigan and Wisconsin and that the average freight rates from these principal producing points in Michigan and Wisconsin to the principal centers of consumption in the United States are approximately the same as the freight rate from Cadillac, Michigan, to the same centers of consumption. There is abundant evidence that there were delays in securing quotations of freight rates from the local agents of carriers in towns in which the factories of defendants are located, which seriously interfered with prompt quotations of delivered prices to customers; that the actual aggregate difference between local freight rates for most of defendants' mills and the rate appearing in defendant's freight-rate book based on rates at Cadillac, Michigan, were so small as to be only nominal, and that the freight-rate book served a useful and legitimate purpose in enabling members to quote promptly a delivered price on their product by adding to their mill price a previously calculated freight rate which approximated closely to the actual rate from their own mill towns.

The Government bases its criticism of the use of the freight-rate book upon the fact that antecedent associations, maintained by defendants, incorporated in the freight-rate book a delivered price which was made up by adding the calculated freight rate from Cadillac, Michigan, to a minimum price under the so-called "minimum price plan" of previous associations, whereby the price was fixed at cost plus ten per cent. of profit. It is conceded

that the present Association does not include a delivered price in the freight-rate book, but it is urged by the Government that the circulation of the tables of estimated cost of flooring, together with a freight-rate book, enables members of the Association to fix a delivered price by adding to the estimated cost circulated among members, the calculated freight rate published in the freight-rate book, and that the freight-rate book used in conjunction with the published material as to estimated cost is merely a device whereby the defendants have continued the so-called minimum price plan formerly maintained by predecessor associations, which was a plan whereby the members co-operated in the maintenance of a fixed minimum price. Defendants maintain that the minimum price plan was never actually carried out by any predecessor association and that it was formally abandoned in February or March, 1920, after the failure to secure the approval of the plan by the Federal Trade Commission, and was never revived or continued.

It cannot, we think, be questioned that data as to the average cost of flooring circulated among the members of the Association when combined with a calculated freight rate which is either exactly or approximately the freight rate from the point of shipment, plus an arbitrary percentage of profit, could be made the basis for fixing prices or for an agreement for price maintenance, which, if found to exist, would under the decisions of this Court, constitute a violation of the Sherman Act. But, as we have already said, the record is barren of evidence that the published list of costs and the freight-rate book have been so used by the present Association. Consequently, the question which this Court must decide is whether the use of this material by members of the Association will necessarily have that effect so as to produce that unreasonable restraint of interstate commerce which is condemned by the Sherman Act.

The gathering and distributing among members of trade statistics.

It is contended by the Government that an analysis of the reporting system adopted by the defendants shows that there is no information withheld by one member from another, and that every member is perfectly familiar not only with the summaries which show the exact market condition generally, but also with the exact condition of the business of each of his fellow members. An examination of the record discloses that this is not an accurate statement of the statistical information distributed among members of the Association, certainly not within any recent period of the history of the successive associations. At the time of the filing of the bill, members reported weekly to the Secretary of the Association on forms showing dates of sales made by the reporting member, the quantity, the thickness and face, the grade, the kind of wood, the delivery, the prices at which sold, the average freight rate to destination and the rate of commission paid, if any. Members also reported monthly the amount of flooring on hand of each dimension and grade and the amount of unfilled orders. Monthly reports were also required showing the amount of production for each period and the new orders booked for each variety of flooring. The Association promptly reported back to the members statistics compiled from the reports of members including the identifying numbers of the mills making the reports, and information as to quantities, grades, prices, freight rates, etc., with respect to each sale. The names of purchasers were not reported and from and after July 19, 1923, the identifying number of the mill making the report was omitted. All reports of sales and prices dealt exclusively with past and closed transactions. The statistics gathered by the defendant Association are given wide publicity. They are published in trade journals

which are read by from 90 to 95% of the persons who purchase the products of Association members. They are sent to the Department of Commerce which publishes a monthly survey of current business. They are forwarded to the Federal Reserve and other banks and are available to anyone at any time desiring to use them. It is to be noted that the statistics gathered and disseminated do not include current price quotations; information as to employment conditions; geographical distribution of shipments; the names of customers or distribution by classes of purchasers; the details with respect to new orders booked, such as names of customers, geographical origin of orders; or details with respect to unfilled orders, such as names of customers, their geographical location; the names of members having surplus stocks on hand; the amount of rough lumber on hand; or information as to cancellation of orders. Nor do they differ in any essential respect from trade or business statistics which are freely gathered and publicly disseminated in numerous branches of industry producing a standardized product such as grain, cotton, coal oil, and involving interstate commerce, whose statistics disclose volume and material elements affecting costs of production, sales price and stock on hand.

Association Meetings.

The Articles of the defendant Association provide for regular meetings for the transaction of business on the third Wednesday of April, July and October of each year, and that special meetings may be called by the President or a majority of the Board of Trustees. During the year in which the bill of complaint was filed meetings appear to have been held monthly. Minutes of meetings were kept, although it is not contended that they constituted a complete record of the proceedings. Trade conditions generally, as reflected by the statistical information dis-

seminated among members, were discussed; the market prices of rough maple flooring were also discussed, as were also manufacturing and market conditions. Those members who did not produce rough flooring lumber improved the occasion of the monthly meetings to secure purchases of this commodity from other members. The testimony is explicit and not denied that, following the decision in *United States* v. *American Linseed Oil Co.*, 262 U. S. 371, (June, 1923) there was no discussion of prices in meetings. There was no occasion to discuss past prices, as those were fully detailed in the statistical reports, and the Association was advised by counsel that future prices were not a proper subject of discussion. It was admitted by several witnesses, however, that upon occasion the trend of prices and future prices became the subject of discussion outside the meeting among individual representatives of the defendants attending the meeting. The Government, however, does not charge, nor is it contended, that there was any understanding or agreement, either express or implied, at the meetings or elsewhere, with respect to prices.

Upon this state of the record, the District Court, from whose decision this appeal was taken, held that the plan or system operated by the defendants had a direct and necessary tendency to destroy competition; that the methods employed by them had at all times a controlling influence to impeding the economic laws of supply and demand, and tending to increase prices, and to stifle competition; that the plan of the Association was therefore inherently illegal; that in consequence the actual results flowing from such a plan and the execution of it are of secondary importance. The court accordingly decreed the dissolution of the defendants' association and enjoined them from engaging in activities complained of by the Government. In arriving at this result it was admitted that it was impossible to measure, either accurately or

even approximately, the effect of the activities of the defendants upon prices, production and competition in the flooring industry, for the reason that there could be, in the nature of things, no satisfactory standards of comparison. The court found no agreement to fix prices and that in fact lower prices have usually been quoted by members than by non-members of the Association. In reaching its conclusion, the court relied principally upon the necessary tendency or effect of the plan actually in operation and upon the past history of the Association and its predecessors as indicating a probable purpose on the part of the members of the Association to use the plan as a medium for effecting actual and undue restraint on interstate commerce, and it is urged here that the history of the successive Associations organized by the members of the defendant Association, or a majority of them, establishes a systematic purpose on the part of the corporate defendants to restrain interstate commerce.

It is pointed out that the Articles of the Association of January 1, 1913, embodied the so-called "allotment plan," which provided for an allotted percentage of the aggregate shipments of all members within a given period, to each member, with a provision for payment of a bonus or allowance to each member which did not make its full allotment or percentage of shipments. This plan was abandoned in March, 1920. On July 1, 1916, the Articles of Association of that date adopted a minimum price plan which it is claimed continued in effect until about January 1, 1921. This plan contemplated the establishment of a minimum price of maple, beech and birch flooring by members of the Association, such prices to consist of the average cost and expense of manufacturing and selling the product, plus an average profit of ten per cent. The plan provided drastic penalties for the sale of flooring at less than the minimum price so established. It is also charged that on January, 1921, the defendants, by agree-

ment, established a minimum price basis for the sale of flooring for the ensuing year. Under this plan the average net profit was reduced from ten to five per cent. and penalties for non-compliance with the minimum price scale were abolished.

It is conceded, however, that each of these several plans was abandoned and that the present Association, both by the terms of its Articles of Association and in actual practice, has confined itself to the activities which have already been described in some detail.

We think it might be urged, on the basis of this record, that the defendants, by their course of conduct, instead of evidencing the purpose of persistent violators of law, had steadily indicated a purpose to keep within the boundaries of legality as rapidly as those boundaries were marked out by the decisions of courts interpreting the Sherman Act. Whether, however, their general purpose was to become law-abiding members of the community or law breakers, it is not, we think, very material unless the court either can infer from this course of conduct a specific and continuing purpose or agreement or understanding on their part to do acts tending to effect an actual restraint of commerce (*United States* v. *United States Steel Corp'n*, 251 U. S. 417), or unless, on the other hand, it is established that the combination entered into by the defendants in the organization of the defendant Association, and its activities as now carried on, must necessarily result in such restraint. As already indicated, the record is barren of evidence tending to establish that there is any agreement or purpose or intention on the part of defendants to produce any effect upon commerce other than which would necessarily flow from the activities of the present Association, and in our view the Government must stand or fall upon its ability to bring the facts of the present case within the rule as laid down in *American Column Co.*

v. *United States*, 257 U. S. 377, where it was said, at p. 400:

"It has been repeatedly held by this Court that the purpose of the statute is to maintain free competition in interstate commerce and that any concerted action of men or corporations to cause, or which in fact does cause, direct and undue restraint of competition in such commerce falls within the condemnation of the Act and is unlawful";

and within the rule laid down by the Court in *United States* v. *American Linseed Oil Company*, 262 U. S. 371, at p. 390:

"In the absence of a purpose to monopolize or the compulsion that results from contract or agreement, the individual certainly may exercise great freedom; but concerted action through combination presents a wholly different problem and is forbidden when the necessary tendency is to destroy the kind of competition to which the public has long looked for protection."

It should be noted that the bill of complaint neither charges nor does the Government urge, that there was any purpose on the part of the defendants to monopolize commerce in maple, beech and birch flooring. It is not contended that there was the compulsion of any agreement fixing prices, restraining production or competition or otherwise restraining interstate commerce. In our view, therefore, the sole question presented by this record for our consideration is whether the combination of the defendants in their existing Association, as actually conducted by them, has a *necessary* tendency to cause direct and undue restraint of competition in commerce falling within the condemnation of the Act. In urging that such is the necessary effect, the Government relies mainly upon the decisions of this Court in *Eastern States Retail Lumber Dealers Association* v. *United States*, 234 U. S. 600; *American Column & Lumber Co.* v. *United States*, *supra*, and *United States* v. *American Linseed Oil Company*, *supra*.

It should be said at the outset, that in considering the application of the rule of decision in these cases to the situation presented by this record, it should be remembered that this Court has often announced that each case arising under the Sherman Act must be determined upon the particular facts disclosed by the record, and that the opinions in those cases must be read in the light of their facts and of a clear recognition of the essential differences in the facts of those cases, and in the facts of any new case to which the rule of earlier decisions is to be applied.

In *Eastern States Retail Lumber Dealers Association* v. *United States, supra,* the defendant members of the Association had entered into a combination and agreement whereby members were required to report to the Association the names of wholesale dealers in lumber who sold their product directly to consumers. The names of the offending wholesalers were placed upon a "black list" which was circulated among the members of the Association. The name of a blacklisted wholesaler could be removed from the list only on application to the secretary of the Association and on assurance that the offending wholesaler would no longer sell in competition with retailers. It was conceded by the defendants, and the court below found, that the circulation of this information would have a natural tendency to cause retailers receiving these reports to withhold patronage from listed concerns; that it therefore, necessarily, tended to restrain wholesalers from selling to the retail trade, which in itself was an undue and unreasonable restraint of commerce. Moreover, the court said, at p. 612:

"This record abounds in instances where the offending dealer was thus reported, the hoped for effect, unless he discontinued the offending practice, realized, and his trade directly and appreciably impaired."

There was thus presented a case in which the court could not only see that the combination would necessarily re-

sult in a restraint on commerce which was unreasonable, but where in fact such restraints had actually been effected by the concerted action of the defendants.

In American Column & Lumber Co. v. *United States, supra,* the defendant association adopted a plan for the gathering from its members daily and disseminating among them weekly, reports of all sales and shipments actually made, giving prices, names and addresses of purchasers, the kind, grade and quantity of commodity sold and shipped. Its plan provided for a monthly production report giving production of members during the previous month; a monthly stock report showing stock on hand on the first day of the month; current price lists, followed by prompt information as to new price quotations as made. Monthly meetings were held at which the extensive interchange of reports was supplemented by further exchange of information as to production, at which active and concerted efforts were made to suppress competition by the restriction of production. The secretary of the Association, in communications to members, actively urged curtailment of production and increase of prices. The record disclosed a systematic effort, participated in by the members of the Association and led and directed by the secretary of the Association, to cut down production and increase prices. The court not only held that this concerted effort was in itself unlawful, but that it resulted in an actual excessive increase of price to which the court found the "united action of this large and influential membership of dealers contributed greatly." The opinion of the court in that case rests squarely on the ground that there was a combination on the part of the members to secure concerted action in curtailment of production and increase of price, which actually resulted in a restraint of commerce, producing increase of price.

In *United States* v. *American Linseed Oil Co., supra,* defendants entered into an agreement, with provisions

for financial forfeitures in event of its violation, for the organization and maintenance of an exchange or bureau whose function it was to gather and distribute information among the members, as to all price lists covering the product of members. Members agreed, under heavy penalties for violation, to furnish to the Bureau a "schedule of prices and terms and adhere thereto—unless more onerous ones were obtained—until prepared to give immediate notice of departure therefrom for relay by the Bureau to members." Members were required by the agreement to report by telegraph all variations of prices; the names of prospective buyers; the point of shipment; the exact prices, terms and discounts; whether sales were made to jobber, or dealer or consumer; in what quantity; and to report also by telegraph all orders received; to report daily all carload sales of product, giving full details; all such information being treated as confidential and concealed from the buyers. All information received was made available to members through the statistical surveys of the Bureau. It was provided that any subscriber who had offered his product to a prospective buyer who did not purchase, should have the right to advise the Bureau of the unsuccessful offer and to request the Bureau to "bulletin" all its subscribers, asking specific information regarding any quotations for sale to such prospective buyer, and to make to subscribers a compilation report of the information secured by such "bulletin." Members were required to give the desired information. Each subscriber was required to furnish the Bureau, upon request, information pertaining to any buyer of the product and might request the Bureau to secure like information from all other subscribers "whenever it shall have an order or account with or inquiry from the buyer". The plan as organized, was actively carried out by the defendants and the court held that the plan as operated by the defendants was a violation of the Sherman Act in that "its necessary

tendency was to suppress competition in interstate commerce." It was held that the agreement for price maintenance accompanied by free exchange of information between competitors as to current prices of the product offered for sale; full details as to purchasers, actual and prospective; and the exchange of information as to buyers and those to whom offerings were made by sellers and of the terms of such offerings, could necessarily have only one purpose and effect, namely to restrain competition among sellers. The court said, at p. 389:

"If, looking at the entire contract by which they are bound together, in the light of what has been done under it the Court can see that its necessary tendency is to suppress competition in trade between the States, the combination must be declared unlawful. That such is its tendency, we think, must be affirmed."

It is not, we think, open to question that the dissemination of pertinent information concerning any trade or business tends to stabilize that trade or business and to produce uniformity of price and trade practice. Exchange of price quotations of market commodities tends to produce uniformity of prices in the markets of the world. Knowledge of the supplies of available merchandise tends to prevent over-production and to avoid the economic disturbances produced by business crises resulting from overproduction. But the natural effect of the acquisition of wider and more scientific knowledge of business conditions, on the minds of the individuals engaged in commerce, and its consequent effect in stabilizing production and price, can hardly be deemed a restraint of commerce or if so it cannot, we think, be said to be an unreasonable restraint, or in any respect unlawful.

It is the consensus of opinion of economists and of many of the most important agencies of Government that the public interest is served by the gathering and dissemination, in the widest possible manner, of information with

respect to the production and distribution, cost and prices in actual sales, of market commodities, because the making available of such information tends to stabilize trade and industry, to produce fairer price levels and to avoid the waste which inevitably attends the unintelligent conduct of economic enterprise. Free competition means a free and open market among both buyers and sellers for the sale and distribution of commodities. Competition does not become less free merely because the conduct of commercial operations becomes more intelligent through the free distribution of knowledge of all the essential factors entering into the commercial transaction.[1] General knowledge that there is an accumulation of surplus of any market commodity would undoubtedly tend to diminish production, but the dissemination of that information cannot in itself be said to be restraint upon commerce in any legal sense. The manufacturer is free to produce, but prudence and business foresight based on that knowledge influence free choice in favor of more limited production. Restraint upon free competition begins when improper use is made of that information through any concerted action which operates to restrain the freedom of action of those who buy and sell.

It was not the purpose or the intent of the Sherman Anti-Trust Law to inhibit the intelligent conduct of business operations, nor do we conceive that its purpose was to suppress such influences as might affect the operations of interstate commerce through the application to them of the individual intelligence of those engaged in commerce, enlightened by accurate information as to the essential elements of the economics of a trade or business, however

[1] See a suggestive analysis of the Competitive System by various Economists collected and commented on in Marshall's Readings on Industrial Society, 294, 419, 479, 498, 935. See Hobson The Evolution of Modern Capitalism, 403, 5; Elementary Principles of Economics, Irving Fisher, 427, et seq.

gathered or disseminated. Persons who unite in gathering and disseminating information in trade journals and statistical reports on industry; who gather and publish statistics as to the amount of production of commodities in interstate commerce, and who report market prices, are not engaged in unlawful conspiracies in restraint of trade merely because the ultimate result of their efforts may be to stabilize prices or limit production through a better understanding of economic laws and a more general ability to conform to them, for the simple reason that the Sherman Law neither repeals economic laws nor prohibits the gathering and dissemination of information. Sellers of any commodity who guide the daily conduct of their business on the basis of market reports would hardly be deemed to be conspirators engaged in restraint of interstate commerce. They would not be any the more so merely because they became stockholders in a corporation or joint owners of a trade journal, engaged in the business of compiling and publishing such reports.

We do not conceive that the members of trade associations become such conspirators merely because they gather and disseminate information, such as is here complained of, bearing on the business in which they are engaged and make use of it in the management and control of their individual businesses; nor do we think that the proper application of the principles of decision of *Eastern States Retail Lumber Association* v. *United States* or *American Column & Lumber Co.* v. *United States* or *United States* v. *American Linseed Oil Company* leads to any such result. The court held that the defendants in those cases were engaged in conspiracies against interstate trade and commerce because it was found that the character of the information which had been gathered and the use which was made of it led irresistibly to the conclusion that they had resulted, or would necessarily result, in a concerted effort of the defendants to curtail production or raise

prices of commodities shipped in interstate commerce. The unlawfulness of the combination arose not from the fact that the defendants had effected a combination to gather and disseminate information, but from the fact that the court inferred from the peculiar circumstances of each case that concerted action had resulted, or would necessarily result, in tending arbitrarily to lessen production or increase prices.

Viewed in this light, can it be said in the present case, that the character of the information gathered by the defendants, or the use which is being made of it, leads to any necessary inference that the defendants either have made or will make any different or other use of it than would normally be made if like statistics were published in a trade journal or were published by the Department of Commerce, to which all the gathered statistics are made available? The cost of production, prompt information as to the cost of transportation, are legitimate subjects of enquiry and knowledge in any industry. So likewise is the production of the commodity in that industry, the aggregate surplus stock, and the prices at which the commodity has actually been sold in the usual course of business.

We realize that such information, gathered and disseminated among the members of a trade or business, may be the basis of agreement or concerted action to lessen production arbitrarily or to raise prices beyond the levels of production and price which would prevail if no such agreement or concerted action ensued and those engaged in commerce were left free to base individual initiative on full information of the essential elements of their business. Such concerted action constitutes a restraint of commerce and is illegal and may be enjoined, as may any other combination or activity necessarily resulting in such concerted action as was the subject of consideration in *American Column & Lumber Co.* v. *United States, supra* and *United*

States v. *American Linseed Oil Co., supra.* But in the absence of proof of such agreement or concerted action having been actually reached or actually attempted, under the present plan of operation of defendants we can find no basis in the gathering and dissemination of such information by them or in their activities under their present organization for the inference that such concerted action will necessarily result within the rule laid down in those cases.

We decide only that trade associations or combinations of persons or corporations which openly and fairly gather and disseminate information as to the cost of their product, the volume of production, the actual price which the product has brought in past transactions, stocks of merchandise on hand, approximate cost of transportation from the principal point of shipment to the points of consumption, as did these defendants, and who, as they did, meet and discuss such information and statistics without however reaching or attempting to reach any agreement or any concerted action with respect to prices or production or restraining competition, do not thereby engage in unlawful restraint of commerce.

The decree of the District Court is reversed.

MR. CHIEF JUSTICE TAFT and MR. JUSTICE SANFORD dissent from the opinions of the majority of the Court in these two cases[1] on the ground that in their judgment the evidence in each case brings it substantially within the rules stated in the *American Column Co.* and *American Linseed Oil Co. Cases,* the authority of which, as they understand, is not questioned in the opinions of the majority of the Court.

[1] The present case and the one next following.

The separate opinion of MR. JUSTICE McREYNOLDS.

These causes[1] disclose carefully developed plans to cut down normal competition in interstate trade and commerce. Long impelled by this purpose, appellants have adopted various expedients through which they evidently hoped to defeat the policy of the law without subjecting themselves to punishment.

They are parties to definite and unusual combinations and agreements, whereby each is obligated to reveal to confederates the intimate details of his business and is restricted in his freedom of action. It seems to me that ordinary knowledge of human nature and of the impelling force of greed ought to permit no serious doubt concerning the ultimate outcome of the arrangements. We may confidently expect the destruction of that kind of competition long relied upon by the public for establishment of fair prices, and to preserve which the Anti-trust Act was passed.

United States v. *American Linseed Oil Co.*, 262 U. S. 371, states the doctrine which I think should be rigorously applied. Pious protestations and smug preambles but intensify distrust when men are found busy with schemes to enrich themselves through circumventions. And the Government ought not to be required supinely to await the final destruction of competitive conditions before demanding relief through the courts. The statute supplies means for prevention. Artful gestures should not hinder their application.

I think the courts below reached right conclusions and their decrees should be affirmed.

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[1] The present case and the one next following.